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

Delegations will find attached the DE country fiche.

GERMANY

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

The labour market situation of young people in Germany continues to be good, with low youth unemployment and NEET rates. The Youth Guarantee system is well developed and functioning appropriately. Building on previous progress, Germany continues intensifying their efforts to improve the system further, including the Alliance for initial and further training, the new partnership with key stakeholders now being developed, and the collaboration with Youth Employment Agencies. EMCO looks forward to seeing the results of recent monitoring of the work of these Agencies. In this context, the challenge of integrating certain groups, such as people with migrant background, refugees, and young women deserves continuous attention. Monitoring remains a challenge, in particular for follow-up of exits of the system, due to the complex organisational setting of information sources. This merits further efforts.

2. YG monitoring 2016: key data

Highlights

- ❖ Improved coverage of the monitoring data compared to the previous YG data collection.
- ❖ On average during 2016, 45.9% of those registered in the YG preparatory phase had been waiting for an offer for more than 4 months.
- ❖ Just over half of those leaving the YG in 2016 (51.7%) took up an offer within 4 months of registration.
- ❖ Almost two-thirds of all NEETs aged under 25 in Germany were registered in the YG scheme at any point during 2016.
- ❖ Follow-up data to look at subsequent outcomes are not yet available.

Introduction

Germany presented its Youth Guarantee Implementation Plan in April 2014. The document presents all medium and long-term measures to improve structures to support young people's integration into both vocational education/training and employment. January 1, 2014 was set as the start-date of the monitoring of YG in Germany.

The Federal Ministry for Labour and Social Affairs (BMAS) is responsible for establishing and managing the Youth Guarantee and for coordinating the associated partnerships across all levels and sectors. The Federal Employment Agency (BA) is the key service provider in the German labour market as it provides comprehensive placement into employment and into vocational education -as well as training services for individuals, businesses and other institutions. Finally, job centres provide services such as placement and advice, activation and integration, vocational education and training, continuing vocational training, and job placement with the aim of ending or reducing an individual's need level, and assistance towards living expenses.

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

1 Quality of data

1.1. Key changes compared to 2015

The German data have been improved in terms of completion as data from the vocational guidance/counselling departments of the public employment agencies and jobcentres have been added so that data now also cover applicants for vocational training aged 15-29. Previous data for 2014 and 2015 have been revised accordingly, ensuring that comparison across years is possible.

1.2. Data quality 2016

Germany has provided the majority of data requested. The only exceptions are the missing follow-up data and the detailed breakdown of entrants with previous YG experience (i.e. whether they benefitted from an offer or not).

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	
Providers	Federal employment agency, joint facilities (jobcentres gE), approved local authority agencies (jobcentres zKT).
Participants	<ul style="list-style-type: none"> – All registered unemployed aged 15-29. – Applicants for vocational training aged 15-29.
Completion of data	
Missing data	<ul style="list-style-type: none"> – Detailed breakdown of entrants with previous YG experience (with/without an offer). – Follow-up data. Data will be available in the future.
Data recording	
Exits by destination	<ul style="list-style-type: none"> – Exits to employment and traineeships include some exits to education. – Exits to education include some exits to apprenticeships. – Exits to apprenticeships include some exits to education. – Proportion of unknown destinations: 0.6%
Comparability of data	
Definitions	<ul style="list-style-type: none"> – Exits: instead of the 28-day rule (§21) the national 42-day rule is applied. – Stocks: computation of duration differs slightly from definition (§73 - 76).
Across time	– Data are generally comparable.

Source: YG monitoring template (quantitative data).

2 Monitoring results

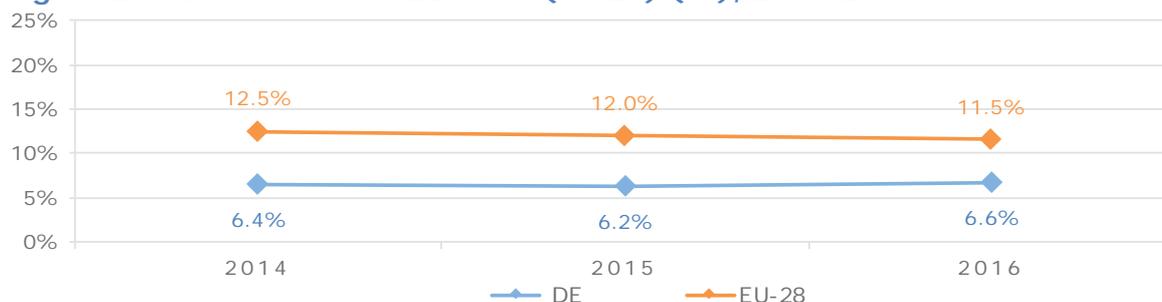
This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators 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 Germany was only just over half that seen across the EU as a whole, 6.6% compared to 11.5%. This figure has remained more or less constant since 2014, the year the YG started, while there has been a reduction of 1 percentage point at EU level (see [Figure 2](#)).

Figure 2: 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, 45.9% of young people aged 15-24 were still in the YG preparatory phase beyond the 4-month target, below the EU average of 49.1%. In 2014, the first year of YG implementation, duration was measured from the launch date (1 January) rather than from the date of registration. Consequently, for those that had registered as unemployed already in 2013 or before, their duration of participation in the YG was shorter than the actual duration of the unemployment spell and durations in excess of 4 months were possible only from May onwards. Hence, results for 2014 are affected by shorter durations than the actual duration and not directly comparable to 2015 and 2016 results. The share of the stock with more than 4 months duration was 46.5% in 2015 and remained close to this level in 2016 (45.9%).

Retention beyond the 4-month target was higher in 2016 for those aged 20-24 (47.6%) than for those aged 15-19 (41.9%) (see [Table 3](#)).

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)	45.9%	+15.1	49.1%
Breakdown by age			
15-19	41.9%	+14.4	46.2%
20-24	47.6%	+15.7	49.3%
Breakdown by gender			
Men	45.0%	+14.4	48.0%
Women	47.3%	+16.2	49.9%

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

The proportion of participants registered in the YG for more than 6 months (34.0%) and more than 12 months (17.0%) were also below the EU averages (36.2% and 18.3% respectively, see [Figure 3](#)).

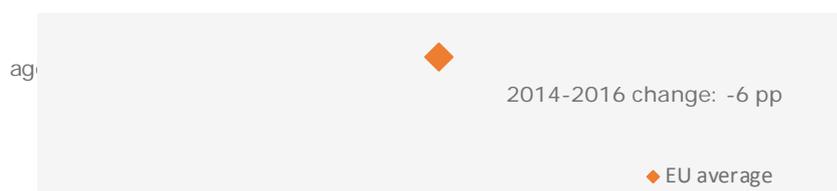
The supplementary indicator on positive and timely exits shows that half (51.7%) of those leaving the YG in 2016 took up an offer within the target period of 4 months ([Figure 3](#)). This result is a deterioration compared to 2014 (-6 pp) but is still above the EU average of 44.5%.

Figure 3: 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)

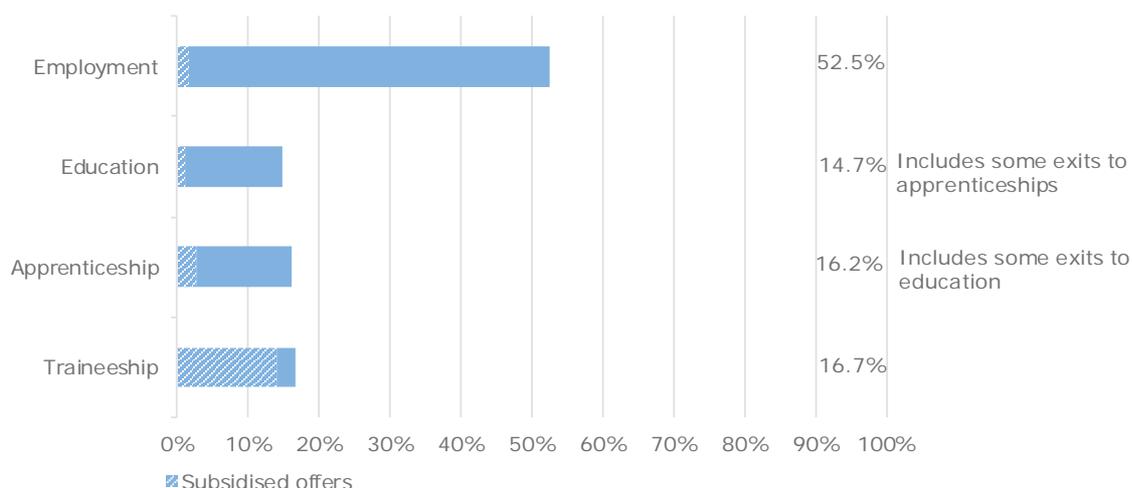


Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

Three in four (74.7%) of those that left the YG within the 4-month target went to positive destinations. Half of them exited to employment (52.5%), whereas the rest were more or less equally divided among apprenticeships (16.2%), traineeships (16.7%) and education (14.7%) (see Figure 4).

Less than a fifth of offers were subsidised (19.3%), well below the EU average of 30.5%. The proportion of subsidised offers is significant only for traineeships (83.1%).

Figure 4: Distribution of positive and timely exits by destination (% timely & positive exits), 2016



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

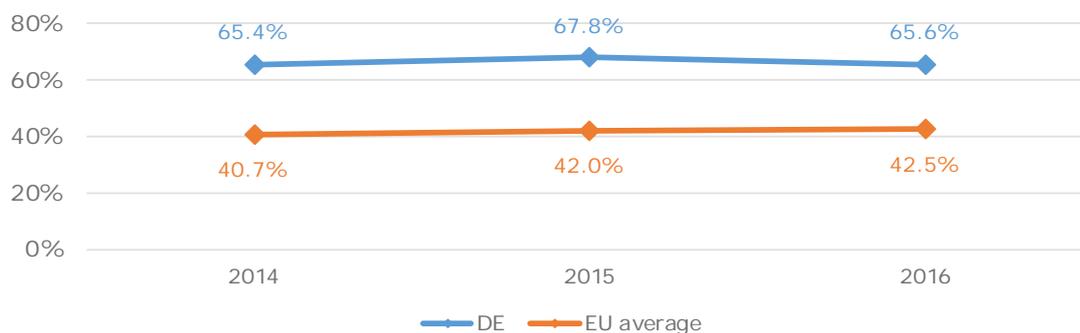
2.3 Direct monitoring: coverage of the YG target population

The Council Recommendation on establishing a Youth Guarantee¹ 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 5). 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.

In Germany, more than three fifths (65.6%) of NEETs aged 15-24 were enrolled in the YG scheme at any point during 2016, that is virtually the same as in 2014 (65.4%), and considerably above the EU average of 42.5%. Overall, the direct monitoring indicators indicate that young people receive relevant support on their transition to the labour market and thus an effective implementation of the YG in Germany is plausible. Coverage of the NEET population is well above average, retention beyond the 4-month target is below average and delivery of offers within 4 months is above average.

Figure 5: 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

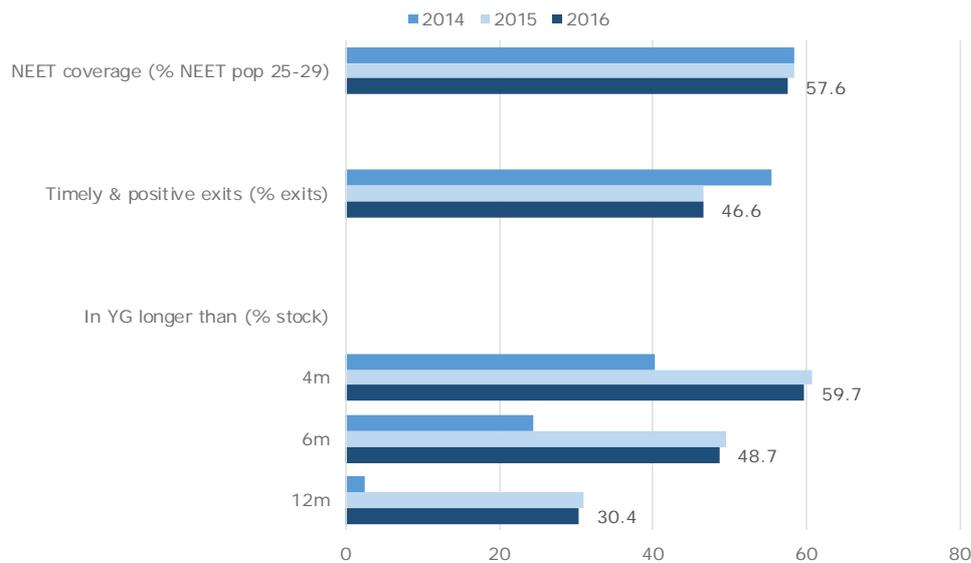
Germany has not yet been able to provide any follow-up data to assess the sustainability of YG outcomes but is planning this for next year.

2.5 Additional results for the 25-29 age-group

The German 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 6.

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

Figure 6: Key indicators for the 25-29 age-group, 2014 - 2016



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

Almost three in five (57.6%) of NEETs aged 25-29 were covered by the German YG. This figure is well above the EU average of 33.6% but lower than the figure for the younger age group (65.6%). The proportion of people aged 25-29 registered for more than 4 months in the YG is more than 10 pp higher than for those aged 15-24 (59.7% vs 45.9%). This difference persists with longer retention periods (48.7% vs 34.0% for more than 6 months, 30.4% vs 17.0% for more than 12 months). Correspondingly, the proportion of timely and positive exits is lower (46.6% vs 51.7% for the younger age group). This result is noticeably lower than in 2014 (55.4%).

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.

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)². 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 countries³ but which may vary from the definitions applied in the context of national YG schemes and in the administrative data used to monitor. 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.

² 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).

³ 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))