



Council of the
European Union

011418/EU XXVI. GP
Eingelangt am 15/02/18

Brussels, 15 February 2018
(OR. en)

6149/18
ADD 5

SOC 49
EMPL 33
ECOFIN 103
EDUC 33
JEUN 12

COVER NOTE

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

Delegations will find attached the CY country fiche.

CYPRUS

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

Overall the labour market situation of young people in Cyprus is improving, with the youth unemployment rate falling notably. However, important challenges still remain, with youth unemployment and NEET rates significantly above the EU average. The inclusive approach to the implementation of the Youth Guarantee, including vocational guidance services, should be praised, but deepening coordination will be crucial for its successful implementation. Outreach is still a challenge which requires a comprehensive strategy. The capacity of Public Employment Services has been considered insufficient. The hiring of additional PES staff, who will be in place in early 2018, and the restructuring of PES procedures, are promising steps towards improving the quality of services and delivering individualized counselling. Plans to monitor and evaluate results should also be put into effect to help increase the quality and timeliness of offers to young NEETs.

2. YG monitoring 2016: key data

Highlights

- ❖ YG monitoring system still in development.
- ❖ Almost half (46.3%) of those registered in the YG scheme at any point during 2015 had been waiting for an offer for more than 4 months, a significant increase on previous years (23.3% in 2014 and 33.7% in 2015).
- ❖ Only 6.3% of those leaving the YG in 2016 are known to have taken up an offer within 4 months of registration, though the result is understated and of little real value as most destinations were unknown (76.4% of exits within 4 months).
- ❖ On average during 2016, the Cypriot YG scheme covered less than a quarter (23.8%) of all NEETs aged under 25.
- ❖ Only 14.1% of those leaving the YG in 2016 were known to be in a positive situation (employment or traineeships) 6 months after leaving. Again, this result is significantly understated as the large majority could not be tracked (84.0%).

Introduction

Cyprus presented its Youth Guarantee Implementation Plan at the end of December 2013, though it has not been made available on line. Subsequently, the Ministry of Labour, Welfare and Social Insurance, drafted a National Action Plan (NAP) for youth, including a list of YG measures. The NAP was approved by the Council of Ministers in December 2014, and has been communicated to DG EMPL. The action plan foresees a sequential approach starting with low-intensity services, followed by more intensive individualised services, followed by intensive treatment for those that cannot be placed during the previous stages.

Further information is available in the National Action Plan (NAP) for youth.

1 Quality of data

1.1. Key changes compared to 2015

An important element of the YG implementation process in Cyprus, is the development of a comprehensive monitoring system, which should have been in place by 2016. However, the new system is still under development and as a result there have been no significant changes in the way that the YG data for 2016 have been compiled when compared to previous years except that a technical issue in the existing monitoring system has been resolved so that 2016 entrants are now correctly reported according to the YG definitions. It was not possible to revise 2014 and 2015 entrants, but they will be revised in the future. The impact of this change is expected to be rather significant as the revised 2016 entrants were only just over half of those initially reported.

1.2. Data quality 2016

In addition to the technical issue regarding entrants (see above), a key issue with the Cypriot data is the high proportion of unknowns amongst destinations on exit - 82.1% in 2016, increased compared to 2015 (65.2%) - and subsequent situations in follow-up data (84.0% at the 6-month observation point). Indeed, the proportion of unknown destinations on exit is by some way the highest observed amongst the 28 EU Member States. These gaps in the data impact severely on indicators of positive outcomes and mean that the results are largely meaningless.

As in previous years, positive exits to education and apprenticeships, as well as all negative exits to inactivity could not be monitored. In addition, young people taking up offers that do not break the unemployment spell are still included in stocks despite having been counted as an exit. It is foreseen that these issues will be resolved once the new monitoring system is operational.

In the longer-term follow-up data, the data do not distinguish between those that had not reached the observation point at the time of data collection (which should be recorded as "not applicable") and those who have reached the observation point but whose situation is unknown ("unknown"). This means that results cannot be adjusted to exclude those for whom the observation is not applicable. As for data on exits, situations apprenticeship, education and inactivity cannot be monitored.

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)
Participants	Young persons aged 15-24 registered as unemployed with the PES.
Completion of data	
Missing data	<ul style="list-style-type: none"> - Exits to education, apprenticeships and inactivity. - Follow-up data for situations apprenticeship, education and inactivity. - Follow-up data for participants that had not reached the 12- and 18-month observation point at the time of the data collection (situation not applicable currently reported as unknown).
Data recording	
Stocks	Participants in training who remain registered unemployed are included in the stock during the training. The issue will be resolved once the new monitoring system is in place.
Exits by destination	<ul style="list-style-type: none"> - Exits to education, apprenticeships and inactivity cannot be monitored (exits recorded under unknown destination). - Proportion of unknown destinations: 82.1%
Follow-up T	- Proportion of unknown situations (6m after exit): 84.0%
Comparability of data	
Definitions	Participants in training who remain registered unemployed are included in the stock during the training.
Across time	- Data are comparable but it needs to be taken into account that 2014 and 2015 entrants are not reported correctly (data to be corrected).

Source: YG monitoring template (quantitative data).

2 Monitoring results

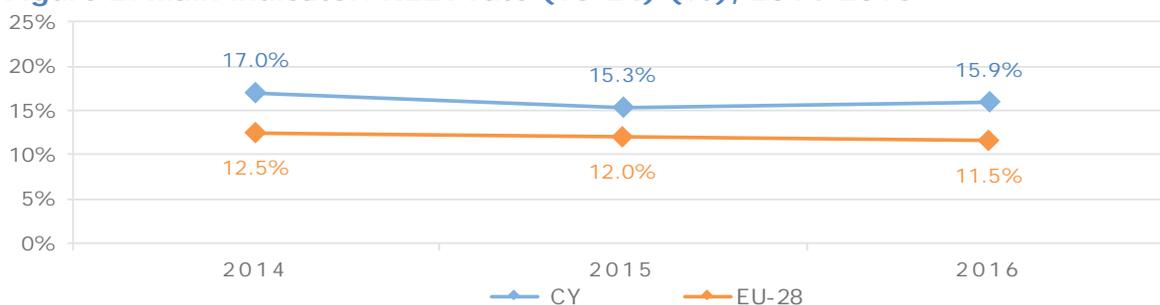
This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators 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 Cyprus was 15.9%, well above the EU average of 11.5% (see [Figure 2](#)). Compared to 2014, the year the YG implementation started, the NEET rate in Cyprus has improved (decreased) by 1.1 percentage points (pp), in line with the improvement seen at EU level.

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, 46.3% of young people aged 15-24 were still in the YG preparatory phase beyond the 4-month target, slightly below the EU average of 49.5% (see [Table 3](#)), but considerably higher than in previous years (23.3% in 2014 and 33.7% in 2015). There is also a substantial difference by age, with the proportion of those aged 20-24 retained in the YG preparatory phase beyond the 4-month target being almost 20 pp higher than for the younger age group (47.9% vs 28.9%). Results are also more favourable for men than women (42.1% vs 49.1%).

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)	46.3%	+23.0	49.1%
Breakdown by age			
15-19	28.9%	+13.0	46.2%
20-24	47.9%	+23.9	49.3%
Breakdown by gender			
Men	42.1%	+20.5	48.0%
Women	49.1%	+24.5	49.9%

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

The proportion of participants registered in the YG for more than 6 months (33.7%) and more than 12 months (16.1%) were also slightly below the EU averages (36.2% and 18.3% respectively, see [Figure 3](#)). However, both shares have increased considerably compared to 2015 (21.7% for duration 6 months and 6.3% for duration 12 months).

The supplementary indicator on positive and timely exits shows that only 6.3% of those leaving the YG in 2016 took up an offer within the target period of 4 months ([Figure 3](#)). However, this result is largely meaningless because the destination was unknown for three quarters (76.3%) of exits within 4 months. The Cypriot data are based on self-reported reasons for ending an unemployment spell and a significant proportion of the unknowns is likely to relate to young people that found a job under their own initiative or started an apprenticeship or education programme (these cannot be monitored) without informing the employment services. At the same time, however, the unknown category also includes a significant number of negative cases where people have been deregistered (e.g. because they failed to fulfil requirements such as attending an interview, but for an unknown reason) but then re-registered soon afterwards.

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)



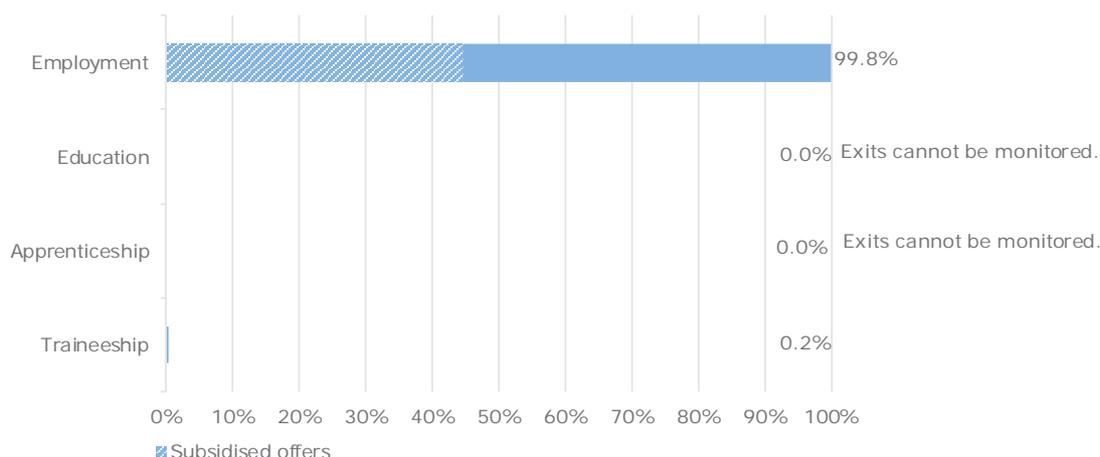
Supplementary indicator: Positive and timely exits from the YG preparatory phase (% exits)



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

Less than a quarter (23.6%) of those that left the YG within 4 months of registration during 2016 are recorded as having positive outcomes, though again this result is of no real value as the destination was unknown for 76.4% of cases. Of those known to have taken up an offer within 4 months, the majority (99.8%) went to employment and the remainder (0.2%) to traineeships, though bearing in mind that education and apprenticeship offers cannot be recorded and the high proportion of unknowns, this distribution is also not particularly meaningful. None of the traineeship offers and 44.5% of employment offers were subsidised. Overall, 55.4% of the known offers taken up within 4 months were open market jobs.

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



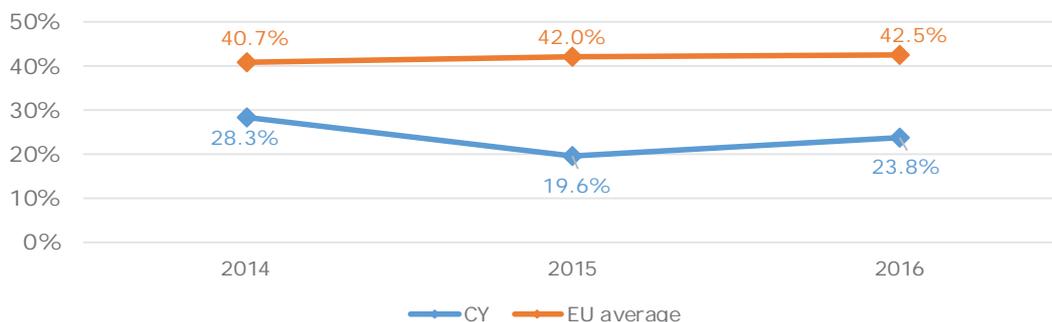
Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

2.3 Direct monitoring: coverage of the YG target population

The Council Recommendation on establishing a Youth Guarantee¹ 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.

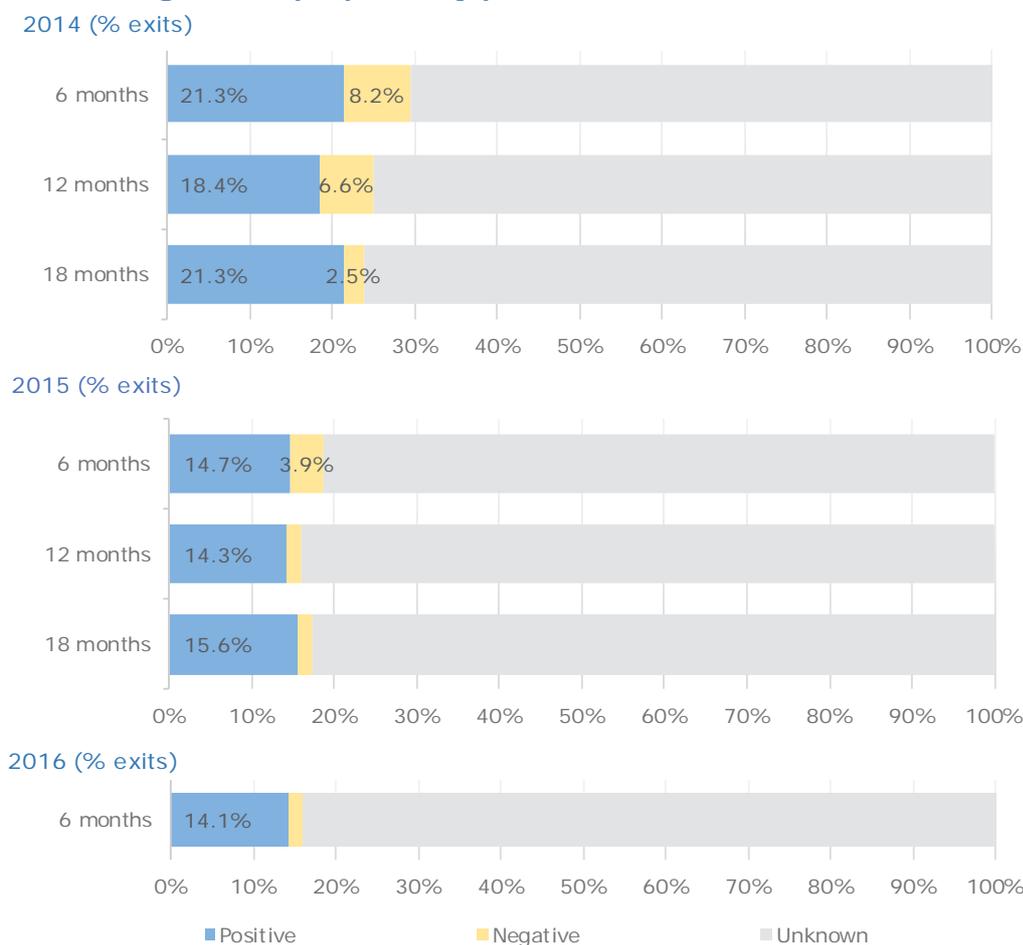
¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

In Cyprus, only one in four (23.8%) of the total NEET population aged 15-24 was, on average, enrolled in the YG scheme (i.e. registered as unemployed) at any point during 2016, well below the EU average (42.5%) but at least slightly higher than in the previous year (see Figure 5). Coverage was much higher for those aged 20-24 than for those aged 15-19 (28.1% vs 8.5%). In the younger age group, some of those counted in the Labour Force Survey as NEETs may in fact be waiting or planning to take up a further education/training course, not intending to start work in the immediate future, and therefore do not register as unemployed. It is not possible from the data to determine if these people ought to be reached by the YG scheme or not.

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 Cyprus, only one in seven (14.1%) of those leaving during 2016 were known to be in a positive situation (i.e. in employment or traineeship) 6 months after exit. As with the exit data, this result is of little value due to the high proportion of unknown situations (84.0%, see Figure 6). Longer-term follow-up data suffer from the same issue.

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 Cypriot YG covers only young people aged under 25. Accordingly, Cyprus did not provide optional data for the 25-29 age-group.

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).² 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 countries³ 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.

² 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).

³ 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))