



Council of the  
European Union

011417/EU XXVI. GP  
Eingelangt am 15/02/18

Brussels, 15 February 2018  
(OR. en)

6149/18  
ADD 4

SOC 49  
EMPL 33  
ECOFIN 103  
EDUC 33  
JEUN 12

**COVER NOTE**

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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 attached the BG country fiche.

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## BULGARIA

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

The NEET rate remains very high, but there have been improvements in the labour market situation for youth, and progress in the implementation of the Youth Guarantee. Concerns were raised about early-school leaving rates and Bulgaria provided an overview of some initiatives in the area. Partnerships have been strengthened, but it was acknowledged that there is a need for stronger involvement at municipal level. There were also concerns about the mismatch between the education system and the needs of the labour market. Overall, the Youth Guarantee in Bulgaria is achieving positive results but efforts need to continue. In particular, outreach and activation measures need to be intensified to improve coverage.

## 2. YG monitoring 2016: key data

### Highlights

- ❖ On average, less than half (44.3%) of those registered in the YG at any point during 2016 had been waiting for an offer for more than 4 months, a significant improvement compared to 2014 that is probably linked to reduced inflows as the number of unemployed NEETs has fallen.
- ❖ Only four in ten (40.5%) of those leaving the YG in 2016 took up an offer within 4 months, indicating relatively inefficient implementation, even if there has been some improvement through time.
- ❖ On average, only 11.9% of NEET population in 2016 was covered by the YG in 2016. This represents a further decline from the already poor coverage in 2014 (19.3%) and reflects the declining population of unemployed NEETs. Around 80% of the NEET population in Bulgaria is inactive and this group is not covered by the YG.
- ❖ Only just over a quarter of participants (28.6%) were known to be in a positive situation 6 months after exit. However, this result is of little real value due to a lack of capacity to track people after exit – subsequent situations were unknown for 71.2% of leavers. Improving follow-up data to monitor the sustainability of outcomes should be a priority.

### Introduction

The YG scheme in Bulgaria was launched in January 2014. Bulgaria presented a Youth Guarantee Implementation Plan (BG) in 20 December 2013, which was updated in May 2014. Bulgaria has extended the YG to young people under 30.

The Coordination Council (managed by the Ministry of Labour and Social Policy) oversees the implementation of the National Plan for Youth Guarantee 2014 - 2020. In addition to the Ministry of Labour and Social Policy, other actors involved are the Ministries in charge of Regional Development, Education and Science, Youth and Sport, Economy and Energy as well as national representative organisations of employers, employees and young people. The National Association of Municipalities is also involved.

More information (in Bulgarian) can be found in the dedicated YG website and in the Youth Guarantee Implementation Plan.

## 1 Quality of data

### 1.1. Key changes compared to 2015

There have been no changes in the way that the YG data for 2016 have been compiled when compared to previous years.

## 1.2. Data quality 2016

As in previous years, Bulgaria has provided all data requested, largely in accordance with the definitions of the YG Indicator Framework. The main area for improvement would be follow-up data. The lack of capacity to track people after exit from the YG (i.e. after deregistering from the PES) means that the data are of little value (circa 70% of leavers are in an unknown situation at any point afterwards). Currently it is only possible to monitor the subsequent situation of those taking up a subsidised offer (because they remain in contact with the PES) or re-entering the regular education/training system.

In addition, whilst exits to apprenticeships and traineeships delivered through relevant YG offers are recorded in the destination of exits based on the type of measure, in follow-up data, any people in an apprenticeship or traineeship will be recorded as being in employment as they cannot be distinguished using the data available. It is planned to further develop the monitoring system to facilitate improved tracking of young people after they have taken up an offer.

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	
<b>Providers</b>	National Employment Agency (PES)
<b>Participants</b>	All registered unemployed youth. A young person registering as unemployed with the public employment services (PES) is automatically considered to have entered the YG service – i.e. entry to the YG scheme is coincident with the start of a new unemployment spell.
Completion of data	
<b>Missing data</b>	None
Data recording	
<b>Exits by destination</b>	<ul style="list-style-type: none"> <li>– Exit coincides with end of the unemployment spell so destination unemployment is always zero.</li> <li>– Exits to education are 100% reinsertion to the regular education/training system without any specific programme designed to promote this transition. No YG-specific training programmes that might constitute a YG offer of continued education are reported.</li> <li>– Exits to an apprenticeship refer to measures where the beneficiary works with a mentor. However, the training does not lead to formal qualifications so is not technically an apprenticeship.</li> <li>– Proportion of unknown destinations: 10.10%</li> </ul>
<b>Follow-up T</b>	<ul style="list-style-type: none"> <li>– Follow-up data only include situations employment, education and unemployment. Both apprenticeships and traineeships are considered a form of employment in Bulgaria and are recorded accordingly.</li> <li>– Proportion of unknown situations (6m after exit): 71.2%</li> </ul>
Comparability of data	
<b>Definitions</b>	– No known divergences from the specifications of the Indicator Framework.
<b>Across time</b>	– Data are comparable.

Source: YG monitoring template (quantitative data).

## 2 Monitoring results

This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators are, however, based on national administrative data and, although they are in principle based on a common methodological framework, differences in definitions, institutional practices and the capacity to collect all of the necessary data, particularly in relation to follow-up, may impact on the comparability of data between countries. Readers are recommended to refer to the [Notes about the data](#) in annex to this report.

### 2.1 Aggregate monitoring: Macroeconomic indicators

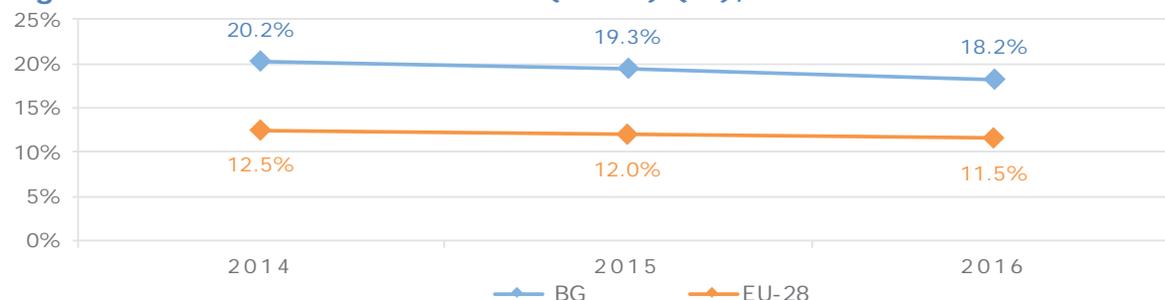
Indicators for aggregate level monitoring of the YG are based on data from the EU Labour Force Survey (LFS) and are intended to monitor the general situation of young people in the EU. The evolution of these indicators through time represents an indirect means of monitoring the effects of implementing the YG and may also reflect the impact of preventive measures to help young people avoid falling into unemployment or inactivity. The aggregate level indicators are complemented by the direct and follow-up level indicators that monitor the efficiency and effectiveness of YG delivery and help to disentangle the impact of policy measures from general economic developments.

The main indicator for YG monitoring at the aggregate level is the NEET rate for young people aged 15-24 – i.e. the proportion of people aged 15-24 that are not in employment, education or training. In 2016, the NEET rate in Bulgaria was 18.2%, well above the EU-28 aggregate level of 11.5% (see [Figure 2](#)).

It should be noted that the unemployed NEET rate for those aged 15-24 is actually below the EU aggregate figure (3.7% vs 5.4%) and that the high overall NEET rate in Bulgaria therefore derives from inactive NEETS, the inactive NEET rate being more than double the EU figure (14.5% vs. 6.2%). It means that the key challenge for YG implementation in Bulgaria is to reach inactive youth, particularly those that are low-skilled. At the present time, however, the YG scheme, or at least the monitoring data, covers only those registered as unemployed with National Employment Agency.

Compared to 2014 - the year the YG implementation started – the NEET rate in Bulgaria has improved (reduced) by 2 pp, double the improvement at EU level (decline of 1 pp). The difference between the NEET rate in Bulgaria and at EU level has therefore narrowed but remains significant. It is worth noting, however, that the improvement in Bulgaria derives entirely from a reduction in the unemployed NEET rate (from 5.8% in 2014 to 3.7% in 2015) and that the inactive NEET rate has hardly changed (14.4% in 2014 and 14.5% in 2016), further emphasising the need to target YG support at this group.

**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, more than four in ten (44.3%) of young people aged 15-24 registered in the YG preparatory phase had been waiting for an offer for more than 4-months, slightly below the EU average of 49.1%, and a significant improvement compared to 2014 (see Table 3). This improvement, which implies increased efficiency of implementation, may be linked to the progressively reducing inflows to the scheme (as unemployment in the 15-24 age-group has declined).

**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)	44.3%	-11.4	49.1%
<b>Breakdown by age</b>			
15-19	48.8%	-4.7	46.2%
20-24	43.4%	-12.7	49.3%
<b>Breakdown by gender</b>			
Men	44.4%	-12.4	48.0%
Women	44.2%	-10.2	49.9%

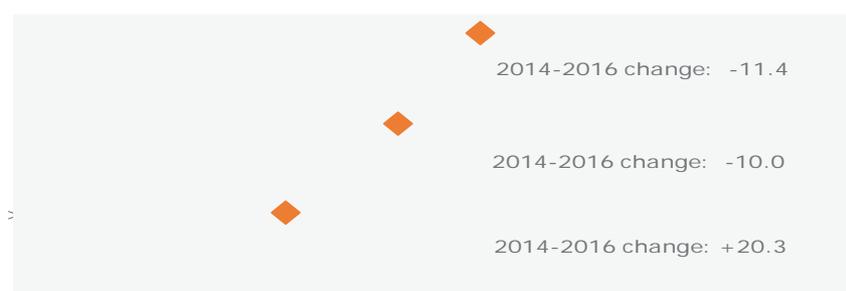
Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

The proportions remaining in the YG preparatory phase for longer periods have also declined. In 2016, on average, 33.6% had been registered for at least 6 months and 20.3% for a year or more.

The supplementary indicator on positive and timely exits shows that four in ten (40.5%) of those leaving the YG in 2016 took up an offer within the target of 4 months. This is below the EU average (44.5%), but represents an improvement of almost 13 percentage points compared to 2014, the first year of YG implementation (Figure 3).

**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)

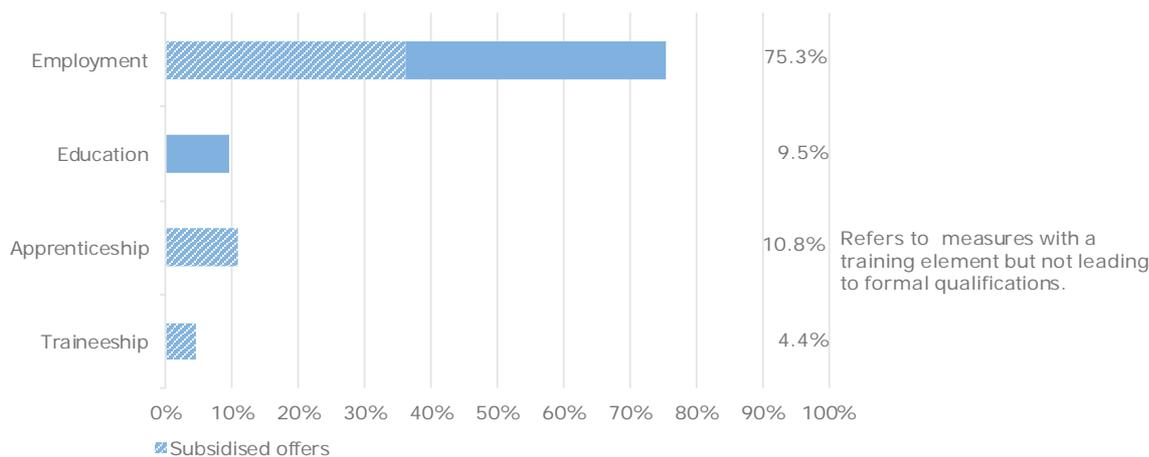


Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

Nearly seven out of ten (69.5%) of those that left the YG within 4 months in 2016 went to positive destinations. Of this group, three quarters (75.8%) took up an offer of employment, 9.5% re-joined the regular education/training system, while the remainder took-up an apprenticeship (10.8%) or a traineeship (4.4%), though note that the “apprenticeships” reported refer to employment with a mentor and not true apprenticeships according to the accepted definition.

All “apprenticeships” and traineeships were subsidised, and nearly half (48.0%) of employment offers. Overall, just under four in ten (39.1%) of all positive exits within 4 months were to open market jobs (see Figure 4).

**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 Guarantee<sup>1</sup> 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.

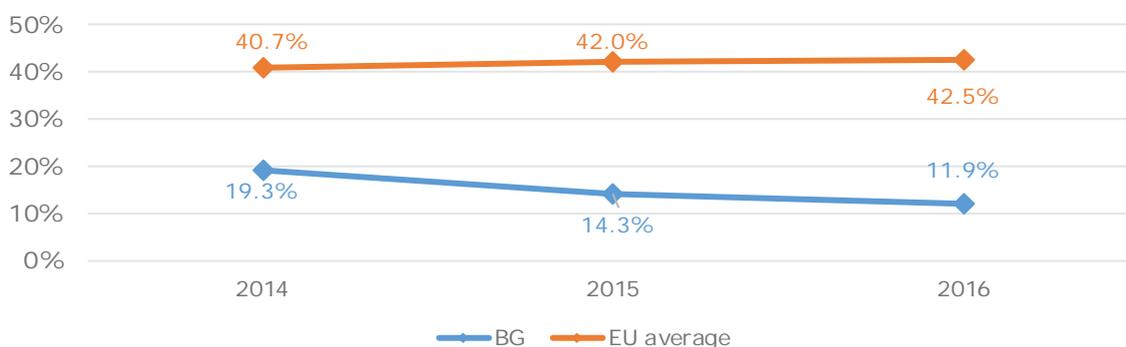
The second supplementary indicator for direct monitoring uses NEET rates and population data published by Eurostat together with the annual average stock of participants in the YG preparatory phase in order to estimate the proportion of the NEET population that is covered by the YG scheme (see Figure 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.

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

Results show that, on average in 2016, just 11.9% of the NEET population in Bulgaria was covered by the YG scheme, significantly below the EU average of 42.5% and fewer than in 2014 (19.3%). This result largely reflects the fact that the Bulgarian YG scheme covers only young people registered with the National Employment Agency as unemployed and therefore misses all inactive NEETs, who comprise the major part (c.80%) of the NEET population, though the result still implies that more than 40% of unemployed NEETs are not covered. The decline in coverage since 2014 largely reflects the dramatic fall in the number of unemployed NEETs (from 42.7 thousand to 25.0 thousand) and emphasises again the failure to reach inactive NEETs, whose numbers have reduced only slightly (from 106.0 thousand to 97.8 thousand).

There is also a differentiated coverage by age groups, whereby coverage for young NEETs aged 20-24 (14.8%) is more than double that for participants aged 15-19 (6.0%). This almost certainly reflects the fact that access to the YG is tied to registration with the PES as unemployed.

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



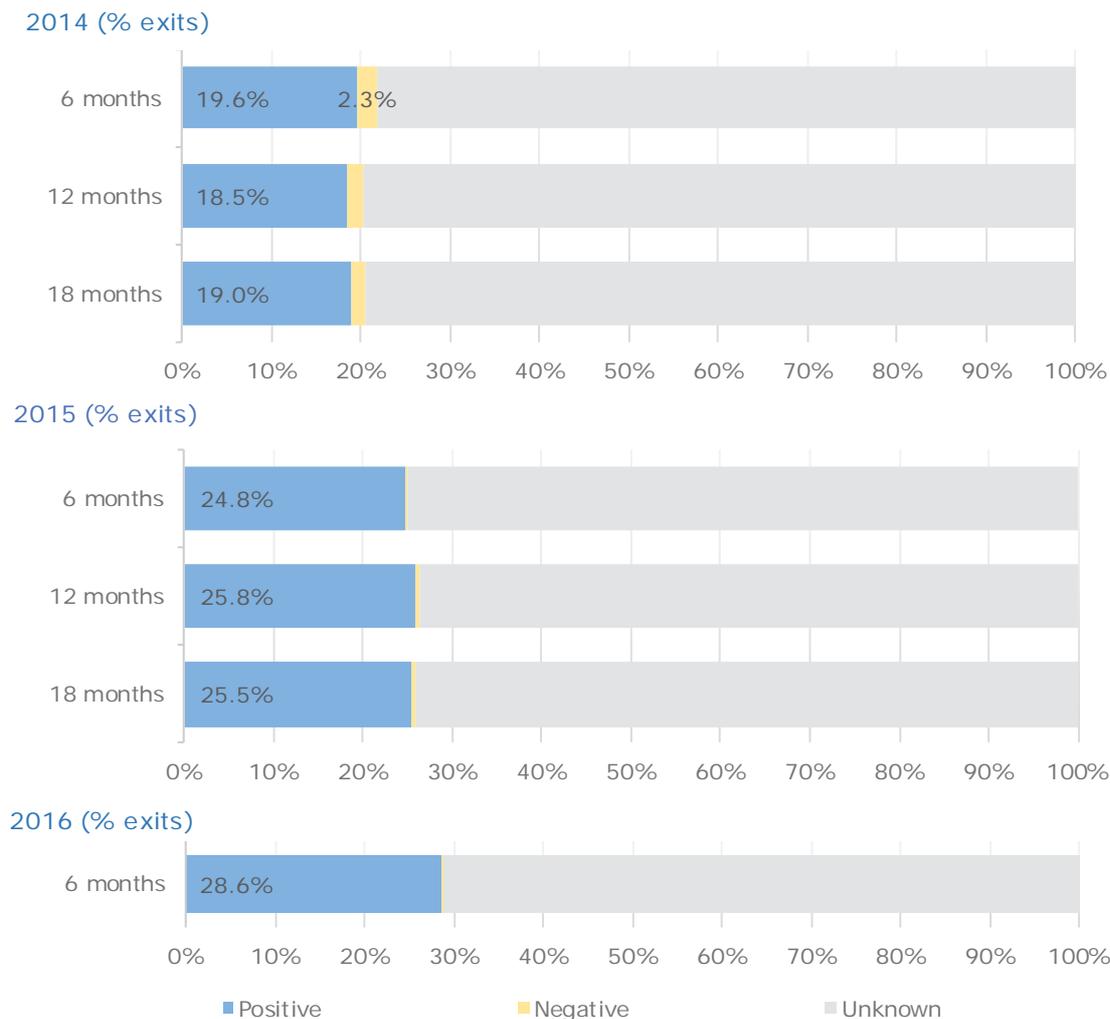
Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

## 2.4 Follow-up: sustainability of YG outcomes

The main follow-up indicator on the situation of young people after exiting the YG preparatory phase shows that, in Bulgaria, only just over a quarter (28.6%) of those leaving during 2016 were known to be in a positive situation (i.e. in employment -including apprenticeships and traineeships- and education) 6 months after exit (Figure 6). In practice, however, this result is of little value because the situation was unknown for the majority of leavers (71.2%). At present, it is only possible to monitor the subsequent situation of those taking up a subsidised offer (and therefore covered by ongoing monitoring) or re-entering the regular education/training system. Those exiting to open market offers or dropping out of the YG cannot be tracked unless they return to the unemployment register.

Longer-term follow-up data for those leaving the YG in 2014 and 2015 show similar results but, again, are largely meaningless because the majority are in unknown situations.

**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

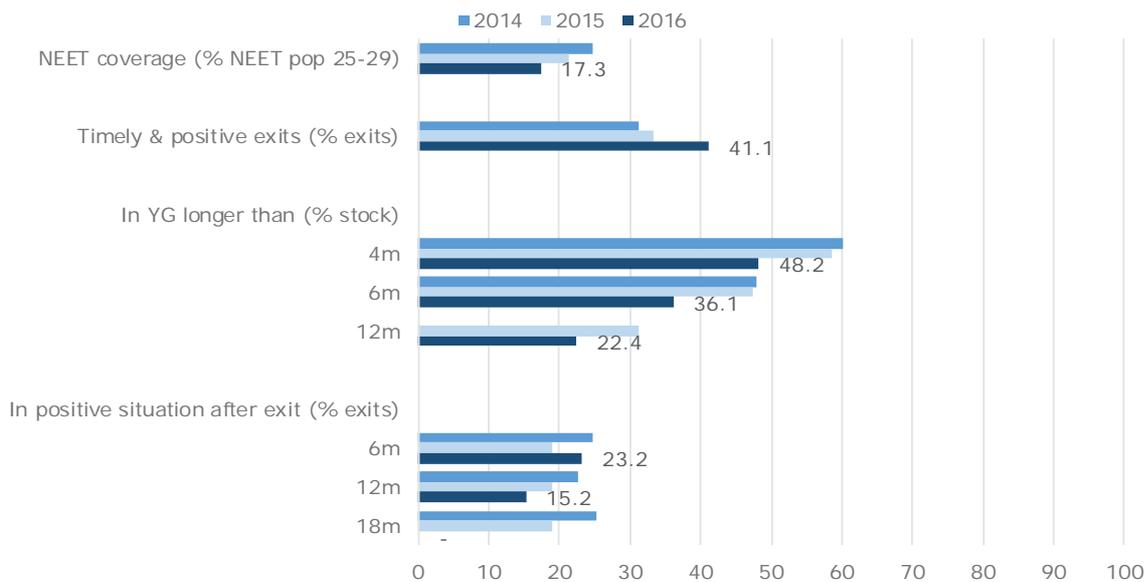
The Bulgarian YG scheme also covers young people aged 25-29. Accordingly, optional data for the 25-29 age-group were provided and key results are shown in [Figure 7](#).

Less than a fifth (17.3%) of NEETs aged 25-29 in Bulgaria are covered by the YG. Although still a low result, this represents better coverage than for the main target group aged 15-24 (11.9%), most likely because the older age-group is more likely to register with the PES as unemployed (which is a requirement to receive unemployment benefits).

The proportion of those aged 25-29 that remained registered for more than 4 months was slightly higher (worse result) than for the main target group (48.2% vs 44.3%), although the proportion of timely and positive exits was also slightly higher (better result) (41.1% vs 40.5%). The differences are, however, small and suggest no obvious age-related factor in the efficiency of YG implementation.

As with the main target group, follow-up data are of little value due to the lack of capacity to track people after leaving that results in the subsequent situation being unknown for the majority of leavers.

**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).<sup>2</sup> 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 countries<sup>3</sup> 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.

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<sup>2</sup> 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).

<sup>3</sup> 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))