



Council of the
European Union

Brussels, 15 February 2018
(OR. en)

6149/18
ADD 11

SOC 49
EMPL 33
ECOFIN 103
EDUC 33
JEUN 12

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 ES country fiche.

SPAIN

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

There have been improvements in the labour market situation for young people in Spain, however the LTU and early school leaving rates remain high but decreasing. Spain has stepped up efforts to involve stakeholders and coordinate with the regions. It has also increased its outreach to NEETs, even if more needs to be done to reach the most vulnerable.

The profiling and job matching systems have been improved. PES capacity may need to be reinforced to ensure the delivery of more personalised pathways. The quality of the offers is not homogeneous, and the coordination between regions remains a challenge.

Coordination with educational institutions and social services could be further strengthened.

Overall there has been good progress in implementing the YG, but work needs to continue.

2. YG monitoring 2016: key data

Highlights

- ❖ Young people remain registered in the YG until they reach the age of 30, even if not available for work, so that no negative exits can occur. This results in a cumulative growth of stocks over time.
- ❖ On average in 2016, nearly three-quarters (73.4%) of young people aged 15-24 were still in the YG preparatory phase beyond the 4-month target. This high proportion is partly expected given the design of the scheme (see above) and its gradual roll-out, but is also explained by retrospective registration of participants who participated in YG offers since September 2013, boosting longer durations in stocks.
- ❖ Just over four in ten of offers are delivered within the 4-month target (43.2%), two-thirds of which (64.9%) are to employment.
- ❖ More than a third (34.0%) of the NEET population was covered by the Spanish YG scheme during 2016, more than three times the proportion covered in 2015 (10.7%), an improvement that reflects the progressive roll out of the programme and the retrospective registration of participants.
- ❖ More than half (51.3%) of those leaving the YG in 2016 were known to be in positive situation 6 months after exit. Long term follow-up data from 2015 show that these outcomes are maintained over time or slightly improved.

Introduction

The Youth Guarantee scheme in Spain was developed in line with the Entrepreneurship and Youth Employment Strategy, approved in February 2013. The Youth Guarantee Implementation Plan was presented on 19 December 2013, and the scheme started in July 2014.

During 2016, the Department of Self-Employment, Social Economy and Corporate Social Responsibility of the Ministry of Employment and Social Security was responsible for the implementation of the YG and for coordinating partnerships across different levels and sectors. From July 2017, this responsibility was transferred to the Spanish PES. In line with the regional competences model in Spain, the Autonomous Communities (regions) also have a key role in the implementation and management of the YG.

In 2014, the YG in Spain was available to all individuals aged between 16 and 25, and to persons aged under 30 who have more than 33% of disability. In 2015, the age limit was changed to under 30 for all participants. There is no distinction in terms of eligibility between NEETs that have registered as unemployed with the PES and those who have not. An online platform in a dedicated section of the website of the Ministry of Employment and Social Security allows participants, as well as employers, to sign up for the YG scheme. Participants in some regions can also register in the YG through the PES using paper questionnaires.

An additional registration process has been developed with the cooperation of entities and partners from the third sector, youth Authorities, Chambers of Commerce and the regional PES as an outreach measure to activate young people.

Further information can be found both in the national implementation plan and dedicated website.

1 Quality of data

1.1. Key changes compared to 2015

Following the significant improvements made during the collection of data for 2015 in order to better align the data with the YG monitoring framework, further adjustments have been made during the 2016 data collection to improve the quality and completeness of data, as well as a comprehensive monitoring of the efforts within the YG scheme.

The first change is the recording of exits to non-subsidised employment offers. These were previously not included in exits data. However, the number of transitions into unsubsidised employment during 2014 and 2015 was, in practice, likely to be small because, at that time, all employers automatically benefitted from subsidies in the form of reductions/exemptions to employers' social contributions when employing young people, as long as certain conditions were met (e.g. duration of contract, minimum hours). However, these ended in June 2016, so that exits to employment since then are unsubsidised open labour market jobs.

In addition, unknown destinations have now been included in exits data which correspond to voluntary de-registrations. This change was applied only to the 2016 data, however, this is unlikely to cause any comparability issues, as the numbers are very small, just 546 individuals (0.3% of exits).

Finally, another key change is the retrospective registration of participants in the YG. Following a specific regulation, jobseekers that participated in some measures qualifying as YG offers in previous years without having registered in the YG, have now been retrospectively registered and therefore included in the 2016 monitoring data as both entrants and stocks (for 2016). This increases the inflows and coverage of the YG scheme, as they have been added as both entrants and stocks for 2016. This should be taken into consideration when comparing data over time.

Improved completion of data:

- Recording of non-subsidised employment offers
- Recording of unknown exit destinations (voluntary de-registrations)

Correction of technical issues:

- Retrospective registration of participants taking part in YG offers without having registered in the YG scheme.

1.2. Data quality 2016

The monitoring data for the Spanish YG scheme are mostly complete and significant efforts continue to be made to align the data with the specifications of the YG Indicator Framework.

Nevertheless, the peculiarities of the Spanish system mean that there are still issues to consider when comparing data with other countries and EU averages. The Spanish YG system operates on the basis that, once registered, a young person remains registered until they reach 30 years of age¹. Regular checks (e.g. against the social security and education registers) determine whether a person is NEET (and therefore eligible for YG services and counted as part of the stock) or not NEET at any stage. However, within the NEET group there is currently no way to distinguish those that are available to take up an offer from those that are not (e.g. due to sickness or maternity) or any system to exclude people that refuse to participate in supportive activities or offers. Hence, breaks in active YG participation due to inactivity cannot be identified. Voluntary drop-outs are now recorded as unknown destinations, although these are negligible (0.3% of exits), and there are currently no sanctions in place that result in a de-registration. Therefore, a negative exit from the YG is almost not possible. This creates an important difference compared to all other countries.

In the follow-up data, it is only possible to know whether participants remain in the traineeship, education or apprenticeship offer they took up and if they are in employment or unemployment (the latter being effectively re-entry to YG scheme). Transitions between positive situations (other than employment) are thus not reflected in the data. Inactivity cannot be monitored in the follow-up data either. Despite this, the proportion of unknown situations in the follow-up is thus also negligible, as it corresponds to those participants for which destination upon exit was not known (voluntary de-registrations). Spain is the only Member State to provide follow-up data with less than 5% unknown situations.

¹ In 2014, the age limit was under 25 and under 30 only for those with more than 33% of disability. In 2015, the age limit was changed to under 30 for all participants.

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 | All YG providers: national PES and intermediary organisations such as ministries, regional PES and other public services. |
| Participants | Persons aged between 16 and 30 registering in the YG scheme. |
| Completion of data | |
| Missing data | None. |
| Data recording | |
| Exits by destination | <ul style="list-style-type: none"> – Negative exits are not possible by definition, participants remain registered in the YG indefinitely. – Exits to non-subsidised offers only monitored for employment offers. – Unknown exits correspond to voluntary de-registrations. – Proportion of unknown destinations: 0.3% |
| Follow-up T | <ul style="list-style-type: none"> – Inactivity is not recorded. – Transitions to education, apprenticeships and traineeships are not recorded. – Proportion of unknown situations (6m after exit): 0.3% |
| Comparability of data | |
| Definitions | <ul style="list-style-type: none"> – Negative exits are not possible, participants remain registered in the YG. |
| Across time | <ul style="list-style-type: none"> – Data for reference year 2016 includes 34,573 participants that have been retrospectively registered, causing sudden increase of flows (entrants and stocks). – Voluntary de-registrations counted as exits (unknown destination) only from 2016. Unlikely to create comparability issues due to small number (0.3% of exits). – Exits to non-subsidised employment offers recorded only from 2016. Previously, the number would have been practically not significant due to automatic subsidies for employers hiring YG participants in place, which finished mid-June. – Data largely comparable, but in 2014 data some activities that are part of preparatory phase were counted as offers (exits). – Age limit raised to under 30 in 2015 (previously, YG was only available to people 25-29 if they had more than 33% of disability). |

Source: YG monitoring template (quantitative data).

2 Monitoring results

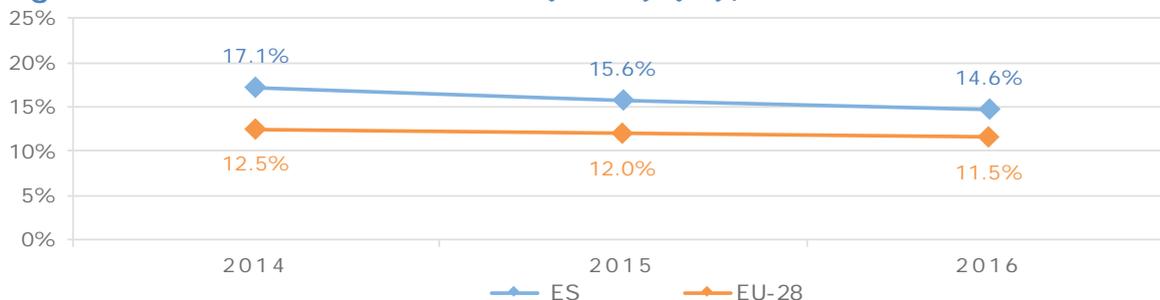
This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators 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 Spain was 14.6%, still well above the EU-28 aggregate figure of 11.5%, though the gap is narrowing. The NEET rate in Spain improved (decreased) more than twice as much between 2014 and 2016 as the rate for the EU as a whole (-2.5 pp vs -1.0 pp) (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, almost three-quarters (73.4%) of those registered in the Spanish YG had been waiting for an offer for more than 4 months, way above the EU average of 49.1% (see Table 3).

As previously mentioned, this is largely a result of the way in which the scheme is designed to operate in that, once registered, people remain registered as long as they are NEET, irrespective of whether they are available or interested to take up an offer. It means that drop-outs cannot occur (except in the rare case that a person explicitly asks to be deregistered). Moreover, after an exit (which has to be for positive reasons), re-registration is automatic in case of becoming NEET again whilst in other countries the young person would have to take active steps to re-register.

Hence, coverage should increase progressively through time, and long durations are bound to accumulate amongst people that are no longer interested to work. The significant increase (73.4% compared to 47.5% in 2015) in the number remaining registered for long periods without an offer is, however, also partly explained by the retrospective registration of people that took up a YG offer in 2014 or 2015 (accounting for around 10% of total stocks in 2016), some of whom might have contributed longer durations already in 2015 had they been included in the data.

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) | 73.4% | +33.3 | 49.1% |
| Breakdown by age | | | |
| 15-19 | 70.2% | +21.1 | 46.2% |
| 20-24 | 74.3% | +36.1 | 49.3% |
| Breakdown by gender | | | |
| Men | 73.2% | +34.9 | 48.0% |
| Women | 73.6% | +31.0 | 49.9% |

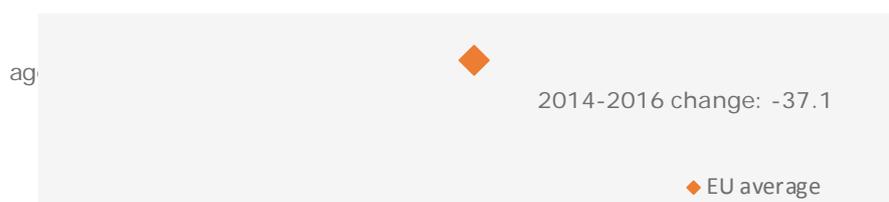
Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

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.

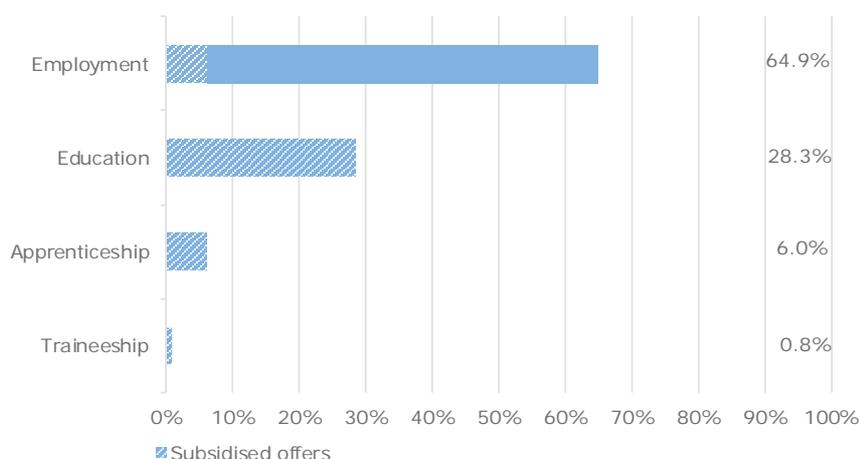
The supplementary indicator on positive and timely exits shows that over two fifths (43.2%) of exits from the YG scheme in Spain in 2016 were positive and occurred within the target of 4 months (Figure 3). In fact, as discussed above, only positive exits are recorded in the Spanish YG monitoring system, so this figure rather shows the proportion of all offers taken up during the year that were delivered within 4 months, which makes it difficult to compare to other countries where both negative and unknown destinations are possible (EU average shows that 44.5% of exits in 2016 were both positive and timely).

The result of 43.2% represents a significant decline compared to 2015 (74.3%) and 2014 (80.3%). It implies that as the numbers enrolled in the scheme increase, it becomes more difficult to provide offers within the target period.

Almost two thirds (64.9%) of those taking up an offer within 4 months of registration during 2016 went to employment, just over a quarter to education (28.3%), one in twenty to an apprenticeship (6.0%), and just a few traineeships (0.8%) (see Figure 4). Whilst all education, apprenticeship and traineeship offers were subsidised, only 9.5% of employment offers are subsidised. This means that nearly six in ten (58.7%) of timely exits from the YG in 2016 were to open labour market jobs.

The distribution of exits in 2016 shows a very different pattern compared to 2015, in two ways. Firstly, in 2015, only a third of exits (33.2%) were to employment and more than half of participants (53.2%) were to continued education. Secondly, in 2015, all jobs taken up by young people were effectively subsidised through reductions/exemptions to employer's social contributions so that there were no unsubsidised jobs. In 2016, when a number of exemptions/reductions in social contributions were ended, unsubsidised jobs accounted for 58.7% of all positive and timely exits in 2016. The shift from education to employment as the primary destination may in part reflect the increasing maturity of the scheme in that education is more likely to be a destination for those entering the scheme for the first time while those that have initially registered some time ago are more likely to have already benefitted from some training and are interested only in work opportunities. As the Spanish system progressively accumulates participants, the proportion of first time registrants will progressively decrease and hence the likelihood of exit to employment rather than education will increase.

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 Guarantee² 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.

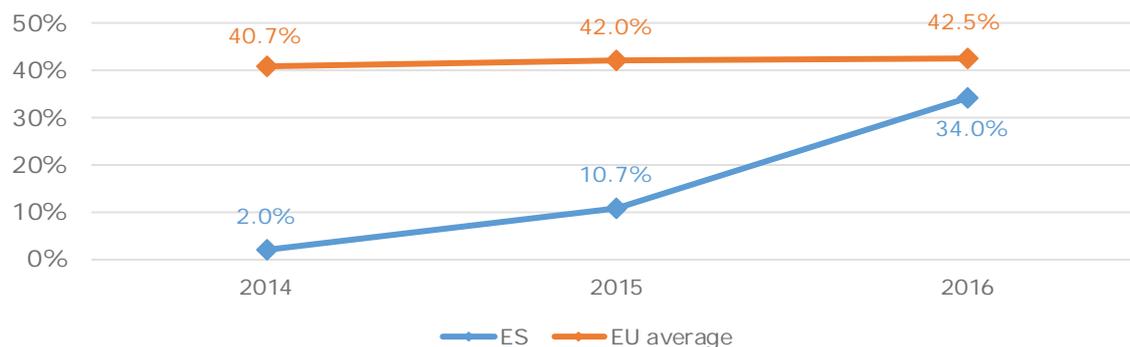
² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

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.

Results show that, on average in 2016, more than a third (34.0%) of the NEET population aged 15-24 in Spain was covered by the YG scheme. This is a drastic improvement compared to 2015 data (10.7%), and coverage is edging closer to the EU average (42.5%). The improved coverage reflects the possible effects of a simplified registration procedure implemented in 2016 in order to make it more accessible and attract more young NEETs. Another factor is the retrospective registration of participants participating in offers in 2013 (September onwards only), 2014 and 2015 without having registered for the YG³.

It is expected that the coverage will continue to increase in forthcoming years. Data for November 2017 indicate that around 940,000 young people have now registered in the YG scheme, though many of these may now be in work or training and therefore not part of the YG stock or the NEET population and will therefore not affect the coverage indicator unless they become NEET again.

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



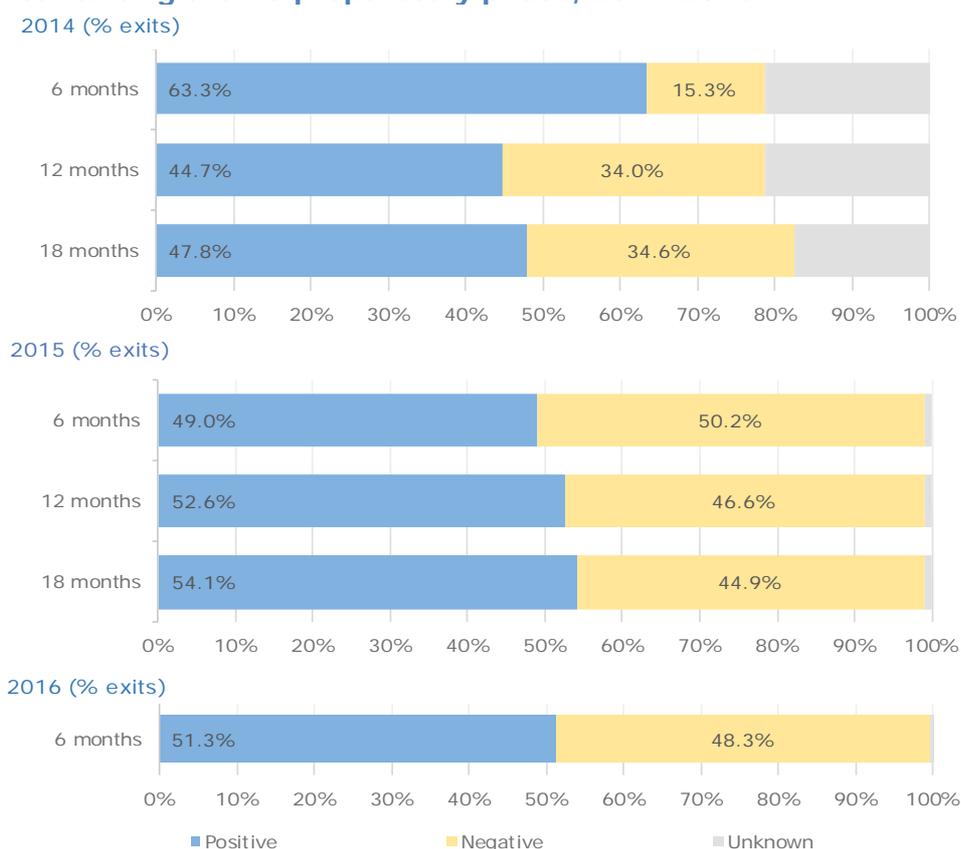
Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

³ A total of 34,537 participants were included retrospectively, representing 11% of the total YG stocks (15-29) in 2016.

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 Spain, just over half (51.3%) of those leaving during 2016 were known to be in a positive situation (i.e. in employment, education, an apprenticeship, or a traineeship) 6 months after exit, somewhat above the EU average (48.5%, Figure 6). At the same time, the proportion of participants in a negative situation (i.e. who are considered to be NEET again, either unemployed or inactive, and who are automatically registered as re-entrants in the YG) was significantly higher than the EU average (48.3% vs 14.5%). However, this latter difference largely reflects the fact that in Spain the situation is known for all but a negligible proportion of exits (0.3%) because all participants remain registered until age 30 and their situation is regularly assessed as being NEET or not. In most other countries, a high proportion of exits cannot be tracked after exit unless they are in insured employment or have returned to the YG so that an average of nearly two fifths (37.0%) were in an unknown situation. In these cases, a significant proportion of the unknown group is likely to be in a negative situation (either inactive or unemployed but not re-registered in the YG), which would bring the numbers in a negative situation closer to the Spanish result. Importantly, the Spanish approach (whereby young people automatically re-join the YG when their status changes from non-NEET to NEET) means that the stock of young people in the YG – and therefore the coverage of the NEET populations as a whole - will be better in Spain than in countries where young people have to take active steps to re-register.

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.

Longer-term follow-up for those leaving the YG in 2015, suggest that outcomes are sustainable, with the proportion known to be in a positive situation being maintained after 12 and 18 months, if not increasing and persistently above the EU average. However, it should be noted that the EU averages are impacted by the lack of capacity in some countries to track people after exit resulting in high proportions in unknown situations.

2.5 Additional results for the 25-29 age-group

The Spanish 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 7](#).

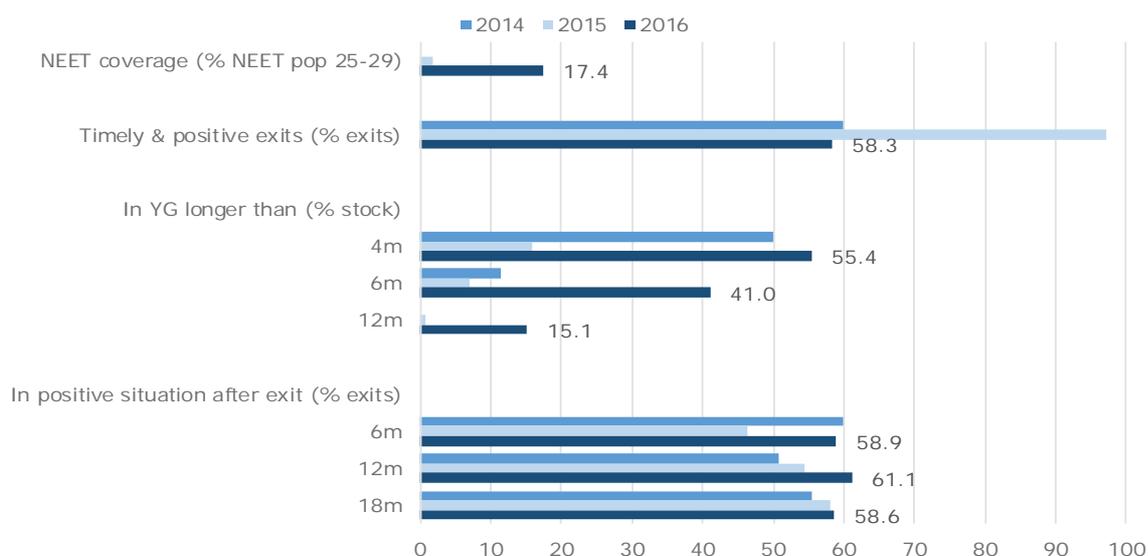
Note that in 2014, persons aged 25-29 could access the YG scheme only if they had more than 33% of disability, so that the numbers covered were very small. In 2015 the maximum age was raised to 30 for all NEETs. Data for 2015 and onwards are therefore not comparable with those for 2014.

Coverage of the target group has increased significantly since 2015, from only 1.8% of young NEETs over 25 covered to 17.4% in 2016. As previously mentioned, in addition to roll out of the scheme, retrospective registration of participants will have contributed to this improvement. Currently coverage is only half that for the main target group (34.0%), but this is liable to increase.

However, and possibly due to lower number of participants in this age group, the main and supplementary indicators indicate that the 25-29 age-group is treated more effectively than the main target group, as more nearly six in ten (58.3%) took up an offer within 4 months compared to 43.2% for those aged 15-24. At the same time, the average proportion of those registered that had been waiting for an offer for more than 4 months was only 55.4% compared to 73.4% for the younger age-group. To some extent, given the way that the Spanish system progressively accumulates participants, the better results for the 25-29 age-group are likely to reflect the relative youth of the scheme (effectively 2 years for the 25-29 age-group compared to 3 for those aged under 25).

Indicators on the sustainability of outcomes are also better for the older age-group; of those aged 25-29 who exited the YG in 2016, 58.9% were known to be in a positive situation 6 months after exit compared to 51.3% for the main target group.

Figure 7: 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).⁴ 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 countries⁵ 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.

⁴ 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).

⁵ 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))