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From: General Secretariat of the Council  
To: Delegations  
Subject: Investing in Youth Employment: Implementation of the Youth Guarantee

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Delegations will find attached the CZ country fiche.

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## CZECH REPUBLIC

### 1. Conclusions - 2017 multilateral surveillance review of the implementation of the YG

The Czech Republic has made progress in implementing the Youth Guarantee and this should continue. The labour market situation of young people is improving and is better than the EU average. Therefore the focus is on harder to reach NEETs and NEET counselling. There are partnership arrangements in place, however the PES capacity to manage those partnerships is considered to be a challenge. Implemented activities are project based: a more coherent, systematic and stable approach could be needed for the youth support scheme. Evaluation and monitoring are important and are ongoing.

## 2. YG monitoring 2016: key data

### Highlights

- ❖ No changes in the data collection method compared to previous years. The current design of the monitoring system means that data are not fully compliant with the specifications of the YG Indicator Framework.
- ❖ On average during 2016, less than a third (29.3%) of young people in the YG at any point in time had been waiting for an offer for more than 4 months.
- ❖ More than half (53.4%) of those leaving the YG in 2015 are reported to have exited to positive destinations within the target of 4 months. This represents a significant deterioration in the efficient delivery of offers compared to 2014 (66.5%).
- ❖ The Czech YG scheme covered more than half of NEETs in the country (53.2%), improved compared to 2015 (46.4%) and above the EU average.
- ❖ No follow-up data are available to assess the sustainability of YG outcomes.

## Introduction

The Czech Youth Guarantee Implementation Plan was presented in December 2013 and updated in April 2014. Implementation and monitoring of the scheme began in April 2014. Responsibility of the scheme is divided between the Ministry of Labour and Social Affairs (MLSA) and the Ministry of Education, Youth and Sports (MEYS). The MLSA is the main coordinator and focuses on employment policy measures. The MEYS focuses on preventing unemployment and social exclusion by increasing the efficiency of the educational system according to the needs of the labour market.

Further information is available in the national Youth Guarantee Implementation Plan.

## 1 Quality of data

### 1.1. Key changes compared to 2015

There have been no changes in the way that the YG data for 2016 have been compiled when compared to previous years.

### 1.2. Data quality 2016

The Czech Republic has provided the data requested, though there are some important issues to resolve in order to align the data with the specifications of the YG Indicator Framework. These apply to observations of all main variables – entrants, stocks and exits. There are two main issues:

- Firstly, the Czech monitoring system is designed to track young people entering the YG only for up to 12 months after registration. That means that participants leaving the YG preparatory phase more than a year after registering are not counted as exits and do not contribute to stocks for the period from 12 months of registration to exit. Therefore, stocks and, in particular, those with long durations are understated.

- Secondly, young people taking up offers that do not break the unemployment spell (e.g. labour market training measures) are still included in stocks despite having been counted as an exit. Further, after the end of the activity, if they return to unemployment, they are not counted as restarts (as required by the methodology) but may be counted again as an exit when the unemployment spell actually ends (i.e. one entrant can have two exits). Consequently, stocks (and their duration) are overstated and entrants understated.

The Czech Republic has not provided any follow-up data but, apart from this, data are mostly complete, the only exception being the breakdown of entrants by previous YG experience. The proportion of unknown destinations for exits is relatively high (32%).

Details of the data provided and any divergence from the definitions are presented in [Table 1](#).

**Table 1: Completion and comparability of direct monitoring data, 2016**

Coverage of data	
<b>Providers</b>	Labour Office of the Czech Republic (PES)
<b>Participants</b>	All young people aged 15-29 registered with the PES as unemployed
Completion of data	
<b>Missing data</b>	<ul style="list-style-type: none"> <li>– Breakdown of entrants by previous YG experience.</li> <li>– Re-entrants of participants that had initially exited in traineeships.</li> <li>– Exit and stock data for participants that stayed in the YG preparatory phase for more than a year.</li> <li>– Data on exits to inactivity.</li> <li>– Follow-up data.</li> </ul>
Data recording	
<b>Stocks</b>	<ul style="list-style-type: none"> <li>– Stocks include young people participating in ALMP that do not break the unemployment spell.</li> <li>– Participants who remain longer than 12 months in the YG are not included in stocks.</li> </ul>
<b>Exits by destination</b>	<ul style="list-style-type: none"> <li>– Participants who remain longer than 12 months in the YG are not included in exits.</li> <li>– Exits to continued education include exits to 1-day trainings. However, this is very rare.</li> <li>– For exits to ALMP where participants remain registered with the PES, a participant may have two exits (but only one entry).</li> <li>– Exits to inactivity cannot be monitored.</li> <li>– Exits to traineeships that take place in the Czech Republic are recorded as exits to employment. Exits to traineeships that take place abroad are correctly recorded as exits to traineeships.</li> <li>– Apprenticeships are not a possible destination as there is no dual system.</li> <li>– Proportion of unknown destinations: 32%</li> </ul>
Comparability of data	
<b>Definitions</b>	<ul style="list-style-type: none"> <li>– Participants who remain longer than 12 months in the YG are not included in exits or stocks.</li> <li>– Stocks include young people participating in ALMP that do not break the unemployment spell.</li> <li>– For exits to ALMP where participants remain registered with the PES, a participant may have two exits (but only one entry).</li> </ul>
<b>Across time</b>	Data are comparable. Note that the YG implementation started in April 2014 so that monitoring data do not cover the whole year.

Source: YG monitoring template (quantitative data).

## 2 Monitoring results

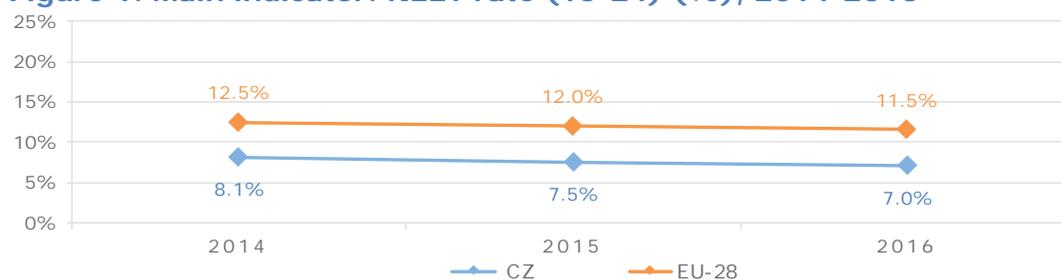
This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators are, however, based on national administrative data and, although they are in principle based on a common methodological framework, differences in definitions, institutional practices and the capacity to collect all of the necessary data, particularly in relation to follow-up, may impact on the comparability of data between countries. Readers are recommended to refer to the [Notes about the data](#) in annex to this report.

### 2.1 Aggregate monitoring: Macroeconomic indicators

Indicators for aggregate level monitoring of the YG are based on data from the EU Labour Force Survey (LFS) and are intended to monitor the general situation of young people in the EU. The evolution of these indicators through time represents an indirect means of monitoring the effects of implementing the YG and may also reflect the impact of preventive measures to help young people avoid falling into unemployment or inactivity. The aggregate level indicators are complemented by the direct and follow-up level indicators that monitor the efficiency and effectiveness of YG delivery and help to disentangle the impact of policy measures from general economic developments.

The main indicator for YG monitoring at the aggregate level is the NEET rate for young people aged 15-24 – i.e. the proportion of people aged 15-24 that are not in employment, education or training. In 2016, the NEET rate in the Czech Republic was 7.0%, well below the EU average of 11.5% (see [Figure 1](#)). Compared to 2014, the year the YG started, the NEET rate has improved (fallen) by 1 percentage point, in line with the improvement seen at EU level.

**Figure 1: Main indicator: NEET rate (15-24) (%), 2014-2016**



Source: Eurostat, Labour Force Survey, data extracted 19 October 2017.

### 2.2 Direct-monitoring: effectiveness of YG implementation

The main indicator for direct monitoring shows that, on average in 2016, 29.3% of young people aged 15-24 registered in the YG preparatory phase had been waiting for an offer for more than 4 months, well below the EU average of 49.1% and significantly improved compared to 2014 and 2015 (62.3% in 2014 and 47.3% in 2015).

Note, however, that stock figures and the breakdown by duration are not fully reliable because the data include people participating in training that does not break the unemployment spell even though it is counted as an offer and therefore as an exit. It means that stock figures are overstated and that the duration of participation for affected participants is also overstated. At the same time, total stock figures and longer durations are understated because the data track only the first 12 months of participation in the YG and therefore miss those waiting longer for an offer.

**Table 3: Main indicator: Proportion of young people in the YG preparatory phase beyond the 4-month target, 2016**

Still in the YG preparatory phase after 4 months:	2016	2014-2016 change (pp)	EU average Total (15-24)
Total (15-24)	29.3%	-33.0	49.1%
<b>Breakdown by age</b>			
15-19	30.5%	-13.5	46.2%
20-24	28.8%	-37.1	49.3%
<b>Breakdown by gender</b>			
Men	27.9%	-34.7	48.0%
Women	30.7%	-31.2	49.9%

Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

The extent to which either of the above issues affect the indicator results is not known but it appears that the impact could be reasonably significant. The 2016 data show that, on average, 0.9% of those in the YG at any point in time had been waiting for an offer for 12 months or more. Since the data tracking stops after 12 months, this represents people that had been in the YG for exactly a year. It seems likely that a reasonable proportion of these will have continued in the YG beyond this point but are not recorded in the data (Figure 2). Note that this figure is considerably lower compared to 2015 (16.5%), while duration of 12 or more months was not possible in 2014 as the YG implementation started only in April.

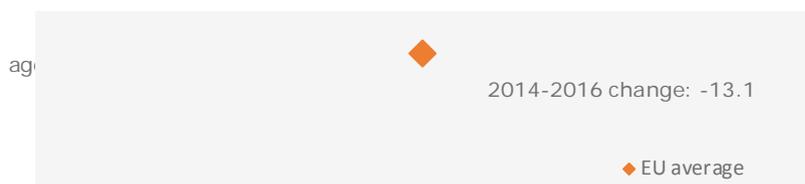
The supplementary indicator on positive and timely exits shows that slightly more than half of those leaving the YG in 2016 (53.4%) took up an offer within the target period of 4 months (Figure 2). This figure is above the EU average (44.5%) but considerably lower than previous years (61.5% in 2015 and 66.5% in 2015). The decline in this indicator seems somewhat inconsistent with the improved result for the main indicator and seems to reflect an increasing proportion of exits to unknown destinations. Since negative destinations cannot be monitored (unemployment is not possible by definition and inactivity cannot be tracked), the data record only positive and unknown destinations so an increase in the share of one is automatically compensated by a decrease in the other. The reason for increased unknown destinations is unclear.

## Figure 2: YG implementation, direct monitoring indicators, 2016

Main indicator: Proportion of young people in the YG preparatory phase beyond the 4-month target (durations 4,6 and 12 months) (% YG stock)



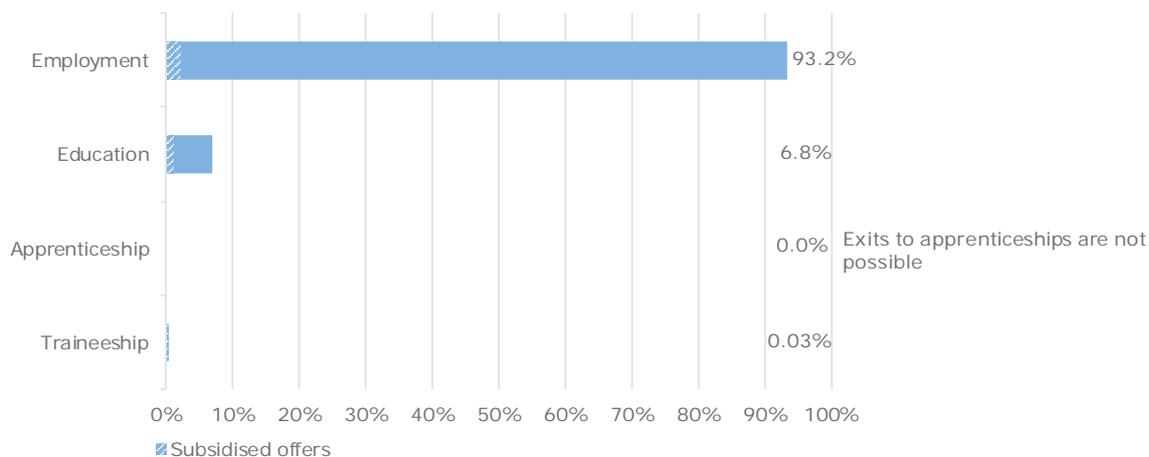
Supplementary indicator: Positive and timely exits from the YG preparatory phase (% exits)



Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

Two in three participants (67.8%) that left the YG within 4 months of registration went to positive destinations. Almost all of these (93.2%) took up an offer of employment with the remaining 6.8% taking up education offers and a negligible proportion a traineeship (0.03%, see Figure 3). Exits to apprenticeships are not possible as the Czech Republic does not have a dual system. Only 3.3% of all offers were subsidised, well below the EU average of 30.5% and considerably reduced compared to previous years (13.5% in 2014 and 10.6% in 2015). All of the few traineeship offers were subsidised but only 2.3% of employment offers 16.4% of education offers. This means that 91.1% of all timely and positive exits were to open market jobs.

## Figure 3: Distribution of positive and timely exits by destination (% timely & positive exits), 2016



Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

### 2.3 Direct monitoring: coverage of the YG target population

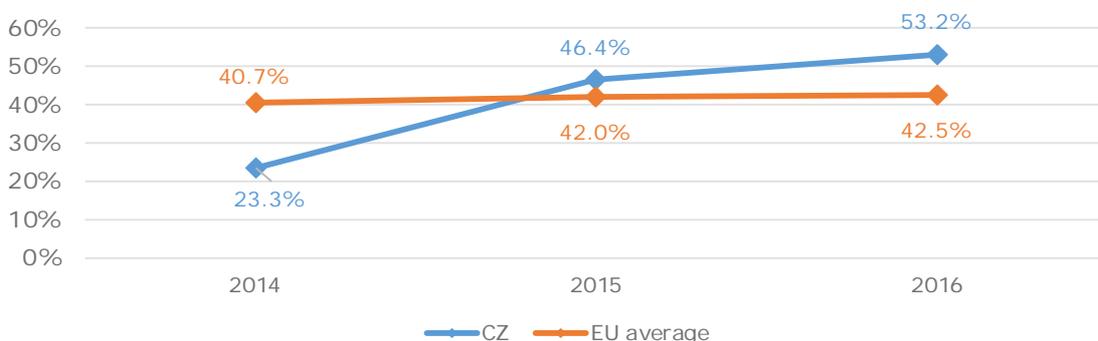
The Council Recommendation on establishing a Youth Guarantee<sup>1</sup> aims to ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. Reaching the entire population, and in particular those that do not come forwards on their own initiative, is one of the key challenges confronting YG providers in all countries.

The second supplementary indicator for direct monitoring uses NEET rates and population data published by Eurostat together with the annual average stock of participants in the YG preparatory phase in order to estimate the proportion of the NEET population that is covered by the YG scheme (see Figure 4). Note that the criteria used to delimit the NEET population used in the denominator, which is derived from the EU Labour Force Survey (LFS), may differ from the specific conditions applied in each country to register in the YG, so that the two populations may not fully overlap. In other words, the LFS NEET population is a proxy for, rather than an exact measure of, the YG target population. Consequently, results for this indicator should be considered as the best available estimate of the coverage of YG schemes.

Results show that, on average in 2016, 53.2% of the NEET population in the Czech Republic was covered by the YG scheme, 10 pp above the EU average of 42.5% and more than double the coverage observed in 2014 (23.3%). The increase in coverage reflects the maturation of the scheme – the 2014 data covered only young people registering with the PES as unemployed after April, but coverage has also increased compared to 2015 (46.4%).

Coverage varies significantly by age and sex, being much better for the 15-19 age-group (89.7%) than for the 20-24 age-group (46.3%); and also for men than for women (68.6% vs 42.7%).

**Figure 4: YG participants as a proportion of the NEET population (%), 2016**



Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

### 2.4 Follow-up: sustainability of YG outcomes

The Czech Republic has not yet been able to provide any follow-up data to assess the sustainability of YG outcomes.

<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

## 2.5 Additional results for the 25-29 age-group

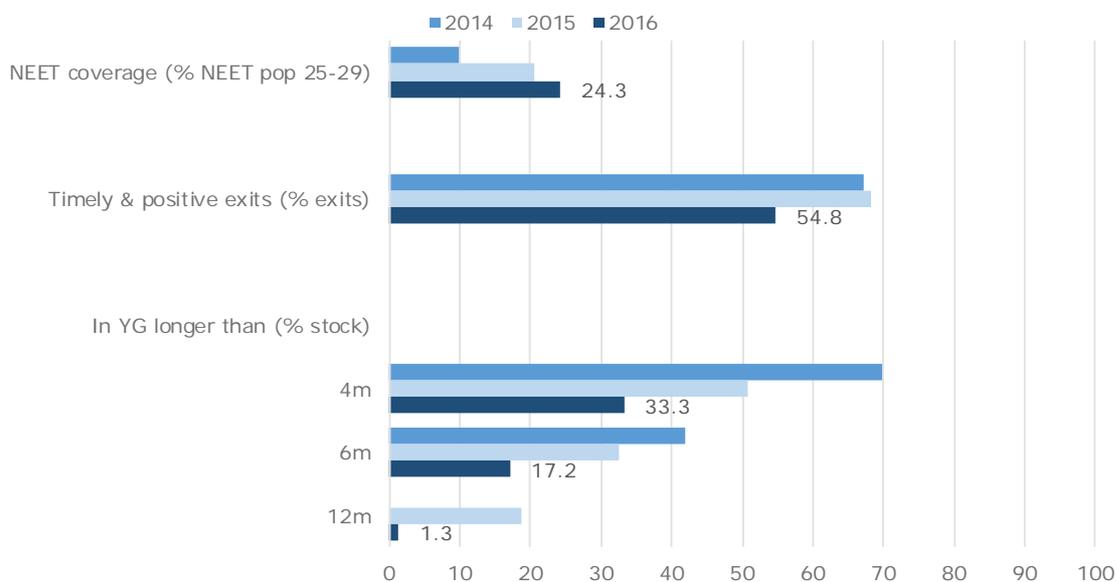
The Czech YG scheme also covers young people aged 25-29. Accordingly, optional data for the 25-29 age-group were provided and key results are shown in [Figure 5](#).

On average during 2016, a third (33.3%) of those aged 25-29 registered in the YG had been registered for more than 4 months. As for the main target group aged 15-24, this represents a considerable improvement compared to previous years (69.9% in 2014 and 50.7% in 2015). Similarly, the proportion of timely and positive exits (54.8%) is lower than in previous years (67.3% in 2014 and 68.2% in 2015). Again, this reflects an increased proportion going to unknown destinations.

Almost a quarter (24.3%) of NEETs aged 25-29 were covered by the Czech YG in 2016. This figure is well below the EU average of 33.6% and much lower than the figure for the younger age group (53.2%). In essence, coverage decreases with age: 89.7% for those aged 15-19, 46.3% for those aged 20-24 and 24.3% for those aged 25-29. However, coverage of the older age group has increased over time.

Follow-up data on the situation of participants 6, 12 and 18 months after exiting the YG were not provided.

**Figure 5: Key indicators for the 25-29 age-group, 2014 – 2016**



Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

# Annex

## Notes about the data

**Comparability.** Data are compiled on the basis of a common methodology - the [Indicator Framework for Monitoring the Youth Guarantee](#), endorsed by the Employment Committee (EMCO) in May 2015, and the accompanying methodological manual – and are therefore considered broadly comparable between countries. Nevertheless, it is important to bear in mind that the data for direct and follow-up monitoring are derived from national administrative registers that are designed to support and monitor specific national systems, which vary in terms of the processes followed and definitions applied and may, therefore, result in some inherent differences between countries. These differences are, however, expected to be relatively minor and more important differences are those that derive from the way in which YG schemes have been implemented and the capacity of countries to provide complete data.

In relation to implementation, the size and composition of the population registered in the YG will initially be different for countries that implemented the YG as a completely new approach and monitored inflows starting from zero, compared to countries that implemented the YG as a reinforcement of existing processes and monitored inflows accumulating with the existing stock. Countries in the former group will tend to have a smaller stock with lower average duration. Differences that result from this artefact of the data are guaranteed to reduce through time, evidence of convergence was apparent already in the 2015 data, and continued in the 2016 data.

The capacity of countries to monitor what happens to young people on leaving the YG impacts on the quality of data on both exits and follow-up but particularly for the latter. Almost half of Member States (15) either provide no follow-up data (8) or do not know the subsequent situation of the majority (at least 2/3) of young people passing through the YG (7 countries).<sup>2</sup> The problem derives from a lack of capacity to routinely link administrative registers or legal restrictions to do so. The investment needed to link PES registers and other administrative registers (e.g. social security) would have benefits not only for YG monitoring but also for other EU level data collections (e.g. LTU and LMP) as well as providing a base for policy evaluation at national level.

**Coverage indicator.** The second supplementary indicator for direct monitoring measures the proportion of the NEET population (average across the year) that is registered in the YG preparatory phase (annual average stock). Whilst data for the numerator are derived from administrative data in each country, the only available comparable data on the size of the NEET population that can be used as a denominator derive from the EU Labour Force Survey. This uses a definition of NEETs that is common across countries<sup>3</sup> but which may vary from the definitions applied in the context of national YG schemes and in the administrative data used to monitor these. Results should thus be interpreted as an estimation, rather than a definitive measurement, of the extent to which YG schemes achieve the objective of reaching all young people that become, or are already, NEET.

**EU level data.** Figures labelled “**EU-28**” used in aggregate level monitoring are based on aggregates of all NEETs in all Member States and therefore represent weighted averages, which can be significantly influenced by the situation in a small number of large countries. Figures labelled “**EU average**” are unweighted averages of all available country figures. In relation to the destination of exits and follow-up data, the EU averages are liable to be understated due to significant numbers of unknown destinations or subsequent situations in some countries.

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<sup>2</sup> Based on 2016 data for Follow-up T-1 (i.e. data on the situation of participants who left the YG preparatory phase in 2015).

<sup>3</sup> See [http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Young\\_people\\_neither\\_in\\_employment\\_nor\\_in\\_education\\_and\\_training\\_\(NEET\)](http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Young_people_neither_in_employment_nor_in_education_and_training_(NEET))