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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 LT country fiche.

LITHUANIA

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

Lithuania has made good progress in implementing the Youth Guarantee. The labour market situation is favourable, with the NEET rate below the EU average. The institutional setup for the Youth Guarantee implementation is adequate and is being strengthened. Coordination and cooperation between stakeholders is well established and broad, but there remains a need for improved synergy between institutions. Recent measures to improve synergies include the establishment of one-stop shops and improved outreach and response mechanisms. New services and support measures are being introduced alongside general labour market reforms. However, there is a need to enhance education and training offers and the coverage of the Youth Guarantee to be extended. Uptake of apprenticeships could be promoted and the quality of traineeships - including the lack of remuneration - should be addressed.

2. YG monitoring 2016: key data

Highlights

- ❖ On average, a third (33.9%) of those registered in the YG at any point during 2016 had been waiting for an offer for more than 4 months, well below the EU average (49.1%).
- ❖ Approaching half (45.6%) of those leaving the YG in 2016 took up an offer within 4 months of registration. This figure is in line with the EU average (44.5%) but liable to be understated due to a high proportion of unknown destinations.
- ❖ The Lithuanian YG scheme covered only 35.9% of NEETs aged under 25 in 2016 and it should be of some concern that coverage is falling and is now below average. In contrast, coverage for the 25-29 age-group is approaching six in ten (58.2%) and improving.
- ❖ Approaching half (48.7%) of those leaving the YG scheme in 2016 were known to be in employment, education or training 6 months afterwards, and the results are maintained after longer periods. Again, however, the results are impacted by high numbers in unknown situations and improving the completion of this data should be a priority.

Introduction

Lithuania presented a Youth Guarantee Implementation Plan (in Lithuanian) on 18 December 2013, updated in May 2014.

Lithuania elected to extend coverage of the YG beyond that specified in the Council Recommendation so that the scheme is available to all young people aged 15-29 not engaged in employment, education or training.

The responsible authority for the Youth Guarantee is the Ministry of Social Security and Labour. Other actors involved include the Ministry of Education and Science, the Ministry of Economy, "Enterprise Lithuania" (a non-profit agency under the Ministry of Economy), Municipalities, NGOs and the Centre of Information Technologies in Education. Although young people could initially register for the YG only through the PES (online or in person), since February 2016 inactive NEETs can also register (to the YEI-funded programme "Discover Yourself") via 51 organisations (NGO, budgetary institution) while in August 2016, a YG dedicated website was launched where youngsters can complete an online form and are then contacted by the PES coordinators.

In relation to implementation of the YG (and the YEI), the Commission's 3-year assessment identified two key challenges which relate to identifying and engaging inactive NEETs and to improving assessment of the quality and sustainability of YG outcomes¹.

More information is available in the implementation plan and YG dedicated website (in Lithuanian only).

1 Quality of data

1.1. Key changes compared to 2015

The Lithuanian YG monitoring data for 2016 have been provided on fundamentally the same basis as in previous years. The only real change is that following the launch of a new programme in October 2015, the data now cover not only unemployed NEETs but also inactive NEETs (see below).

Improved coverage:

- Data for 2016 now cover inactive NEETs participating in the YEI funded programme "Discover yourself", which was launched in October 2015².

1.2. Data quality 2016

Lithuania has provided the majority of data requested in line with the specifications of the YG Indicator Framework.

There is only one known methodological issue in that data on entrants are understated. In the case that a young person participates in an ALMP offer that does not break the unemployment spell and does not find work or training afterwards then he/she will not be counted as a re-entrant (required treatment in the YG) because in the national system the unemployment spell is treated as continuous. Such a person will be counted only once as an entrant to the YG but could have multiple exits. This will also result in the duration of participation being higher and rates of recycling understated. Note that some other countries with similar issues (e.g. Estonia) have managed to adapt their monitoring systems to properly record such cases as re-entries and to measure duration accordingly.

¹ <http://ec.europa.eu/social/BlobServlet?docId=16299&langId=en>

² <http://www.jaunimogarantijos.lt/en/projects/discover-yourself/136>

The only other issue in the data is that the proportion of unknown situations remains high in data on destination of exits (34.9%) and follow-up (40.1% at 6 months). Bearing in mind that improving assessment of the quality and sustainability of offers is identified as a key challenge in the Commission assessment, these figures need to be reduced. To address the issue (data for 2017 onwards), Lithuania plans to provide data from the registers of pupils and students as well as from the State Social Security Fund Board.

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) and the Department of Youth Affairs under the Ministry of Social Security and Labour

Participants – All young people registered as unemployed with the PES plus (from 2016) inactive NEETs participating in the YEI funded “Discover yourself” programme. For those registering with the PES, entry to the YG is coincident with the start of a new unemployment spell.

Completion of data

Missing data – Inactivity is not monitored in follow-up data (included under unknown situations).

Data recording

Entrants – Entrants are understated as re-entry following the end of an ALMP that does not break the unemployment spell (according to national definitions) is not recorded. Thus, one entrant may have more than one exit. This issue will also result in the duration of participation being overstated and recycling rates understated. (Note that the issue applies only to participants registered with the PES and does affect the relatively small number of inactive NEETs participating in the “Discover yourself” programme.)

Exits by destination

- Since 2015, an activity should last at least 28 days in order to count as an exit.
- Traineeships have been available since 2015.
- In 2016 there were still no apprenticeship offers but a new measure (employment under an apprenticeship contract) was introduced in July 2017 following reform of employment laws³ so that exits to an apprenticeship can be expected in future monitoring data.
- For the majority of participants who are registered with the PES, exit coincides with end of the unemployment spell so destination unemployment is always zero. The few exits to unemployment recorded in 2016 therefore relate to inactive NEETs who participated in the “Discover yourself” programme and then registered as unemployed with the PES after leaving.
- Inactivity includes de-registrations from unemployment due to court verdict, death, determined incapacity.
- Unknown destinations correspond to voluntary de-registrations for which no information is available. It might include transition to education, migration, inactivity. Around a third of unknown destinations are de-registrations for sanctions (e.g. due to refusal of offer, unjustified refusal to participate in measures, and irregular employment).
- Proportion of unknown destinations: 34.9%

³ <http://www.socmin.lt/en/labour-and-employment/employment-and-labour-market/employment-promotion-policy-3mmv.html>

- Follow-up T**
- Inactivity cannot be monitored in follow-up data.
 - Proportion of unknown situations (6m after exit): 40.1%. This should reduce in future thanks to the efforts being made to access additional data from education and social security registers.

Comparability of data

- Definitions**
- Treatment of re-entry following participation in an ALMP that does not break the unemployment spell (see above).

- Through time**
- Refined measurement of exits (28-day rule) introduced in 2015 data.
 - Coverage increased in 2016 (to cover inactive NEETs)
 - Data otherwise comparable through time.

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 Lithuania was 9.4%, some way below the EU-28 aggregate of 11.5% (see [Figure 2](#)). The NEET rate in Lithuania has improved (fallen) by 0.5 percentage points (pp) since the launch of the YG in 2014, less than at EU level (1.0 pp).

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, 33.9% 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% (see Table 3). The proportions remaining longer are also well below average, with only 6.9% of those in the YG preparatory phase at any point in 2016 having been registered for a year or more, compared to 18.3% at EU level (Figure 3). Moreover, the incorrect treatment of people that return to the preparatory phase after participation in an active measure (see section 1.2) means that duration is liable to be overstated. This would also impact on the proportion of timely offers.

The proportion remaining in the YG more than 4 months has reduced slightly compared to the previous year (35.7% in 2015). The increase compared to the first year of implementation shown in Table 3 is to be expected as the YG was launched as a new process so that durations in excess of 4 months were possible only for part of the year.

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)	33.9%	+20.7	49.1%
Breakdown by age			
15-19	24.1%	+15.1	46.2%
20-24	35.4%	+21.6	49.3%
Breakdown by gender			
Men	31.7%	+19.6	48.0%
Women	36.3%	+21.8	49.9%

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

The 2016 data indicate that people aged 15-19 are less likely to remain in the YG preparatory phase beyond 4 months (24.1% compared to 35.4% for those aged 20-24) but this group accounts for less than a fifth of YG participants.

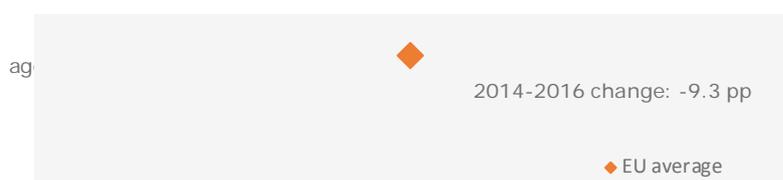
The supplementary indicator for direct monitoring shows that 45.6% of those leaving the YG in 2016 took up an offer within 4 months of registration, right in line with the EU average of 44.5% (Figure 3). However, in practice the Lithuanian result is likely to be substantially understated as the destination on exit was unknown for more than a third (37.1%) of those leaving within 4 months (e.g. there was limited information on people that continued education outside of PES training measures). As identified by the Commission assessment, it should be a priority to improve data on those leaving the YG and what happens to them afterwards. Lithuania has already initiated improvements in this respect (see section 1.2) so that for reference year 2017 and beyond the proportion of unknowns should be reduced.

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)

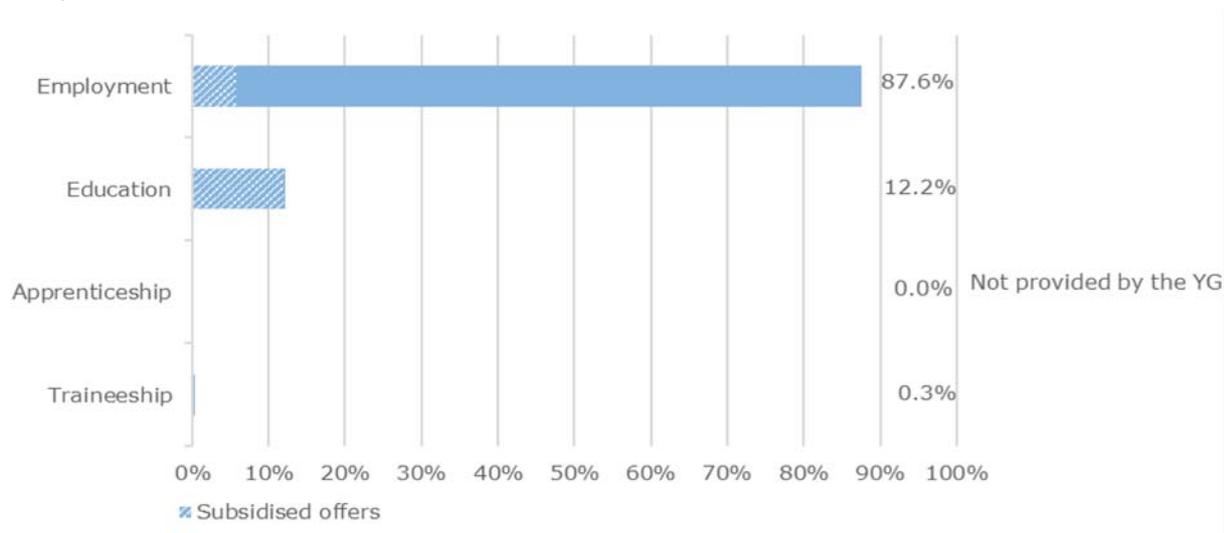


Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

Of 52,593 exits from the Lithuanian YG in 2016, 31,900 (60.7%) went to positive destinations (work or training), of which 23,969 (45.6% of all exits) occurred within the 4-month target period. The overall proportion of positive exits (60.7%) is below the EU average of 68.9%, though again it should be reiterated that the Lithuanian data are understated as the destination on exit was unknown in 38.9% of cases, almost double the average proportion at EU level (24.0%).

The vast majority (87.6%) of the (known) timely and positive exits went to employment, with most of the remainder (12.2%) going to education offers (see Figure 4). Just 0.3% went to a traineeship (introduced as a YG offer in 2015), while apprenticeships were not available in 2016 (but may be in 2017). Almost all education offers (99.0%) were subsidised, but only 6.5% of employment offers. Overall, 81.9% of offers taken up within 4 months were open market jobs.

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



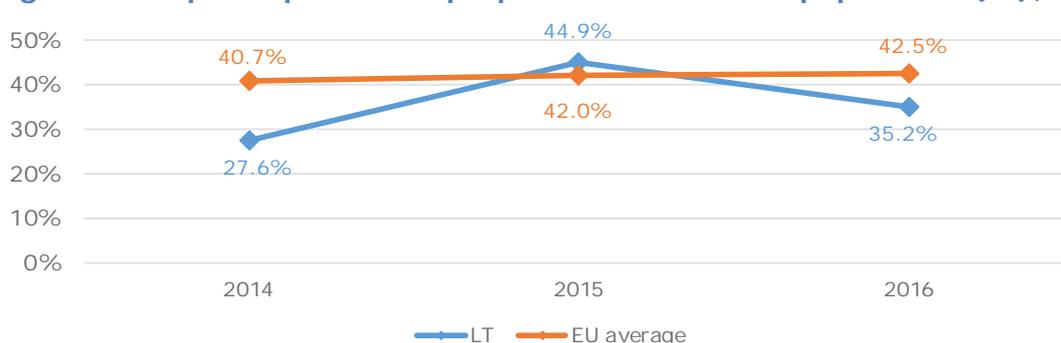
Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

2.3 Direct monitoring: coverage of the YG target population

The Council Recommendation on establishing a Youth 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 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.

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



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

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

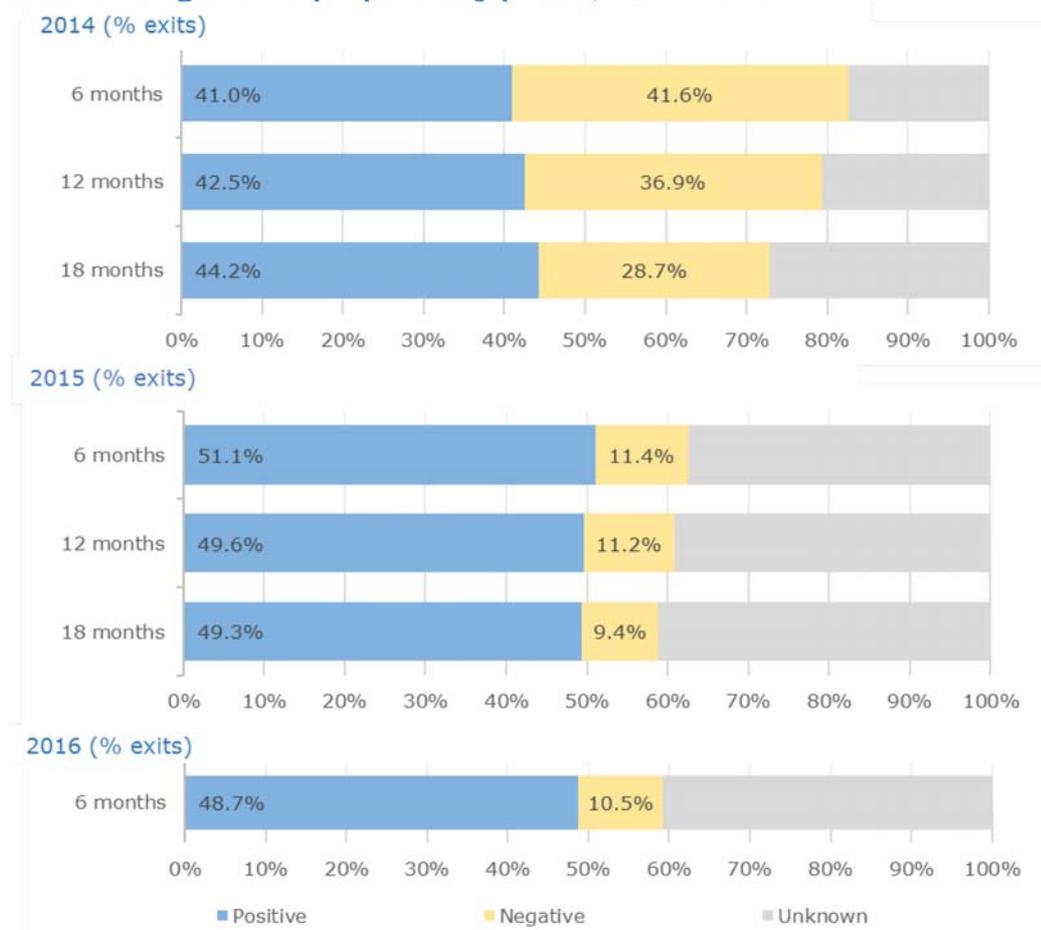
In Lithuania, the YG scheme covered 35.2% of the NEET population in 2016. Although the coverage has been broadened (compared to 2015) through the launch of the “Discover yourself” programme for inactive NEETs, the numbers involved are relatively small (around 2% of starts in the year) and the proportion of the NEET population covered has fallen significantly. On average across the EU, the coverage of YG schemes has progressively improved since their launch in 2014. Whilst a number of countries saw coverage decline in 2016, the fall in Lithuania is one of the highest.

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 Lithuania, just less than half (48.7%) 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. This figure is similar to the EU average of 48.5%, but as with the data on exits by destination is liable to be substantially understated due to the high proportion in an unknown situation (40.8%) (Figure 6). As already noted, it should be a priority to improve the completion of this data.

Longer-term monitoring data for those leaving the YG in 2014 and 2015 indicate that the outcomes achieved are sustainable with proportions in a positive situation after 6, 12 and 18 months changing little as the time after exit increases.

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.

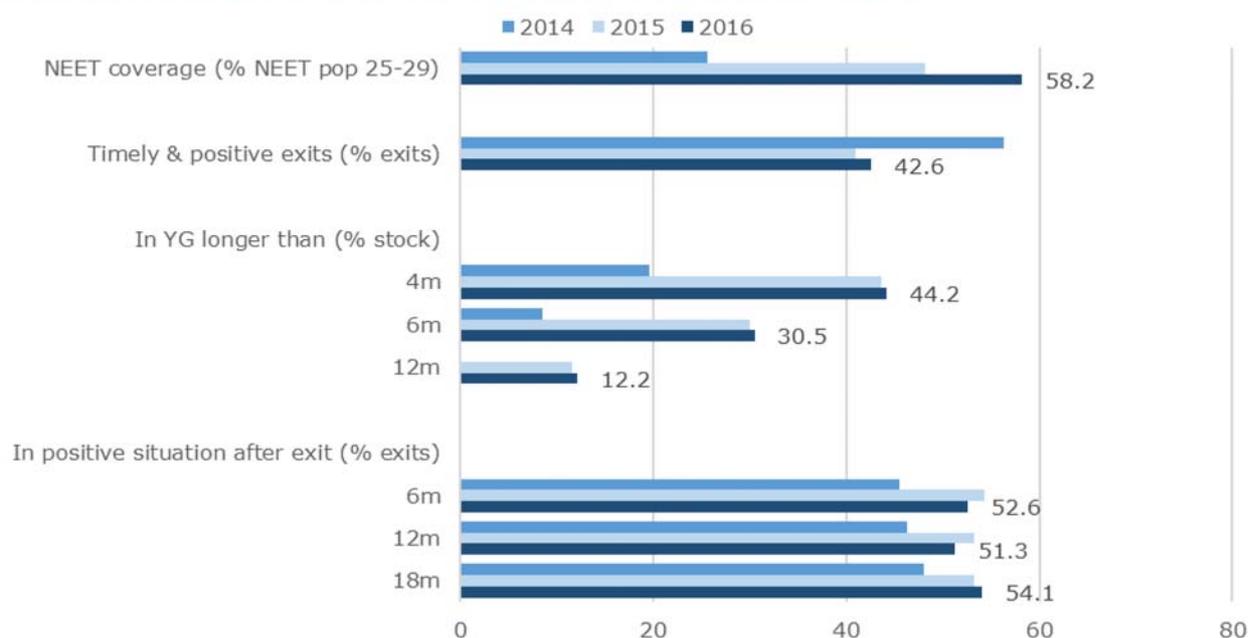
2.5 Additional results for the 25-29 age-group

The Lithuanian 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.

The messages compared to the main target group aged 15-24 are mixed. In terms of implementation, the situation appears worse in that the proportion retained in the YG beyond the 4-month target is higher for the older age-group (44.2% compared to 33.9%) and, correspondingly, the proportion taking up an offer within 4-months is lower (42.6% vs. 45.6%). On the other hand, NEETs aged 25-29 seem more likely to register for support with the YG covering 58.2% of all NEETs in 2016, an improvement of 10 percentage points compared to 2015, while the proportion covered amongst NEETs aged 15-24 was just 35.2% and declining.

Follow-up results also appear, superficially at least, to be better for the older age-group, with more than half (52.6%) known to be in a positive situation 6 months after exit (and similar proportions still after 12 and 18 months), compared to just less than half (48.7%) of those aged 15-24. However, in practice, this difference most likely derives from more complete information with 34.2% of those aged 25-29 in an unknown situation compared to 40.8% of those aged 15-24. This highlights again the difficulty to make sense of the data when there is such a high proportion of unknown values.

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).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))