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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 EE country fiche.

ESTONIA

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

Overall there has been an effective implementation of the Youth Guarantee in Estonia. The labour market situation for youth is favourable and trends are positive. Partnerships are in place, and there are plans to improve the working methods of the coordinating working group responsible for the partnerships. Registration of NEETs at the PES / outreach and the caseload of specialists are both challenges to address. The "Youth Prop-up Programme" and "My first job" are major initiatives, with evaluation of the latter suggesting a need for adjustment of the duration of contracts that have already been made. The sustainability of the offers will be important. Estonia is planning to introduce a NEETs tracking system and related response mechanisms.

2. YG monitoring 2016: key data

Highlights

- ❖ On average in 2016, a quarter (25.9%) of those registered in the YG at any point during the year had been waiting for an offer for more than 4 months.
- ❖ Over half (51.7%) of those leaving the YG scheme in Estonia in 2016 took up an offer within 4 months of registration, less than in 2014 (58.3%), though in both cases the results are understated due to a high number of exits with unknown destinations (31.4% in 2016).
- ❖ The YG scheme reached less than a third (30.2%) of all NEETs aged under 25, though this represents a notable improvement on previous years (19.7% in 2014 and 23.3% in 2015).

Introduction

The Estonian Youth Guarantee Implementation Plan was presented in April 2014. Implementation is the responsibility of the Ministry of Social Affairs and the Ministry of Education and Research. The Ministry of Social Affairs helps young people registered as unemployed via the services provided by the Estonian Public Employment Services (PES), while the Ministry of Education and Research oversees the “Youth Prop Up” programme. The Youth Prop Up programme started in 2015 and is implemented by the Association of Estonian Open Youth Centres. Through this programme, youth workers aim to engage young NEETs (e.g. through mobile youth work) and get them to join activities organised by the Open Youth Centres. Youth workers collaborate with local municipalities, schools, the Estonian PES, partners in the youth sector etc., in order to find the best solution for each person. The Youth Guarantee is supported by national strategies and development plans including the Youth Field Development Plan 2014-2020 and Lifelong Learning Strategy 2020.

Further information is available in the national YG implementation plan.

1 Quality of data

1.1. Key changes compared to 2015

The only change compared to 2015 data is the provision of complete data covering the Youth Prop-Up Programme. Even though the data have some important divergences from the specifications of the YG Indicator Framework (see part 1.2 below), the inclusion of this data represents a positive step.

1.2. Data quality 2016

The majority of the Estonian data are provided broadly in accordance with the definitions of the YG Indicator Framework. Data from the Public Employment Services (PES) comply to the YG methodology, the only real issues are that there are no follow-up data and incomplete data on entrants by previous YG status. Stock data are based on quarterly rather than monthly averages, but this should be enough to address the large part of any seasonal variations that might occur. Thanks to special data extractions made for the purpose of YG monitoring, stock data provided by the PES correctly exclude young people participating in an ALMP that does not break the unemployment spell.

Younger NEETs are approached by the Youth Prop Up programme targeting people aged 15-26. There is a small risk of double counting of participants between the PES register and the Youth Prop Up programme. However, the Youth Prop Up programme was launched only in 2015 and the 1618 entrants during 2016 represent just 11.4% of all entrants to the YG as a whole so any double counting is likely to be insignificant.

At the present time, however, data from the Youth Prop-Up Programme do not fully comply to the YG methodology for a number of reasons:

- Age: is not observed in accordance with §65 of the methodological manual, which requires age to be measured on entry. In the Youth Prop-Up data, age refers to age on the date of observation (in this case 31/12/2106) so that some people are recorded in a different age-group from their actual age-group on entry. The upper age-group also covers people up to age 26 (i.e. 20-26 rather than 20-24). These issues are expected to be addressed for the next data collection.
- Exits: Exit from the Youth Prop-Up does not coincide with the take-up of an offer as set out in §36 of the methodological manual. Instead, exit happens when the young person has achieved the goal they set for themselves upon entering the programme. All exits are recorded as exits to unknown destinations.
- Follow-up data: As all exits are recorded as exits to unknown destinations, follow-up data are not broken down by type of exit. Situations 12 and 18 months after exit are not monitored.
- Previous YG experience: Data on previous YG experience are incomplete and cover only participants in the Youth Prop-Up programme who either participated in the programme before or were part of the PES YG programme "My First Job" prior to entering the Youth Prop-Up Programme.
- For some participants data on sex and/or age were missing. Thus, to be included in the totals the following estimations were made:
 - Entrants: Data on age for 12.4% of total participants are based on estimations based on the known distribution of other participants. Data on registered unemployed also contain some estimations.
 - Stocks: Data include estimations for age and sex, based on the distribution of entrants (same proportions). Breakdowns by duration (totals) were based on stock data from the PES.
 - Exits: Estimations for age and sex of 8.3% of total exits were made based on the existing known dataset on exits.

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	<ul style="list-style-type: none"> – Public Employment Service (Estonian Unemployment Insurance Fund) – Association of Estonian Open Youth Centres (Youth Prop Up programme)
Participants	Registered unemployed aged 16-29 (not 15-29) and younger participants covered by the Youth Prop-Up Programme, which targets people aged 15-26.
Completion of data	
Missing data	<ul style="list-style-type: none"> – Breakdown of entrants by previous YG status is incomplete. Data refer only to participants in the Youth Prop-Up Programme that had previously participated the programme or in a specific ALMP measure (My first job). This information is not needed for indicators but are useful to assess the extent of recycling, which could be an indicator of quality. – Exits data are incomplete as destination upon exit is not recorded for participants in the Youth Prop-Up Programme (all exits are recorded as to unknown destination, 5.2% of total exits). – No follow-up data are available for the PES, which means for the vast majority of participants. For 2016, 6-month follow-up data are available only for young people that left the Youth Prop-Up Programme.
Data recording	
General	<ul style="list-style-type: none"> – Double counting of participants between the two datasets is possible, though the impact is expected to be insignificant.
Entrants	<ul style="list-style-type: none"> – Entry to the YG normally coincides with registration as unemployed so that the vast majority of entrants are registered unemployed. A small number of young people are registered via youth centres carrying out the Youth Prop-Up Programme. – People ending a measure that constitutes an offer (PES training or traineeships) but which does not break the unemployment spell are correctly counted as re-entrants to the YG scheme. – Breakdowns of entrants by sex and age for the Youth Prop-Up Programme contain estimations.
Stocks	<ul style="list-style-type: none"> – PES stock data are based on quarterly and not monthly averages and correctly exclude people participating in an ALMP (and counted as an offer) that does not break the unemployment spell. – Stock data for the Youth Prop-Up Programme include estimations for age and sex, based on entrants (same proportions). Breakdowns by duration (totals) were based on stock data from PES.
Exits by destination	<ul style="list-style-type: none"> – For PES participants exit from the YG coincides with end of the spell as registered unemployed thus, exits to unemployment are reported as zero. Apprenticeships are part of the formal education system. Exits are thus recorded under education. Exits to inactivity are reported as unknown. – Exit from the Youth Prop-Up Programme does not coincide with the take-up of an offer as set out in §36 of the methodological manual. Instead, exit happens when the young person has achieved the goal they set for themselves upon entering the programme. All exits are recorded as exits to unknown destinations. Estimations for age and sex of 8.3% of total exits were made based on the existing dataset on exits. – Proportion of unknown destinations: 31.4%
Follow-up T	<ul style="list-style-type: none"> – Proportion of unknown situations (6m after exit): 94.8%
Comparability of data	
Definitions	<ul style="list-style-type: none"> – Data on age for participants in the Youth Prop-Up programme are not in compliance with the YG methodological manual (§64 and §65): Young people are divided into age groups according to how old they were as of 31.12.2016 (and not upon entry). Additionally, age breakdowns refer to people aged 15-19 (as required) and 20-26 (not 20-24). This issue is expected to be addressed for the next data collection. – Exit from the Youth Prop-Up Programme does not coincide with the take-up of an offer as set out in §36 of the methodological manual. Instead, exit happens when the young person has achieved the goal they set for themselves upon entering the programme.
Across time	<ul style="list-style-type: none"> – Data are comparable.

Source: YG monitoring template (quantitative data).

2 Monitoring results

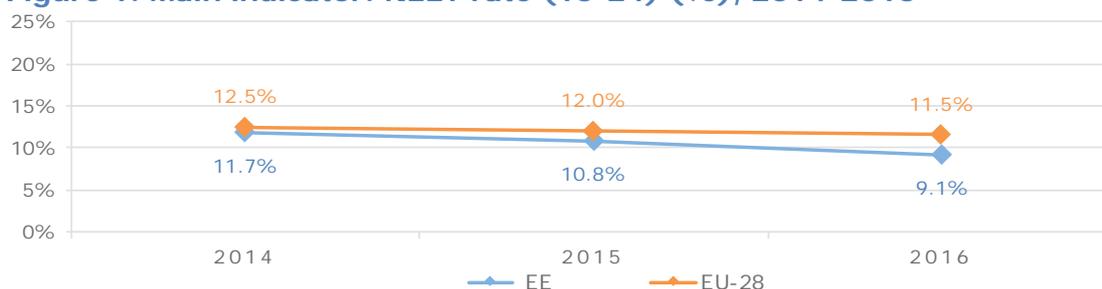
This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators 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 Estonia was 9.1%, below the EU average of 11.5% (see [Figure 1](#)). Moreover, the NEET rate in Estonia has fallen by 2.6 percentage points (pp) since 2014, the year the YG was implemented, compared to just 1 pp in the EU as a whole.

Figure 1: Main indicator: NEET rate (15-24) (%), 2014-2016



Source: Eurostat, Labour Force Survey, data extracted 19 October 2017.

2.2 Direct-monitoring: effectiveness of YG implementation

The main indicator for direct monitoring shows that, on average in 2016, 25.9% 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%. This result suggests effective implementation of the YG, even though there has been a slight increase compared to 2015 (23.1%). The larger increase compared to 2014 (8.6 pp, see [Table 3](#)) is to be expected as this was the first year of the YG implementation so that durations of more than 4 months could occur only for part of the year (May onwards).

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)	25.9%	+8.6	49.1%
Breakdown by age			
15-19	25.3%	+9.7	46.2%
20-24	26.1%	+8.4	49.3%
Breakdown by gender			
Men	23.4%	+8.2	48.0%
Women	28.7%	+9.2	49.9%

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

The proportions remaining in the YG for more than 6 months (13.8%) and more than 12 months (2.7%) are also well below EU averages (36.2% and 18.3% respectively) (Figure 2) and show that Estonia has so far managed to avoid retaining too many people in the preparatory phase for long periods without receiving an offer.

At the same time, the supplementary indicator for direct monitoring shows that only just over half (51.7%) of those leaving the YG in 2016 took up an offer within 4 months. This is above the EU average of 44.5% but in fact is lower than would be expected from the main indicator. In practice, the indicator result is likely to be significantly understated due to high number of exits to unknown destinations (31.4%). Together with the main indicator, these results indicate that the Estonian YG is effective in delivering offers in a timely manner and demonstrates above average performance in this respect.

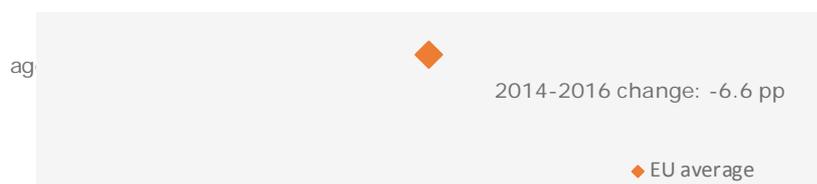
Seven in ten (70.2%) of exits within 4 months are known to have left to a positive destination, with the remainder (29.8%) unknown. Almost three quarters (73.1%) of the positive and timely exits were to employment, one in five (19.2%) to continued education, though this includes apprenticeships which cannot be separately identified (see Figure 3) less than one in ten (7.7%) to a traineeship. All traineeships and most education offers (83.1%) were subsidised, but only 4.3% of employment offers. Overall, it means that 70.0% of the known timely and positive exits were to open market jobs.

Figure 2: YG implementation, direct monitoring indicators, 2016

Main indicator: Proportion of young people in the YG preparatory phase beyond the 4-month target (durations 4,6 and 12 months) (% YG stock)

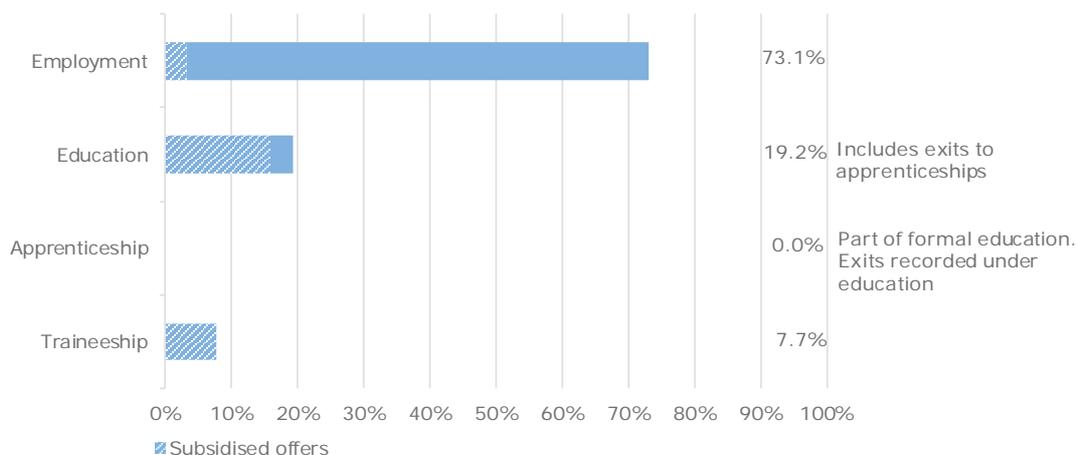


Supplementary indicator: Positive and timely exits from the YG preparatory phase (% exits)



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

Figure 3: Distribution of positive and timely exits by destination (% timely & positive exits), 2016



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

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.

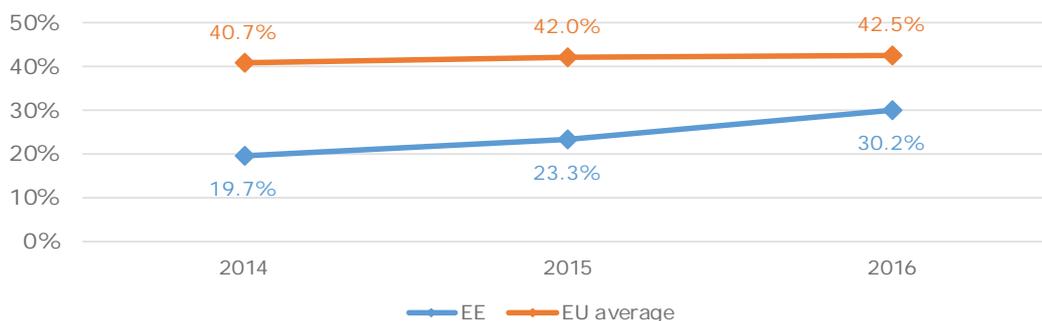
¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

The second supplementary indicator for direct monitoring uses NEET rates and population data published by Eurostat together with the annual average stock of participants in the YG preparatory phase in order to estimate the proportion of the NEET population that is covered by the YG scheme (see Figure 4). Note that the criteria used to delimit the NEET population used in the denominator, which is derived from the EU Labour Force Survey (LFS), may differ from the specific conditions applied in each country to register in the YG, so that the two populations may not fully overlap. In other words, the LFS NEET population is a proxy for, rather than an exact measure of, the YG target population. Consequently, results for this indicator should be considered as the best available estimate of the coverage of YG schemes.

In 2016, the Estonian YG scheme covered slightly less than a third (30.2%) of NEETs aged 15-24, below the EU average of 42.5% but much improved compared to 2014 (19.7%). As the average stock of participants in the YG preparatory phase has remained on similar levels since 2014 (3.3-3.6 thousand), this increase in coverage is primarily attributable to the declining NEET population, which has fallen by nearly 5 thousand (from 16.8 to 12.0 thousand) over the period.

Note that there is an important gender difference in the coverage. The majority of NEETs in Estonia are women (63.1% of those aged 15-24) and yet there are more young men than young women registered in the YG. In 2016, the YG covered 42.7% of male NEETs aged 15-24 but only 22.4% of females. In part, these results might reflect young women on maternity leave and not yet ready to come back to work (or join the YG) but no data are available to assess the impact of this.

Figure 4: YG participants as a proportion of the NEET population (%), 2016



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

2.4 Follow-up: sustainability of YG outcomes

Follow-up data provided by Estonia are incomplete in that there are no data from the PES (the main provider) and the few data that exist cover the situation only of participants of the Youth Prop-Up Programme (5.2% of total exits) 6 months after exit. Indeed, the lack of data to assess the sustainability of YG outcomes is the main weakness of the current monitoring system.

Although the follow-up data available from the Youth Prop-Up Programme do not comply with the YG definitions (exit is counted when the participant has achieved the goal set upon entering the programme rather than on take-up of an offer), the limited results available to date² are encouraging in that six in ten (60.4%) of those leaving the programme in 2016 were found to be in a positive situation 6 months after leaving. This result cannot, however, be considered as being representative of the Estonian YG as a whole.

2.5 Additional results for the 25-29 age-group

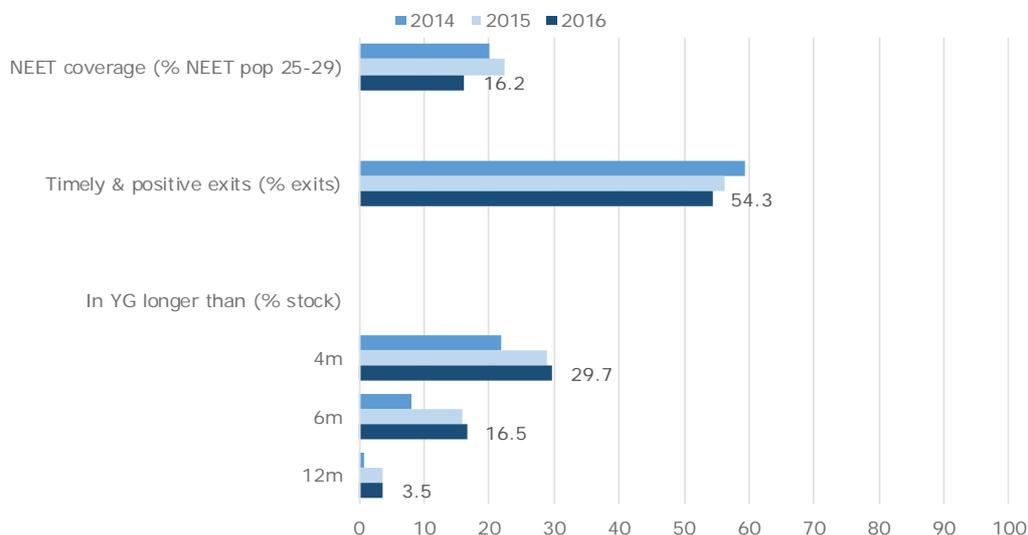
The Estonian YG scheme also covers young people aged 25-29. Accordingly, optional data for the 25-29 age-group were provided and key results are shown in Figure 5.

The main indicator for direct monitoring shows that, on average in 2016, nearly three in ten (29.7%) of those aged 25-29 registered in the YG at any point during the year had been registered for more than 4 months, slightly higher than for the main target group (25.9% for 15-24) and increased compared to previous years.

The supplementary indicator on positive and timely exits shows that more than half (54.3%) of those aged 25-29 leaving the YG in 2016 took up an offer within the target period of 4 months, slightly above the figure for the main target group (51.7% for 15-24) but decreased compared to previous years (59.3% in 2014 and 56.3% in 2015). The proportion in an unknown situation, however, remains significant (21.1%) so that the result is probably understated.

Just 16.2% of NEETs aged 25-29 in Estonia were covered by the YG in 2016, only just over half than the figure for the main target group (30.2% for 15-24). Note that as with the main 15-24 target group, there is a significant gender gap in the coverage with 12.8% of young women covered compared to 24.9% of young men. These are likely to be young women with family responsibilities and might be an indication that there is insufficient access to suitable child-care facilities that would enable them to become active in the labour market.

Figure 5: Key indicators for the 25-29 age-group, 2014 – 2016



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

² Follow-up data for the Youth Prop-up Programme cover only 250 people – 35% of those leaving the programme in 2016 - as the other 464 leavers had not reached the observation point of 6-months after exit when data were collected.

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).³ 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 countries⁴ 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.

³ 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).

⁴ 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))