



TECHNICAL AND FINANCIAL SUPPORT FOR EMPLOYERS TO GET DISADVANTAGED UNEMPLOYED AND YOUNG JOBSEEKERS INTO WORK

Employment Stimulus

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PORTUGAL

The initiative aims to encourage companies to hire the disadvantaged unemployed, with particular emphasis on supporting young jobseekers. It focuses on improving people's employability through on-the-job training provided by employers. The challenge for Portuguese young people is the transition from school to the job market. This initiative helps young people to find work by offering incentives to employers.

Name of the PES

Institute for Employment and Vocational Training (Portuguese PES)

When was the initiative implemented?

2014 – on-going
Employment Stimulus builds on the successes and objectives of the earlier project 'Estimulo 2013', implemented in 2013.

Which organisation was involved in its implementation?

Institute for Employment and Vocational Training (Portuguese PES)

Which groups were targeted by the initiative?

The initiative targeted groups of disadvantaged people such as those on social integration income programmes, families where all members are unemployed, ex-convicts and victims of domestic violence. The priority was young, 15-29-year old jobseekers registered at a job centre for at least 60 days or 12 months (depending on their status).

What were the practice's main objectives?

The main objectives of the practice are:

- ▶ To generate employment opportunities for disadvantaged jobseekers, specifically young people experiencing difficulties entering the job market;
- ▶ To encourage young people to be active and discourage negative cycles;
- ▶ To encourage employers to create new jobs for young people;
- ▶ To promote more stable labour relations between employers and employees, to reduce segmentation and to rebuild confidence in the Portuguese job market.

What activities were carried out?

Employers can take advantage of the financial support provided by Employment Stimulus in two ways:

- a. Employer submits a specific profile to PES. PES pre-selects candidates and, following interview, the employer selects one.
- b. Employer selects the candidate and then applies for support from the PES. This allows jobseekers to highlight to future employers the possibility of financial support.

Financial support is available to employers complying with the following conditions:

- ▶ Employer offers the new recruit a fixed-term or indefinite contract (full or part-time);
- ▶ The company creates a new role for the recruit. Support is not provided if the employee fills an existing role;
- ▶ The company appoints a mentor to monitor the work of the new recruit; and
- ▶ The employer provides the recruit with a minimum of 50 hours training. Ideally, training is offered during working hours and tailored to fit the job. Alternatively, training is provided by a certified training organisation. PES can help employers to find relevant training.

50% of the financial support is payable to the employer at the start of the contract, with balance payable at the finish. The amount payable is EUR 419.22 multiplied by half the number of months of the contract, up to a maximum of EUR 2012 for fixed-term contracts and EUR 5533 for permanent contracts.

What resources and other relevant organisations were involved?

The PES works with social partners (employers and employee organisations) and other relevant stakeholders to ensure the effectiveness of the initiative.

What were the source(s) of funding?

European (European Social Fund) and national funds

What were the outcomes of the initiative: people reached and tools used?

Reach:

In 2014, 35 283 disadvantaged unemployed benefited from the initiative, of which 9 900 were young jobseekers between the age of 25-29.

Products:

The initiative utilised different communication tools to reach target groups: brochures, radio advertising, audio-visual content on social media, information displayed on relevant websites such as [IEFP](#) and the [GarantiaJovem](#) portal.

What outcomes have been identified?

According to PES and social security monitoring data, around 80 % of those hired across all contract durations are still in the job at the end of the programme. Another positive outcome identified is the impact young people have on the companies. As new employees, they help generate new opportunities by thinking outside of the box. They also offer new competences and skills that may be lacking, such as languages or IT skills.

The initiative was also used to help young trainees and interns to find permanent jobs at their place of work. Companies get the opportunity to offer a contract and the intern or trainee gets to enter the job market as an employee. According to the PES data, around 70 % of interns and trainees are hired through the Employment Stimulus initiative at the end of their internships or traineeships.

Between the beginning of 2013 and 2015, youth unemployment has decreased from 37.1 % to 29.8 %. Although the Portuguese PES acknowledges that the initiative is one of a number of policies implemented to tackle youth unemployment in Portugal.

What are the lessons learnt and success factors?

PES took the successes and lessons learnt from the earlier version of the initiative (Estimulo 2013) and used them to improve the current version of the practice.

An important lesson was to clearly understand the target group in order to accurately design the service. The Portuguese PES clarified internally the stakeholders involved, mainly young jobseekers, NEETs and employers from SMEs.

A related key success factor was designing tailored communication strategies to reach all target groups via channels appropriate to them. For example, NEETs were targeted through social media platforms such as YouTube, Facebook and Twitter, while employers were approached through more traditional media such as radio.

PES also needed to make it easier for employers to use the service, therefore applications were available online. This has made the initiative more widely accessible to employers and young jobseekers. In addition, it is crucial to move away from the traditional passive role of PES. Rather than waiting for users to come to PES agencies, effort is needed to proactively reach those groups reluctant to make contact with the PES due to lack of trust. Training and campaigns are needed to raise internal awareness of PES staff.

The former Estimulo 2013 did not recognise young people as a specific target. As a consequence, PES had to make an assertive effort and to select the most appropriate communication channels to reach these young people.



Contact details for further information

Name: MOURA PINHEIRO, Vítor

Email: vitor.pinhoero@garantiajovem.pt

Telephone: + 351 218 614 395