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COVER NOTE

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

Delegations will find attached the DK country fiche.

DENMARK

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

Denmark has a well-established range of policy measures focused on young people and had already fulfilled the Council Recommendation on establishing the Youth Guarantee even before it was endorsed in April 2013.

The country has established a strong partnership-based approach for the YG with inputs from job centres, municipalities, educational institutions, youth guidance centres, production schools, youth units, unemployment insurance funds, social partners, and others. This partnership approach will be further strengthened (possibly through the introduction of one stop shops).

The organization of the YG and the partnership approach results in offers of quality, leading to sustainable outcomes.

More efforts to increase the coverage of those NEETs who are not registered with the PES or an educational institution would be welcome. Besides, while some measures already address the issue, there should be enhanced focus on people with low educational attainment and skills, as well as young unemployed migrants.

2. YG monitoring 2016: key data

Highlights

- ❖ On average during 2016, less than two fifths (37.9%) of those registered in the YG at any point in time had been waiting for an offer for more than 4 months, a slight increase (+4.2pp) compared to 2015.
- ❖ Over two thirds (67.3%) of those leaving the YG in 2016 took up an offer within the 4-month target, demonstrating continued effective implementation.
- ❖ On average, the Danish YG scheme covered 58.4% of NEETs aged under 25, well above the EU average of 43.0%.
- ❖ Nearly two-thirds (63.8%) of those leaving the YG in 2016 were in a positive situation 6 months later. Moreover, longer-term follow-up data for those leaving the YG in 2014 and 2015 suggest that these outcomes are sustainable.

Introduction

Denmark has a well-established range of policy measures focused on young people that already fulfilled the spirit of the Council Recommendation on establishing the Youth Guarantee before it was endorsed by all Member States in April 2013. The Danish Youth Guarantee Implementation Plan published in April 2014 summarises the existing policy infrastructure and recent reforms aimed at reinforcing the support available to young people.

Danish policy for young people – taken to be all those aged under 30 - is focused first on ensuring a decent education and there are accordingly three policy threads based on the educational needs of each young person: to prepare people for education, to give people an education, and to help those with an education to find work. Policies are focused on early intervention and activation and there is range of cash benefits available to support young people in different situations. Implementation of the YG in Denmark is very much a partnership approach with inputs from job centres, municipalities, educational institutions, youth guidance centres, production schools, youth units, unemployment insurance funds, social partners, and others.

More information is available in the national YG implementation plan.

1 Quality of data

1.1. Key changes compared to 2015

Some minor technical improvements and one important correction have been made to the Danish YG data in order to ensure compliance with the specifications of the Indicator Framework. In particular, the recording of entrants has been corrected to exclude the carry over stock from the previous year (see below). Where relevant, 2014 and 2015 data have been revised accordingly.

At the same time, the data have been revised to cover only people starting a claim for relevant benefits. Previously persons moving directly into an active labour market measure (i.e. an offer) were also recorded. The exclusion of this group understates the delivery of offers and impacts adversely on the supplementary indicator on timely exits (2015: from around 75% to 68%). In future, this group will be reinstated in the data.

Improved compliance with definitions of the YG Indicator Framework:

- In the 2015 data, the entrants reported included the carry-over stock from end-2014 as well as new entrants in the year. This was a mistake following the approach used in 2014 when data were reported as if all young persons already in receipt of a relevant benefit at end 2013 were automatically transferred into the YG on the launch date. The entrants data for 2015 and 2016 now correctly record only new entrants and the 2014 data have also been revised on the same basis. This means that the data for 2014 treat the YG scheme as a continuation of existing processes rather than as a new process, which seems entirely reasonable for Denmark given the well-established policy framework for supporting young people.

Improved coverage:

- Young people in receipt of two additional social benefits (one new benefit, one previously omitted) are now recorded as YG participants.
- The time of extraction: final data for 2016 were extracted later than in 2015 (September vs. April). The 6-month follow-up data are therefore far more complete (i.e. lower number of “not applicable”).

Technical changes:

- Data extractions are now made in the last full week of a month rather than the last beginning week of a month. This ensures that people who e.g. begin/stop receiving a benefit at the start/end of a month are counted correctly.
- The recording of entrants has been aligned with the approach applied to exits and stocks. Previously, a person was counted as an entrant if they received benefits for 2 consecutive weeks without having received benefits 1 week before. The “break” period is now extended to 2 weeks to match the recording of an exit, which is defined to occur after 2 consecutive weeks without receiving a benefit. Previously, the small inconsistency meant that a person could potentially be counted as an entrant while still being in the stock.
- Previously, a person was counted as an entrant if they started receiving a benefit passively or went straight to an ALMP intervention. Since participation in an ALMP measure is considered an offer, these people were counted as entrants and exits at the same time (without contributing to stocks). However, in the latest extraction of data from the national registers, the data count only people who start receiving benefits passively and exclude those moving directly into an active measure (offer). This means the data understate the numbers benefitting from timely offers and adversely impacts on the supplementary indicator on timely offers (in 2015 from around 75% to 68%). Next year data will most likely be revised again to reinstate this group.

1.2. Data quality 2016

The Danish data for monitoring the YG are 100% complete and are largely in accordance with the specifications of the Indicator Framework. The only obvious improvement would be to reinstate coverage of people moving straight into an ALMP measure.

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	Public Employment Service (PES)
Participants	<p>Young people aged 15-24 registering with job centres (PES) organised at municipal level and in receipt of a social benefit. Data therefore cover both inactive and unemployed NEETs, inactive in this regard meaning that they are not immediately “available” to work.</p> <p>People moving straight to an ALMP measure (entry and exit at the same time) are not included in the current dataset.</p>
Completion of data	
Missing data	None.
Data recording	
Exits by destination	<ul style="list-style-type: none"> – Exit coincides with end of a claim for benefits, which is effectively the end of the unemployment spell, so destination unemployment is always zero – Exits to apprenticeships provided by the regular education and training system are recorded as exits to education. Apprenticeship offers provided through the YG framework are open only to people aged 25 or over so that exits to apprenticeships in the monitoring data, which cover those aged 15-24 on entry, are limited and refer to people that became 25 after entering the YG. – Proportion of unknown destinations: 16%
Follow-up T	<ul style="list-style-type: none"> – Young people in an apprenticeship are recorded as being in education when the apprenticeship is paid with an education grant or in employment when the apprenticeship is paid by the workplace. – Proportion of unknown situations (6m after exit): 11%
Comparability of data	
Definitions	– Unemployment refers to people receiving an unemployment benefit.
Across time	– Data are 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.

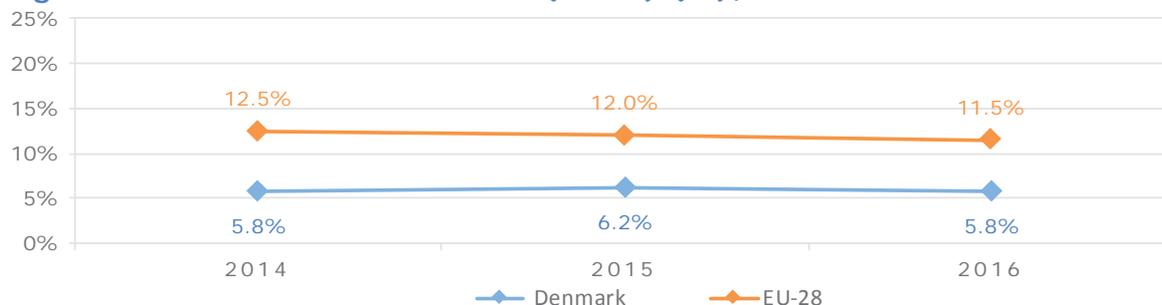
2.1 Aggregate monitoring: Macroeconomic indicators

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 Denmark was less than half that seen across the EU as a whole, 5.8% 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, 37.9% of young people aged 15-24 were still in the YG preparatory phase beyond the 4-month target, well below the EU average of 49.1%, but slightly higher than in 2014 (+4.2 pp).

Retention beyond the 4-month target is higher for young women (40.3% vs 35.2% for men) and for those aged 15-19 (43.9% vs 36.6% for those aged 20-24) (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)	37.9%	+4.2	49.1%
Breakdown by age			
15-19	43.9%	+5.7	46.2%
20-24	36.6%	+3.9	49.3%
Breakdown by gender			
Men	35.2%	+5.1	48.0%
Women	40.3%	+3.1	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 (27.4%) and more than 12 months (12.6%) were also below the EU averages (36.2% and 18.3% respectively, Figure 3) and have increased over time (+3.9 pp and 2.4 pp).

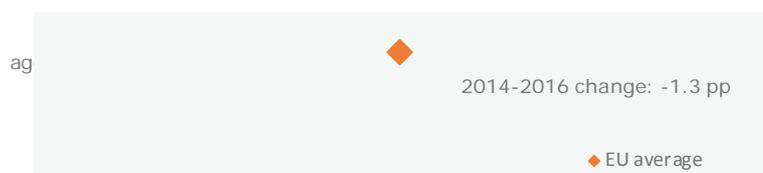
The supplementary indicator on positive and timely exits shows that over two thirds (67.3%) of those leaving the YG in 2016 took up an offer within the target period of 4 months (Figure 3). This result is only a slight drop compared to 2014 and is still above the EU average of 44.5%; it suggests sustained effective implementation of the scheme in terms of ensuring delivery of an offer within the 4-month target period. Note also that these figures are understated because the current data do not include young people entering an active labour market measure directly (i.e. without first experiencing a spell on benefits). On the basis of data for 2015 this group could elevate the proportion of timely exits by around 8 percentage points. In future data will be revised to include this group.

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)



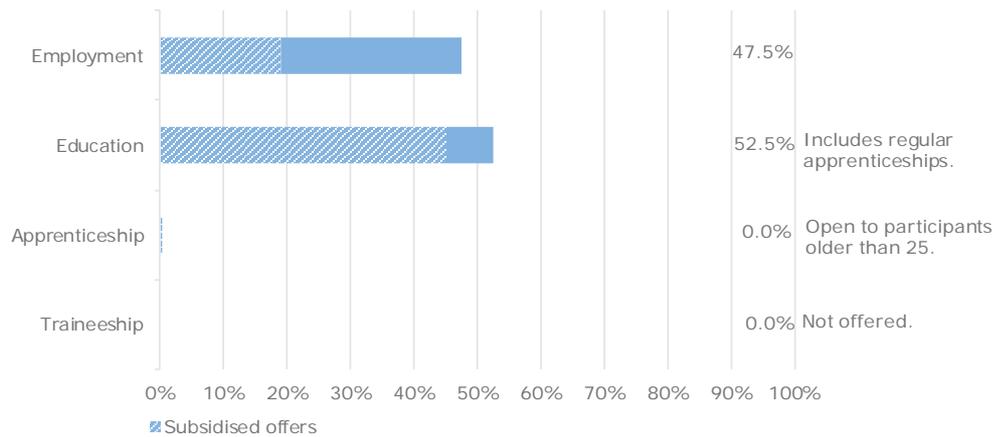
Supplementary indicator: Positive and timely exits from the YG preparatory phase (% exits)



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

More than three in four (77.8%) of those that left the YG within the 4-month target went to positive destinations. As traineeships are not offered by the Danish YG and the majority of apprenticeships are recorded under education (only apprenticeships open to those aged 25 or over are recorded as exits to apprenticeships), positive exits refer almost exclusively to offers of education and employment (see Figure 4). Despite the policy focus on education, in 2016 the distribution of positive and timely exits was more balanced than in previous years, with 52.5% of participants taking up an education offer and the remaining 47.5% an employment offer.

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.

More than eight in ten (86.1%) of timely exits to education and two fifths (40.1%) of exits to employment were subsidised. The remaining exits to education refer to returns to the regular education and training system, whereas the remaining employment offers refer to open market jobs (22% of all timely offers).

2.3 Direct monitoring: coverage of the YG target population

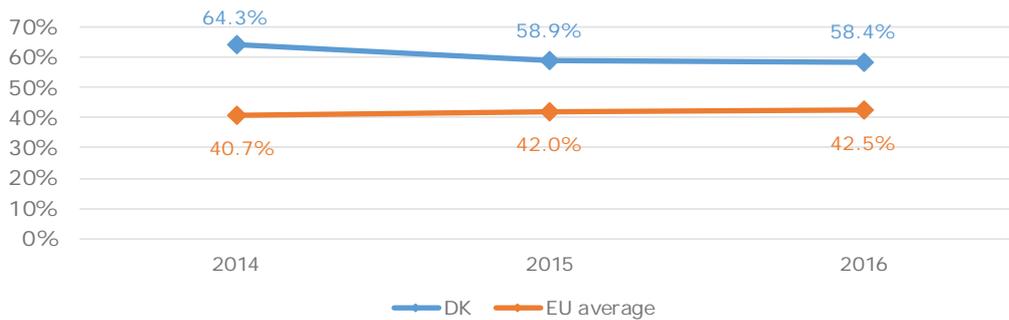
The Council Recommendation on establishing a Youth Guarantee¹ aims to ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. Reaching 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).

In Denmark, nearly three in five (58.4%) of NEETs aged 15-24 were enrolled in the Danish YG scheme at any point during 2016, virtually the same as in 2015 (58.39%), and considerably above the EU average of 42.5%. 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.

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

Figure 5: YG participants as a proportion of the NEET population (%), 2016



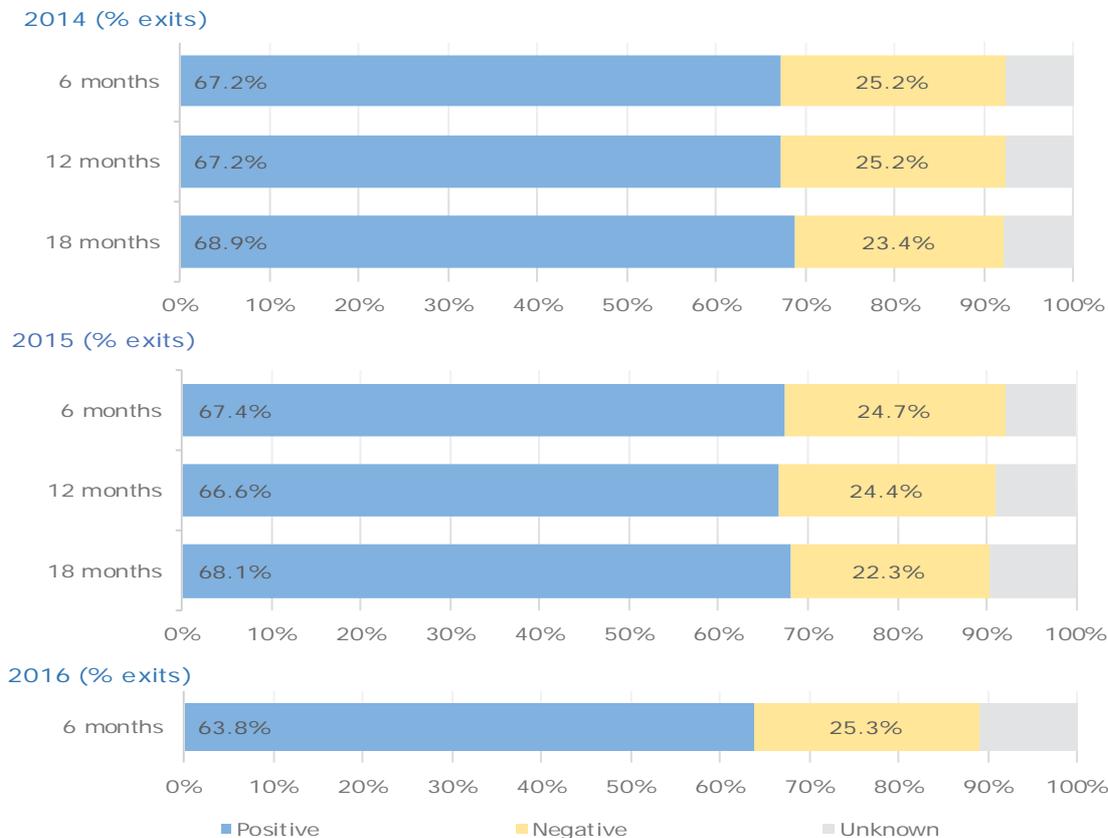
Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

2.4 Follow-up: sustainability of YG outcomes

The main follow-up indicator on the situation of young people after exiting the YG preparatory phase shows that, in Denmark, nearly two thirds (63.8%) of those leaving during 2016 were known to be in a positive situation (i.e. in employment or a traineeship, since apprenticeships and education cannot be monitored) 6 months after exit. This figure is well above the EU average of 48.5%, though slightly lower than in previous years (Figure 6).

Longer-term follow-up data for 2014 and 2015 suggest that these positive outcomes are sustainable, as the proportion of participants known to be in a positive situation 12 and 18 months after exit remains around the same two-thirds level, with results again well above the EU averages (48.6% and 50.5% respectively for participants leaving the YG in 2015).

Figure 6: Follow-up main indicator: Situation of young people 6, 12 and 18 months after exiting the YG preparatory phase, 2014-2016



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

2.5 Additional results for the 25-29 age-group

The Danish YG covers only young people aged under 25. Accordingly, Denmark did not provide optional data for the 25-29 age-group.

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).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 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.

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))