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

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Delegations will find the Annex to the EMCO Key messages on the Youth Guarantee:  
Section 1: Results of the YG data collection at EU level.

The next sections present the results of the third data collection exercise on the basis of the Indicator Framework for Monitoring the Youth Guarantee, which defines three levels of indicators for monitoring:

- **Aggregate monitoring** indicators describe the general situation of young people in the EU by looking at their labour market situation and levels of educational attainment;
- **Direct monitoring** indicators assess the efficiency of implementation against the objectives laid out in the Council Recommendation to treat all young people that are, or become, NEET and to deliver offers within 4 months of registration;
- **Follow-up monitoring** indicators assess the effectiveness of YG schemes by measuring the extent to which young people that have been through the scheme are kept out of NEET status (i.e. remain in employment, education or training).

The aggregate level indicators provide context for the implementation of YG schemes and are the ultimate indicators of whether or not YG schemes are contributing to improvement in the situation of young people. The direct and follow-up levels together monitor the efficiency and effectiveness of implementation.

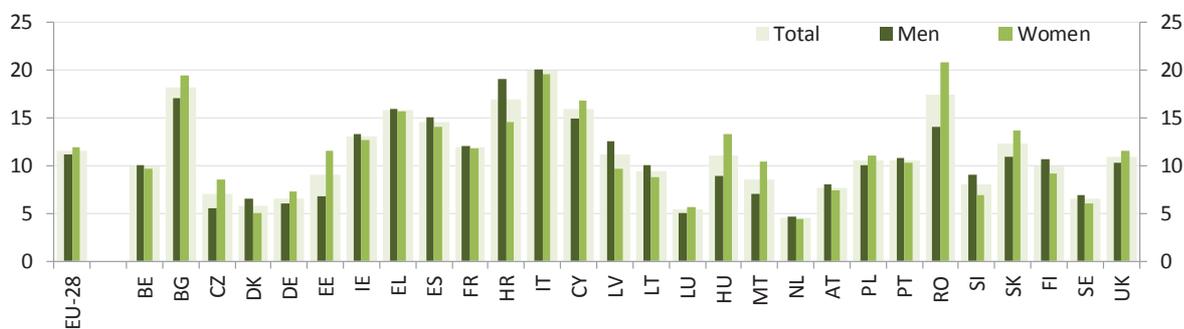
### Section 1: Results of the YG data collection at EU level

Youth Guarantee (YG) schemes were launched in most Member States in January 2014 and indicators for monitoring of YG schemes at aggregate level show that over the three years of YG implementation there has been some improvement in the situation of young people. Three full cycles of data collection for direct and follow-up monitoring of YG schemes have now been completed and the latest data collected for reference year 2016 show a continued improvement in terms of the coverage, completion and quality of the data provided, though there remain some country-specific issues that need to be taken into account when interpreting results. **Improvements are still needed, however, in the completion of follow-up data (still missing for 8 countries and rather incomplete in others), and in the quality of data on the destination of exits, which remain unknown for more than one in five exits.** These data are crucial to understanding the impact of YG schemes and their improvement should be prioritised.

## The general situation of young people <sup>1</sup>

In 2016 the NEET rate<sup>2</sup> for persons aged 15-24 was 11.5% across the EU, representing just under 6.3 million young people who were potential targets of YG schemes. This group is more or less evenly split between those that are unemployed (5.4% of the youth population) and those that are inactive (6.2%). The NEET rate varied from 4-6% in Denmark, Luxembourg and the Netherlands to 17-20% in Bulgaria, Italy and Romania (Figure 1). At EU level, the NEET rate for young men (11.2%) was slightly lower than for young women (11.9%), whereas there are more significant differences in the NEET rate by age-group. The NEET rate at EU level for those aged 15-19 in 2016 was almost 11 pp lower than the rate for those aged 20-24 (6.1% vs. 16.7%). This is to be expected since many of those at the younger end of the age-group will still be in compulsory education or in further education and not yet looking to move into work.

Figure 1 - NEET rates by sex, 2016 (% population, 15-24)



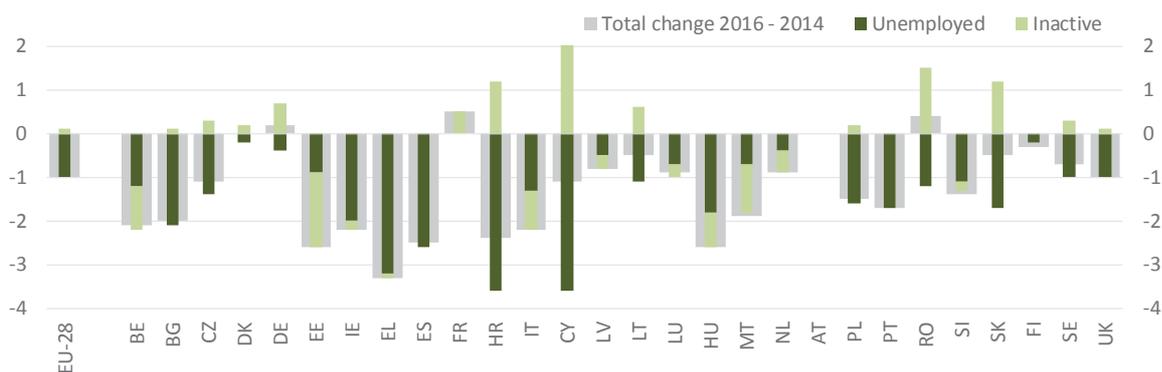
Source: Eurostat, Labour Force Survey (edat\_lfse\_20), data extracted on 19 October 2017.

The NEET rate for persons aged 15-24 has improved (decreased) by 1 percentage point from 12.5% in 2014 to 11.5% in 2016 and has improved in all but three countries (Germany, France and Romania) (Figure 2). This improvement derives from an improvement in the unemployed NEET rate and not in the inactive NEET rate. Indeed, in 12 countries the inactive NEET rate increased over the period whilst the unemployed NEET rate went down. It is worth noting that most YG schemes still only cover young people who register as unemployed with the public employment services, which possibly contributes to the lack of progress in reducing inactive NEET rates.

<sup>1</sup> Data based on the EU Labour Force Survey (LFS)

<sup>2</sup>T he proportion of people within an age-group that are not in employment, education or training

**Figure 2 - Change in NEET rates by status, 2014-2016 (pp)**



Source: Eurostat, Labour Force Survey (edat\_lfse\_20), data extracted on 19 October 2017.

### ***The YG in 2016 - key numbers<sup>3</sup>***

In total, there were just over **7.2 million starts on YG schemes during 2016**; 4.9 million from the main target group of NEETs aged 15-24 and 2.3 million from the 25-29 age-group in countries that adopted the extended coverage. On average, **3.5 million young people were registered with a YG provider at any point during 2016** (2.4 million aged 15-24 and 1.1 million aged 25-29). This number is increasing through time as more young people in the 25-29 age-group are registered.

Of the total of 7.3 million exits from YG schemes during 2016 (5.2 million aged 15-24 and 2.1 million aged 25-29), just over two-thirds (4.9 million or 67.1%) are known to have taken up an offer of employment, traineeship, apprenticeships or continued education though the real figure is likely to be higher since the destination was unknown for over a fifth (21.1%) of all exits.

### ***Main results of monitoring in relation to key YG objectives (15-24 age-group)***

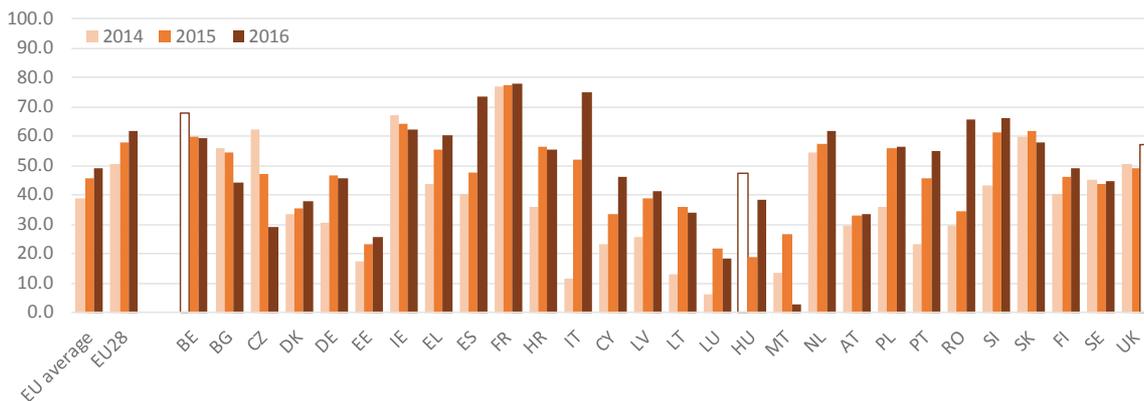
The key objectives of the YG are to ensure that all young people that are or become NEET are registered with a YG scheme and get a good-quality offer of employment, continued education, an apprenticeship or a traineeship within 4 months of the registration date. Monitoring of the efficiency and effectiveness of implementation is based on sets of indicators at the direct and follow-up levels.

<sup>3</sup> Data are compiled on the basis of a common methodology - the Indicator Framework for Monitoring the Youth Guarantee 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.

- **Young people are remaining longer in YG schemes**

Of the 2.4 million young people aged 15-24 enrolled in a national YG scheme at any point during 2016, **more than three in five (61.8%) had been waiting for an offer for more than 4 months**, a slightly higher figure than in 2015 (57.7%). The high share of young people waiting more than 4 months for an offer raises some concern about the capacity to deliver timely offers and possible accumulation of young people that are difficult to place. At the same time, it has to be recognised that groups of young people that suffer from multiple disadvantages or who are otherwise particularly hard to place may need longer preparatory support before they are ready to take up an offer and in this sense, it is more important to ensure that they get this support, rather than pushing them through within a fixed timescale just to meet targets. During 2016, the proportion of YG participants registered for more than 4 months varied from less than 30% in the Czech Republic, Estonia, Luxembourg and Malta to more than 60% in Ireland, Greece, the Netherlands, Romania and Slovenia and over 70% in Spain, France and Italy (Figure 3).

**Figure 3 - Proportion of young people aged 15-24 currently in a YG scheme and registered for more than 4 months, 2014 - 2016 (% annual average stock)**



Source: DG EMPL, YG monitoring database, data extracted 11 December 2017

Notes: Empty columns show data that are not comparable across years, but which are included in the EU level figures.

- ***YG schemes continue to reach less than 40% of NEETs***

The coverage of YG<sup>4</sup> schemes is measured by comparing the number of the NEET population registered in the YG preparatory phase (annual average stock, administrative data) to the size of the NEET population as provided by the LFS (annual average, survey data). Although the results have to be considered indicative rather than definitive due to potential differences in definitions (which may vary between countries)<sup>5</sup>, they can provide an estimation of the extent to which YG schemes achieve the objective of reaching all young people that become, or are already, NEET.

In 2016 the EU28 aggregate coverage rate was 38.5%<sup>6</sup> which means that, taken together, the YG schemes covered less than one in four of all NEETs aged 15-24 across the EU. This coverage rate is marginally higher than in 2015 (37.7%) but still well below the objective of supporting all young people in this situation. Coverage ranges differ considerable across countries from over 70% in some countries to below 10% in others (Figure 4). However, it should be noted that in most countries the YG covers only young people registered as unemployed with the PES and that any support provided to inactive NEETs is not covered by the monitoring data. The results show that, in general, YG schemes are still some way off the objective of reaching all young persons that become NEET after leaving school or becoming unemployed.

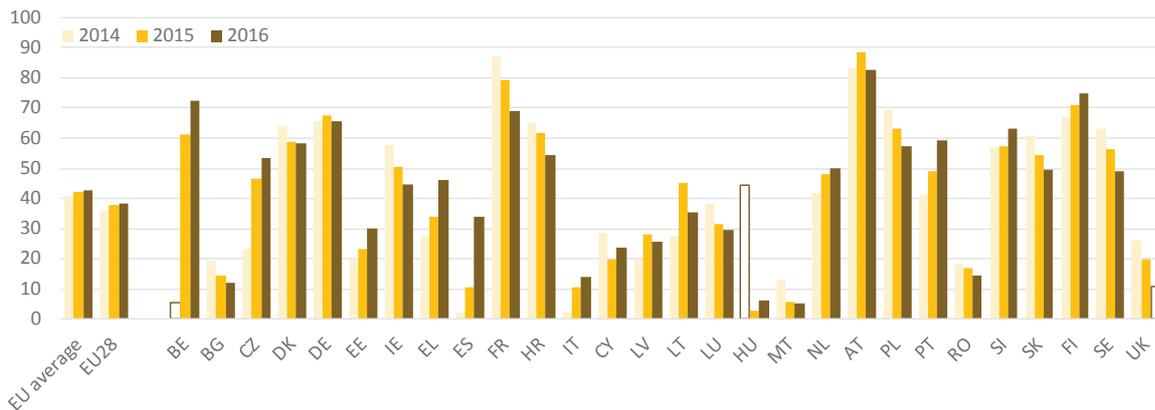
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<sup>4</sup> Note that the criteria used to delimit the NEET population used in the denominator, which is derived from the EU Labour Force Survey (LFS), may differ from the specific conditions applied in each country to register in the YG, so that 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.

<sup>5</sup> The LFS definition of NEETs is common across countries, however it may vary from the definitions applied in the context of national YG schemes and in the administrative data used to monitor these

<sup>6</sup> On average, the coverage rate of YG schemes ("EU average") in 2016 was 42.5% compared to 42% in 2015 and 40.7% in 2014. However, the EU aggregate result ("EU28") was lower at 38.5% because of low coverage rates in two of the countries with the largest NEET populations (IT and the UK). According to the LFS data for 2016, Italy and the UK together accounted for 31.7% of all NEETs in the EU while their YG schemes covered only 14.1% and 10.5% of the target group respectively.

**Figure 4 - Coverage of YG schemes, 2014 - 2016 (% NEET population aged 15-24)**



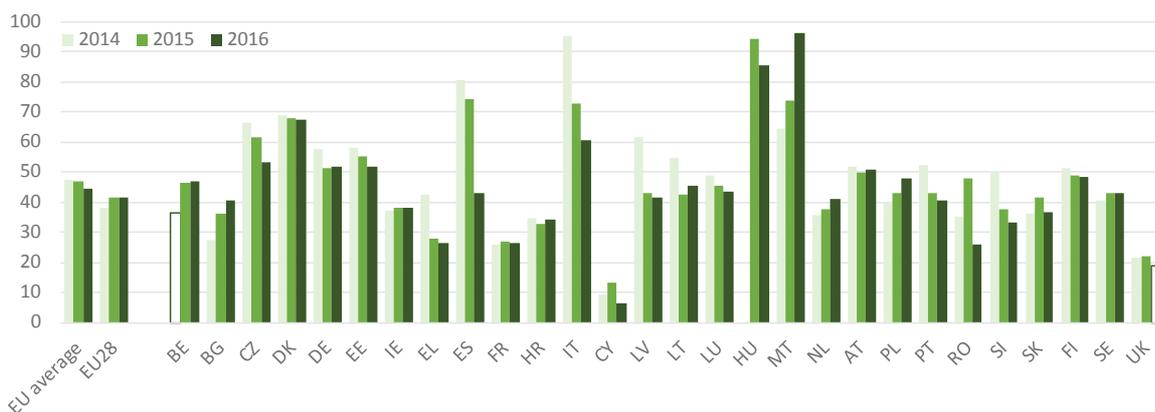
Source: DG EMPL, YG monitoring database, data extracted 11 December 2017

Notes: Empty columns show data that are not comparable across years, but which are included in the EU level figures. The NEET population used in the denominator refers to the 15-24 age-group in all cases but there are some minor differences in the age-group covered by the YG monitoring data used as the numerator.

- **Just over 40% of those leaving the YG took up an offer within 4 months**

In 2016, a total of 5.2 million young people aged 15-24 exited YG schemes after taking up an offer (3.5 million or 67%) or otherwise being deregistered (1.7 million or 33%) during the year, slightly fewer than in 2015 (5.4 million). Of these 5.2 million young **2.1 million (41.4%) took up an offer of employment, education, an apprenticeship or a traineeship within 4 months of registration**, though the real figure is likely to be higher as the reason for leaving is unknown for more than a fifth of cases. The average of the country results is better at 44.5% as the EU aggregate is weighed down by lower results in a few larger countries.

**Figure 5 - Timely and positive exits from the YG, 2014 - 2016 (% all exits)**



Source: DG EMPL, YG monitoring database, data extracted 11 December 2017

Notes: Empty columns show data that are not comparable across years, but which are included in the EU level figures. NL – Data estimated as 75% of those exiting within 6 months. FI, UK - Data refer to exits within 3 months rather than 4.

### ***More than two thirds of timely offers were employment opportunities***

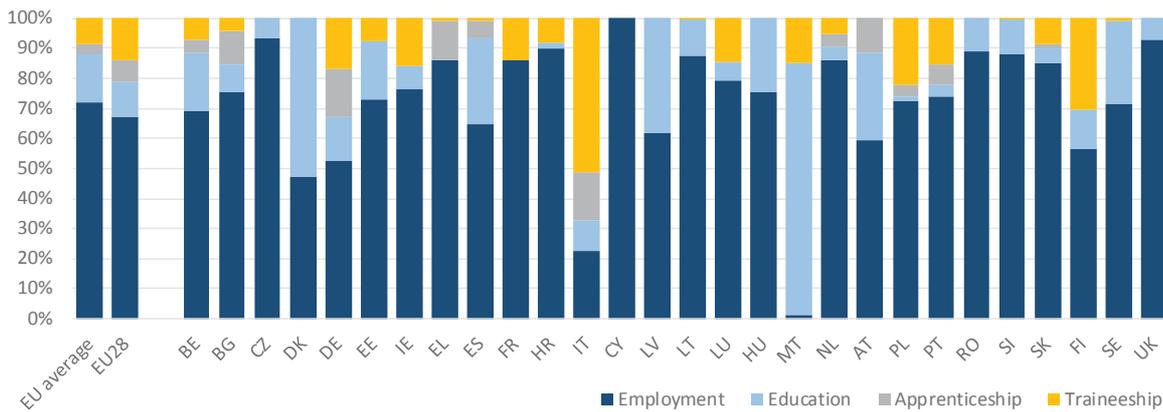
Of the 2.1 million young people that took up an offer within 4 months, 1.4 million, or **67.2% took up an employment opportunity**. This figure includes open market jobs found on the own initiative of young people as well as those found with assistance from the YG provider, together with various forms of short and longer-term placements subsidised with public funds (Figure 6).

The remaining 0.7 million mostly took up offers of a traineeship or continued education (13.9% and 12% of all timely offers respectively) while far fewer are reported to have taken up an apprenticeship (6.9%).

In practice, the numbers taking up all types of offer are likely to be understated as (1) in some countries, there are significant numbers of young people that leave the YG without any record of where they have gone and (2) some countries have difficulties to monitor particular types of offers. Thus, the distribution of timely and positive offers by type of offer in each country has to be viewed bearing in mind these limitations of the data.

On the basis of the data available, it is clear that employment offers are most important in the large majority of countries, accounting for an average of 72% of timely offers (exceptions are Denmark, and Malta, where the YG schemes have a clear focus on improving the employability of young people through continued education) and Italy where traineeships are most important. Finland is the only other country in which traineeships accounted for more than 30% of timely offers in 2016. On average, apprenticeships accounted for just 3.4% of known offers.

**Figure 6 - Distribution of timely and positive exits by type of offer, 2016 (% timely and positive exits)**



Source: DG EMPL, YG monitoring database, data extracted 11 December 2017

Notes: The breakdown by type of offer is not complete for all countries. This is mainly because one type cannot be distinguished from another (e.g. apprenticeships cannot be distinguished from education) or cannot be monitored, rather than because the type of offer is not available to YG participants.

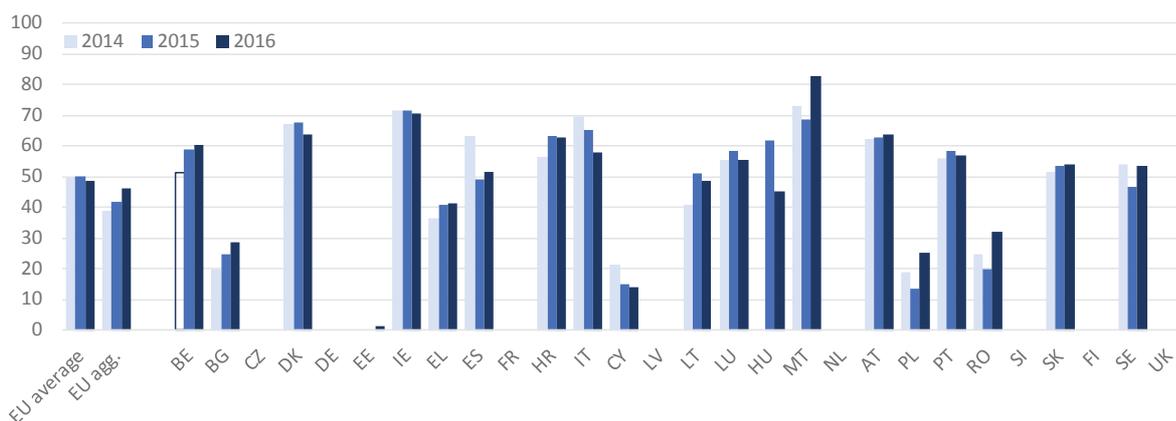
***Close to half of those leaving the YG in 2016 are known to be in a positive situation 6 months later. Longer-term monitoring suggests that outcomes are sustained but highlight the need to improve follow-up data.***

Follow-up data on the situation of young people 6, 12 or 18 months after leaving the YG are only available for 20 countries. Of the 2.4 million young people that left YG schemes in these countries during 2016, **1.1 million (46.2%) were known to be in employment, education or training 6 months after exit.** However, it should be clear that this figure is likely to be **significantly understated because the situation of 0.9 million (36.1%) of this cohort was unknown.**

In addition to the 8 countries that provide no follow-up data, several others have limited capacity to track young people after they leave the YG and lose contact with the YG provider<sup>7</sup>. There are just four countries – Denmark, Ireland, Spain and Italy – in which the follow-up data for 2016 include known situations for around 90% or more of cases (i.e. 10% or less unknowns) and the data can be considered to provide a good representation of the real situation.

<sup>7</sup> In some cases, known situations cover only people that remain in contact with the YG provider because they are still participating in a subsidised offer or have returned to the unemployment register.

**Figure 7 - Proportion of young people leaving the YG known to be in a positive situation 6 months after exit, 2014 - 2016 (%)**



Source: DG EMPL, YG monitoring database, data extracted 11 December 2017

Notes: EU averages and aggregates take into account only countries for which data are available. The completion of data has improved through time so the data cover 18, 19 and 20 countries in 2014, 2015 and 2016 respectively. Empty columns show data that are not comparable across years, but which are included in the EU level figures. RO – Data refer to the situation of all persons that had reached at least 6 months after exit on a fixed date of observation (end of reference year). EE – Data are missing for participants registered unemployed with the PES (main provider, 95% of exits). HU – The YG scheme started on 1 January 2015 thus there are no data for 2014.

Longer-term monitoring for those leaving the YG in 2014 and 2015 show lower proportions in a positive situation after 6 months (38.9% and 42% respectively). These figures hardly change after 12 (36.8% for 2014 and 44.5% for 2015) or 18 months (35.1% and 43.6% respectively). This suggests – tentatively at least – that the outcomes achieved are sustainable through time, but perhaps of more importance is the implication that more than half of those passing through YG schemes are in a negative or unknown situation. It should be a clear priority, therefore, to improve the completion and quality of the follow-up data so that the real situation can be better understood.

More detailed analysis appears to show that outcomes are better for those that left the YG to take up an offer compared to those that left to negative or unknown situations. Although differences reduce as the time after exit increases, data for 2015 show that 47.0% of those that are known to have taken up an offer on exit were in a positive situation 18 months later compared to 35.8% of those that exited to negative or unknown situations. Whilst these are encouraging findings, it should be recognised that the results may not be fully reliable due to the high numbers still in unknown situations and a risk of some bias in the data in the case that people taking up offers are more likely to be tracked in follow-up data than those that did not. In order to improve the reliability of such analysis, countries need to improve their capacity to track the situation of all young people that pass through the YG.

- **YG offers contribute to better outcomes (indicative evidence)**

As reported above, in the 20 countries with some follow-up data, 46.2% of all those exiting the YG in 2016 were known to be in a positive situation 6 months later. As follow-up data are collected for all exits and separately for those that took up each type of offer, it is possible to compare the situation of those that did or did not take up an offer. In 2016, well over half (56%) of those known to have taken up an offer were in a positive situation 6 months after exiting compared to less than a quarter (23.2%) of those that exited to either negative or unknown destinations. This is a striking difference but could simply reflect the fact that young people benefitting from more substantial offers (in terms of duration) are likely to be still participating in the offer that gave rise to their exit so that a comparison at this stage is not representative of final outcomes. It is necessary, therefore, to look at the longer-term follow-up data available for exits in 2014 and 2015.

Encouragingly, these data confirm that longer-term outcomes are more positive for YG participants that are known to have taken up an offer on exit from the YG than for those that left to negative or unknown situations (see Figure 8). Although for leavers in both 2014 and 2015, the difference between offer/no offer in the proportion of positive outcomes reduces as the time after exit increases (which is to be expected) the difference remains above 10 percentage points in all cases.

Whilst these findings are welcome in that they suggest that the YG is having a positive effect, the results should be taken as indicative but not conclusive evidence. Firstly, there are still significant numbers of young people in unknown situations and secondly, it is possible that there is some bias in the data.

**Figure 8 - Proportion of young people known to be in a positive situation 6, 12 and 18 months after leaving the YG by situation on exit, 2014-2015 (% of exits)**



Source: DG EMPL, YG monitoring database, data extracted 11 December 2017

Notes: Data are based on aggregates of available data, which cover 18 countries in 2014 and 19 in 2015.

### ***Data completion and quality***

The 2016 data collection exercise has seen a further **improvement in the completion and quality of data** compared to previous years, though there remain some specific issues in some countries that need to be taken into account when interpreting results.

Despite these improvements, there remain some gaps, the most important of which relate to the **completion of follow-up data** and **reducing the number of unknown destinations and subsequent situations** in both exit and follow-up data. Follow-up data are still not available for eight countries so that the related indicators cannot be calculated, while several other countries provide data that are still partial (cover only part of the population or selected situations). Regarding the proportion of unknowns in exits data, although this has dropped from 28.4% of exits (aged 15-24) in 2014 to 22.5% in 2016, it still means that the destination upon exit is still not known for more than one in five participants and significantly more in some countries.

### **Section 2: Country profiles (6149/18 ADD 2-ADD 29)**

This section presents, for each Member State, the conclusions of the December 2017 multilateral surveillance review of the implementation of the YG as well as country-specific results of the data collection