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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 FI country fiche.

FINLAND

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

Finland has made very good progress in implementing the Recommendation and has a well-established Youth Guarantee scheme with a strong focus on personalized guidance. Three-quarters of NEETs are included in the Youth Guarantee scheme. A slight increase in the number of NEETs has been observed recently. The strong performance of the one-stop shops was acknowledged, as well as the efforts in building new partnerships and strengthening existing ones.

Finland is likely to meet the key employment challenge if the well-functioning mechanics are maintained. In this respect some concerns were voiced regarding the impact of the planned administrative and VET reforms. Finland affirmed that the positive features of the current system will be retained. It was considered, however, that more needs to be done to address the problem of NEETs in challenging situations.

2. YG monitoring 2016: key data

Highlights

- ❖ More challenging national goal to provide an offer within 3 months of registration.
- ❖ 49.1% of young people aged 15-24 remained in the YG preparatory phase beyond the national 3-month target, the same proportion as the EU average for 4-month target.
- ❖ Just under half (48.3%) of those leaving the YG in 2016 took up an offer within 3 months of registration.
- ❖ The Finnish YG scheme covered three quarters (74.9%) of all NEETs aged under 25 in 2015, despite the fact that monitoring data cover only young people registered with the PES and miss those benefitting from YG services delivered by municipalities.
- ❖ Young people aged 25-29 are also covered by the Finnish YG. Coverage of NEETs in this age-group is on a par with that of the main target group but direct monitoring indicators suggest that the older group is harder to place – a higher proportion remains in the YG beyond the 3-month target (63.2%) and fewer of those leaving benefit from a timely offer (43.5%).
- ❖ Follow-up data are not available to assess the sustainability of outcomes.

Introduction

Preparation for the implementation of the Finnish Youth Guarantee scheme began in 2011 with the appointment of a dedicated working group. The scheme was launched in 2013 and combines a previous “social guarantee”, implemented since 2005 by the employment services, with an education guarantee. It is open to all young people aged under 25 and recent graduates aged under 30. Importantly, the Finnish YG scheme guarantees an offer within 3 months rather than 4 months as per the Council Recommendation.

Further information is available in the Finnish Youth Guarantee Implementation Plan of May 2014 and on the dedicated Youth guarantee website.

1 Quality of data

1.1. Key changes compared to 2015

Finland has not introduced any changes compared to the data collection for reference year 2015. The Finnish data are therefore comparable between years.

1.2. Data quality 2016

Finland has provided the majority of data requested in accordance with the definitions of the YG Indicator Framework. The only important gap relates to follow-up data, which cannot be provided in accordance with the requirements of the YG Indicator Framework. Finland routinely monitors what happens to people after the end of an active measure while the YG follow-up is measured from the end of the preparatory phases, which is effectively the start of an active measure (i.e. offer). The two observations are therefore not compatible. A new PES register is being developed and YG-compatible data could potentially become available in future by linking with other registers.

Data on entrants by previous experience are not provided, as it is not possible to identify those participants who re-enter the PES register. These figures are not required for the calculation of YG indicators, but (where available) are used to calculate rates of recycling through the YG as an indicative assessment of the quality of offers provided by the YG scheme (see section 2).

As in previous years, the Finnish data have one important divergence from the specifications of the Indicator Framework in that the observation point for direct monitoring relates to the national target to deliver an offer within 3 months rather than 4 months. This has no impact on the quality of data but represents a more challenging target, which should be taken into account when comparing across countries.

In addition, as with previous data, it should be noted that counselling/coaching activities continue to be counted as offers in the Finnish YG data if they break the unemployment spell (under the category of traineeships). These activities are all recorded as services (category 1) in the LMP database and it appears that they should probably be considered part of the preparatory phase and not as quality offers in the spirit of the YG (as described in the FAQ on the YG¹).

¹ <http://ec.europa.eu/social/BlobServlet?docId=11423&langId=en>

The Finnish monitoring data cover all young people registered as unemployed with the public employment services. The data therefore miss the outputs of YG services delivered by municipalities. Youth workshops and outreach youth services aim to socially empower young people and provide the support and guidance needed to prepare them for work or training and the type of support available from the PES and other mainstream services. The Finnish YG website reports that youth workshops assisted 14,700 participants in 2015² and that outreach services made contact with 27,100 young people in 2013, of whom 16,600 were engaged in a longer-term cooperation to find work³. Although slightly out of date, these numbers compare to over 162,000 registrations with the PES during 2016 that are counted as entrants to the YG. It is possible, also that there would be some overlap between these groups (e.g. if people contacted through outreach services were persuaded to register with the PES).

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 Services (PES)
Participants	Young persons aged 15-29 registered as unemployed.
Completion of data	
Missing data	<ul style="list-style-type: none"> – Entrants by previous experience not available. – Follow-up (T, T-1). Finland routinely collects follow-up data 3 months after the end of an active measure (i.e. after the end of the YG offer phase). This represents a different observation from follow-up after exit from the YG preparatory phase. Data might be available in the future.
Data recording	
Stocks	– The categories of duration monitored diverge from the specifications of the YG Framework because of 3 months national target used (<4 months corresponds to <3 months, and 4-5 months corresponds to 3-5 months).
Exits by destination	<ul style="list-style-type: none"> – Timely exits correspond to exits within 3 months (national target) instead of 4 months. – Apprenticeships cannot be distinguished from regular employment and are recorded accordingly. – Traineeships include participation in counselling/coaching measures that break the unemployment spell. – Exits to inactivity include those who moved outside the labour force (e.g. military service, household work, hospital treatment, prison, pension, etc.), moved to unemployment pension and moved abroad (EU or EFTA country). – Proportion of unknown destinations: 23%
Comparability of data	
Definitions	<ul style="list-style-type: none"> – Finland has a 3-month target for delivery of offers. Hence the categories of duration for stocks and the definition of timely exits diverge from the specifications of the YG Framework. – Counselling/coaching is regarded as a qualitative offer and participants are recorded as exits to traineeships. However, counselling/coaching should probably be regarded as part of the preparatory phase.
Across time	Data are comparable.

Source: YG monitoring template (quantitative data).

² <http://nuorisotakuu.fi/nuorten-tyopajat> (in Finnish)

³ <http://nuorisotakuu.fi/ulos-sossukierteesta> (in Finnish)

2 Monitoring results

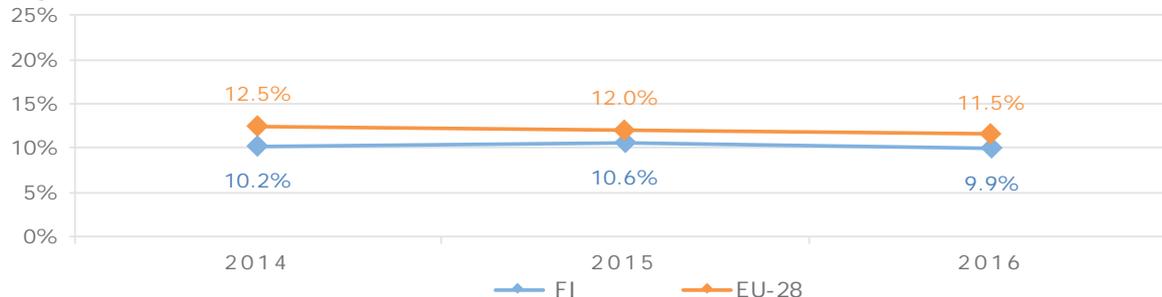
This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators 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 Finland was 9.9%, slightly below the EU average of 11.5% (see [Figure 1](#)). Since the launch of the YG in 2014, the NEET rate in Finland has improved by only 0.3 percentage points (pp) compared to an improvement of 1.0 pp 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, 49.1% of young people aged 15-24 were still in the YG preparatory phase beyond the 3-month national target, an increase of 9.0 pp compared to 2014. The figures are just the same as the EU average for 4-months target (see [Table 3](#)). Given that some of this group will leave before reaching 4 months the result should probably be considered to be better than average. Indeed, the proportion of participants registered in the Finnish YG for 6 months or more (24.4%) is well below the EU average of 36.2% (see [Figure 2](#)). The situation is similar for those remaining in the YG more than 12 months (7.8% vs 18.3%).

It is noticeable that retention in the YG beyond the 3-month target is higher for those aged 20-24 (53.0%) than for those aged 15-19 (34.3%).

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)	49.1%	+9.0	49.1%
Breakdown by age			
15-19	34.3%	+6.5	46.2%
20-24	53.0%	+9.4	49.3%
Breakdown by gender			
Men	50.4%	+9.3	48.0%
Women	47.3%	+8.8	49.9%

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

The supplementary indicator on positive and timely exits shows that just under half of those leaving the Finish YG in 2016 (48.3%) took up an offer within the national 3-month target period. Despite the more challenging target, and a small decrease compared to 2014, this result is still slightly above the EU average of 44.5% (for 4 months).

More than seven in ten of those leaving the YG within 3 months of registration during 2016 (73.5%) went to positive destinations. The distribution of positive exits by type of offer is similar to that observed in 2015: more than half (56.8%) took up an offer of employment, which includes apprenticeships (see [Figure 3](#)), just less than a third (30.2%) took up a traineeship (a figure that includes counselling/coaching), and the remaining 13.0% went to continued education.

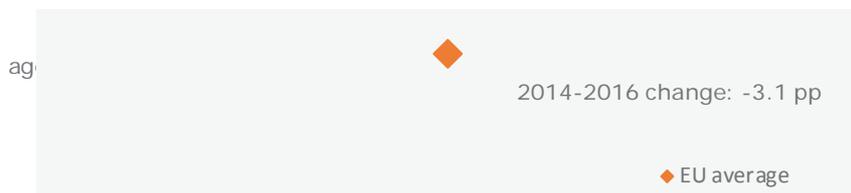
Four in ten (39.6%) of all offers were subsidised, above the EU average of 30.5%. All traineeships and approaching half of education offers (47.1%) were subsidised, but less than one in ten (5.8%) employment offers. Overall, more than half (53.5%) of offers taken up within 4 months of registration were open market jobs.

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)



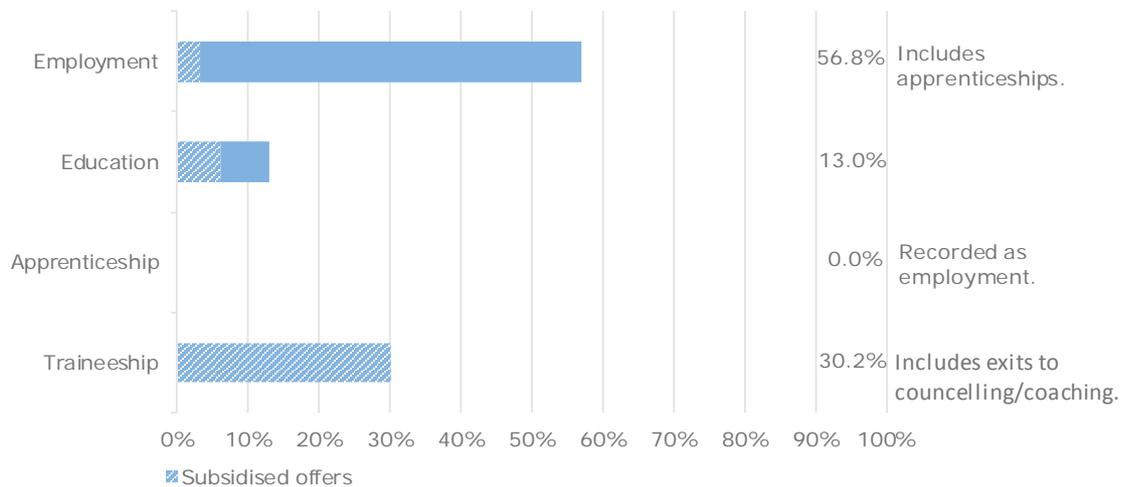
Supplementary indicator: Positive and timely exits from the YG preparatory phase (% exits)



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

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.



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

2.3 Direct monitoring: coverage of the YG target population

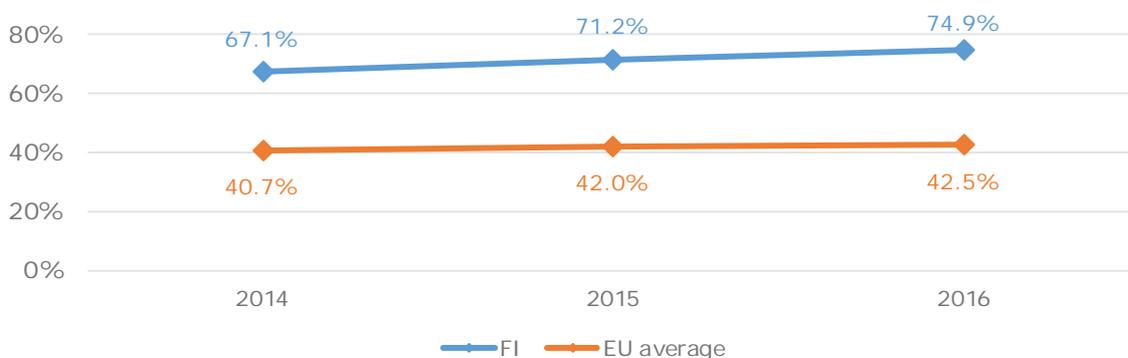
The Council Recommendation on establishing a Youth Guarantee⁴ aims to ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. Reaching 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.

In Finland, the PES monitoring data indicate that three quarters (74.9%) of the NEET population aged 15-24 was enrolled in the YG scheme during 2016, well above the EU average of 42.5%, even if these data, as noted earlier, do not cover YG services delivered by municipalities and therefore understate the actual coverage of the scheme. Compared to 2014, the proportion of NEETs reached by the PES has improved by 7.8 pp (67.1% in 2014).

On the basis of the available data, coverage was significantly higher for young male NEETs (82.8%) than for young female NEETs (64.9%) and the differences are increasing over time: coverage of men has increased by almost 12.5 pp compared to 2014 (70.3%) whilst the coverage of women has increased by only 2.2 pp (from 62.7%). The gender gap in coverage is thus increasing.

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

Finland has not provided any follow-up data to assess the sustainability of YG outcomes (see explanation in section 1.2).

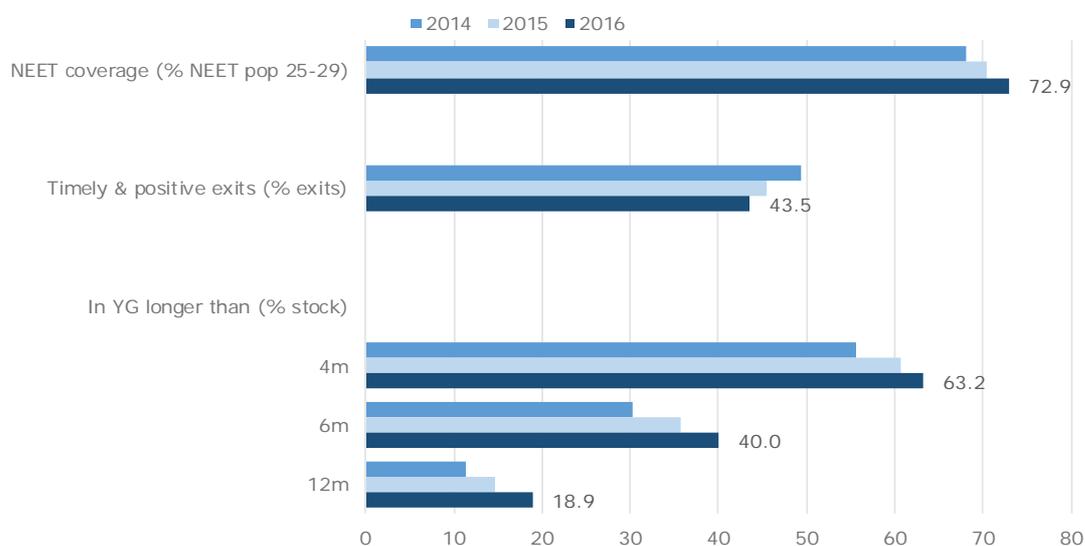
⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

2.5 Additional results for the 25-29 age-group

The Finish 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](#).

More than seven in ten (72.9%) of NEETs aged 25-29 were covered by the YG, in line with the coverage of the main target group (74.9% for those aged 15-24). However, the proportion of young people registered in the YG for longer than the national target of 3 months was considerably higher for the older age group (63.2% vs 49.1%). Indeed, the proportion of young people registered for more than 3 months appears to increase with age: 34.3% for those aged 15-19, 53.0% for those aged 20-24 and 63.1% for the oldest group. Not surprisingly, therefore, the proportion of timely and positive exits is also lower for the older group (43.5% vs 48.3% for those aged 15-24). The direct monitoring indicators thus indicate that the older age-group is harder to place.

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).⁵ 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 countries⁶ 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.

⁵ 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).

⁶ 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))