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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 HR country fiche.

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## CROATIA

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

Even though the NEET and youth unemployment rates are well above average, there are signs that the labour market situation in Croatia is improving for youth, and, overall, Croatia seems to have made good progress in implementing the Youth Guarantee. It was noted that Croatia has set up a well-structured plan with clear objectives. Croatia has created a NEET tracking system and is in the process of preparing an outreach campaign. There is a focus on personalized guidance and a systematic approach for building partnerships.

The quality of offers and capacity of the stakeholders are also important challenges, as well as achieving the same level of outreach in the entire country.

### 2. YG monitoring 2016: key data

#### Highlights

- ❖ On average, well over half (55.3%) of those registered in the Croatian YG scheme at any point during the year in 2016 had been waiting for an offer for more than 4 months, just under half of these (25.2% of the total) for more than a year.
- ❖ The difficulty to deliver timely offers is reflected in the fact that only just over a third (34.4%) of those leaving the scheme in 2016 took up an offer within 4 months of registration. However, this result is likely to be understated to some extent because the destination on exit was unknown for 28.9% of cases.
- ❖ On average during 2016, the Croatian YG scheme covered more than half (54.3%) of NEETs aged under 25, this represents above average coverage but also a decrease of more than 10 percentage points compared to 2014.
- ❖ Follow-up data show that six in ten (62.6%) of those leaving the YG in 2016 were known to be in employment, education or training 6 months later, almost the same as in 2015 (63.1%).
- ❖ Longer-term follow-up of those leaving in 2015 shows similar, albeit slightly higher, levels of positive outcomes after 12 or 18 months (65.6% and 68.3% respectively), indicating that outcomes are sustainable.

## Introduction

Preparation for the implementation of a Youth Guarantee scheme in Croatia began in June 2013. The Ministry of Labour and Pension System formed a working body (YG Council) bringing together 17 different stakeholders to identify and develop the measures to be established. Then, in February 2014, an inter-ministerial Government Task Force was established to ensure implementation and coordination of the government bodies involved. Implementation of employment policies at the regional and local level is ensured by established local partnerships for employment financed through Local Employment Development Initiatives (LEDIs).

The national YG implementation plan was presented in December 2013 and updated in April 2014 and in June 2017. More information is available in the dedicated website.

In relation to implementation of the YG, the Commission's 3-year review of the YG and the YEI highlighted that improvement is needed in terms of the rate of placement of young people into work or training and generally to improve the monitoring and evaluation of YG measures. The need to improve outreach to low-skilled and low-qualified young NEETs was also highlighted.

## 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. Croatia provided complete and comprehensive data in accordance with the definitions of the YG Indicator Framework during the collection of data for reference years 2014 and 2015, and this remains the case for the 2016 data.

### 1.2. Data quality 2016

Croatia has provided complete and comprehensive data in accordance with the definitions of the YG Indicator Framework.

The one minor shortcoming in the data is that apprenticeship offers are not recorded separately because they form part of the regular education and training system, and cannot be distinguished from other offers of continued education. The possibility to resolve this is under consideration but there is no timeframe for a solution to be adopted.

In addition, the proportions of unknown destinations for exits and unknown situations in follow-up data remain relatively high (respectively 28.0% and 23.4% at 6 months after exit).

Data are fully comparable over time.

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>	Public Employment Service (PES)
<b>Participants</b>	Persons aged 15-29 registered as unemployed with the PES
Completion of data	
<b>Missing data</b>	None.
Data recording	
<b>Entrants</b>	– Entry to the YG coincides with registration as unemployed thus all entrants are registered unemployed.
<b>Exits by destination</b>	<ul style="list-style-type: none"> <li>– Exit from the YG coincides with the end of the unemployment spell thus exits to unemployment are reported as zero.</li> <li>– Exits to inactivity are based on reasons for deregistration. Reasons for deregistration include: general disability, temporary disability, custody, prison, military service, birth- or parenting-related reasons, death.</li> <li>– Exits to apprenticeship are included under exits to education.</li> <li>– Exits to regular education are recorded based on participants self-reporting.</li> <li>– Proportion of unknown destinations: 28.0%</li> </ul>
<b>Follow-up T</b>	– Proportion of unknown situations (6m after exit): 23.4%
Comparability of data	
<b>Definitions</b>	– None.
<b>Across time</b>	– Data 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.

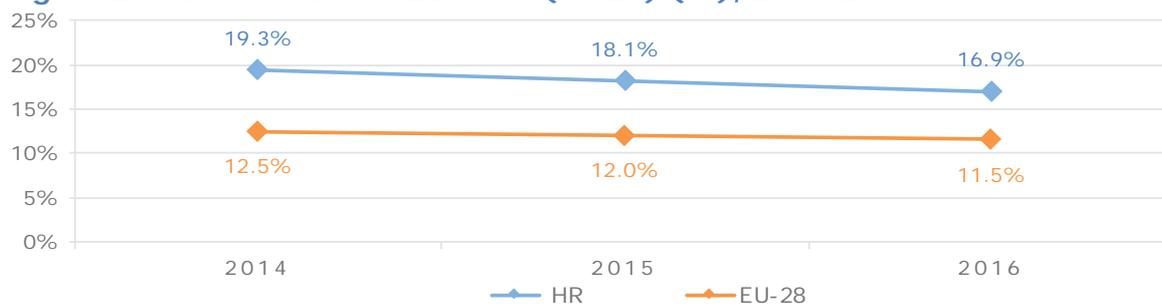
### 2.1 Aggregate monitoring: Macroeconomic indicators

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 Croatia was 16.9%, significantly above the EU aggregate level of 11.5%. Since 2014 - the year implementation of YG started - the NEET rate in Croatia

has improved (reduced) by 2.4 pp, more than twice the level of improvement observed at EU level (see [Figure 2](#)).

**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, over half (55.3%) of young people aged 15-24 were still in the YG preparatory phase beyond the 4-month target, some way above the EU average of 49.1% (Table 3). This represents a small improvement compared to 2015 (56.5%). The large increase compared to 2014 shown Table 3 is to be expected as, in the first year of implementation, durations in excess of 4 months were possible only for part of the year.

**Table 3: Main indicator: Proportion of young people in the YG preparatory phase beyond the 4-month target, 2016**

Still in the YG preparatory phase after 4 months:	2016	2014-2016 change (pp)	EU average Total (15-24)
Total (15-24)	55.3%	+19.2	49.1%
<b>Breakdown by age</b>			
15-19	59.2%	+23.8	46.2%
20-24	53.0%	+16.5	49.3%
<b>Breakdown by gender</b>			
Men	54.5%	+18.3	48.0%
Women	56.0%	+20.0	49.9%

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

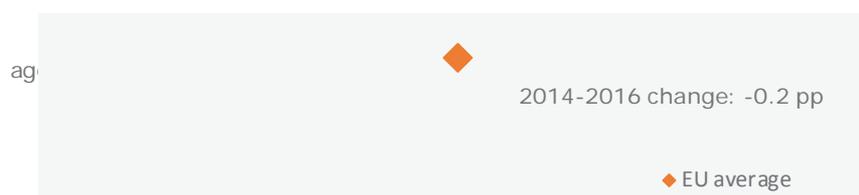
The proportion of participants remaining in the YG for longer durations reduce to 43.5% for more than 6 months, and 25.2% for more than a year but, in both cases, remain higher than the respective EU averages (36.2% and 18.3%) (see Figure 3).

### 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)



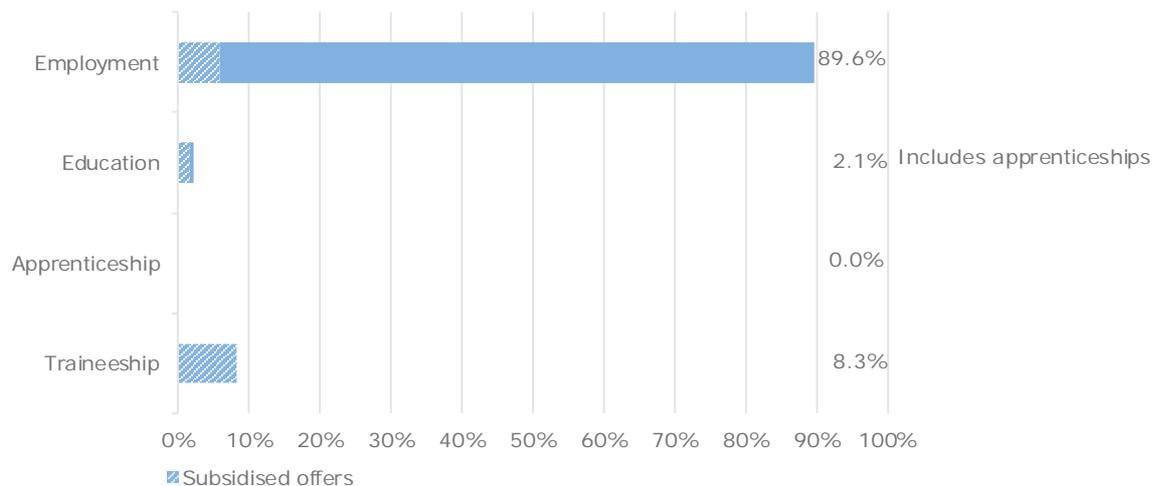
Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

The difficulty to deliver timely offers suggested by the main indicator is reflected in the fact that the supplementary indicator on positive and timely exits shows that only just over a third (34.4%) of those leaving the YG in 2016 took up an offer within 4 months, virtually unchanged compared to 2014 (34.6%). The 2016 result is in the lowest quintile of results across countries and well below the EU average (44.5%) but is likely to be understated because of a high proportion of unknown destinations (28.9%).

Of 93,967 exits from the YG in 2016, just over two thirds (64,611 or 68.8%) were known to have gone to positive destinations (employment, continued education, an apprenticeship or a traineeship). However, less than half of all exits (46,593 or 49.6%) occurred within 4 months of registration, with 32,334 of these having a (known) positive outcome (69.4% of timely exits or 34.4% of all exits).

Of those taking up an offer within 4 months, nine in ten (89.6%) went to employment, less than one in ten (8.3%) to a traineeship, and just 2.1% to continued education (which includes apprenticeships). All traineeship offers and seven in ten (70.8%) education offers were subsidised. Only 15.6% of employment offers were subsidised, meaning that as many as 83.8% of all offers taken up within 4 months were open market jobs (see Figure 4). Note that the data suggest a slight shift in the policy focus towards continued education measures during 2016. Although continued education offers remain the least used type of active measure within the context of the Croatian YG, the number of subsidised education offers delivered in 2016 (irrespective of duration) more than doubled compared to 2015 (from 453 to 1,153) while the numbers of subsidised employment and traineeship offers both fell by around 15% (employment from 4,907 to 4,092; traineeships from 9,783 to 8,416). This shift might reflect an initial response to observations from the Commission regarding low skills levels amongst young people, growing skills gaps and a need to improve the quality and relevance of skills training.

**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

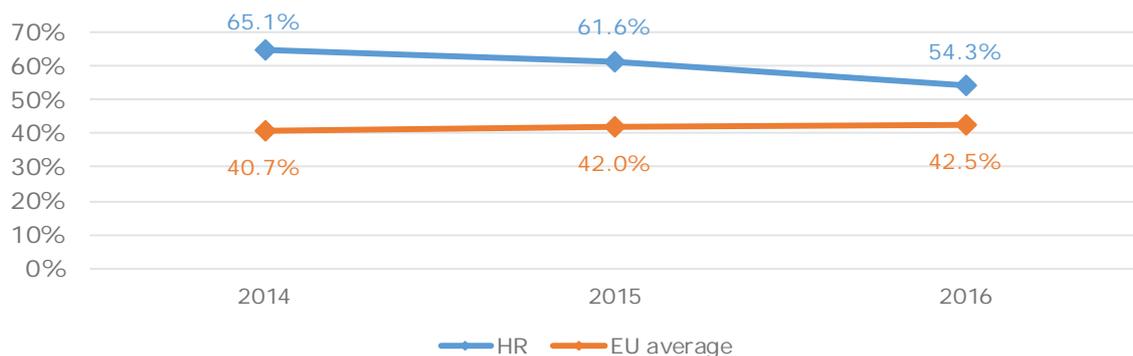
The Council Recommendation on establishing a Youth Guarantee<sup>1</sup> aims to ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. 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.

Results show that, on average in 2016, 54.3% of the NEET population in Croatia was covered by the YG scheme, well above the EU average of 42.5%. However, this is a continuation of the declining coverage observed in 2015 and represents an overall change of -10.8 pp compared to 2014 (65.1%).

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

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

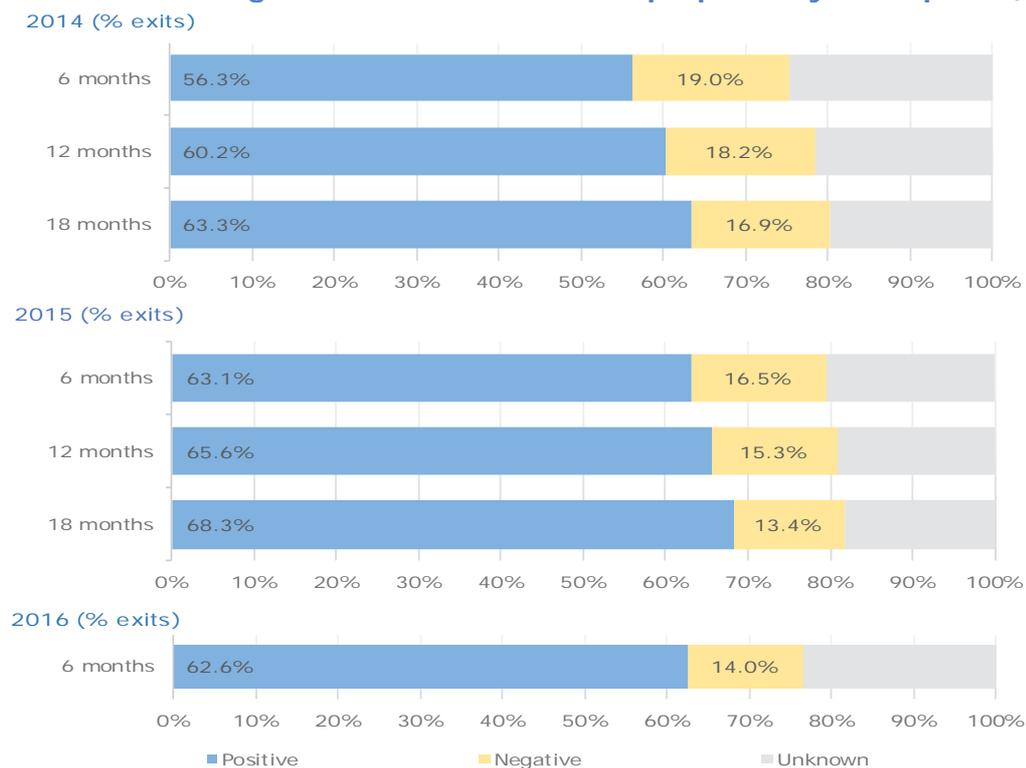


Source: DG EMPL, YG monitoring database, data extracted 14 November 2017.

## 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 Croatia, around three in five (62.6%) of those participants leaving during 2016 were known to be in a positive situation (i.e. in employment, education, or a traineeship) 6 months after exit. This figure is above the EU average of 48.5%, and almost the same as in 2015 (63.1%) (Figure 6).

**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.

Longer-term follow-up of those leaving the YG in 2014 and 2015, indicate that offers are largely sustainable with similar, albeit slightly higher, levels of positive outcomes 12 or 18 months after exit (63.1% and 68.3% respectively for 2015).

## 2.5 Additional results for the 25-29 age-group

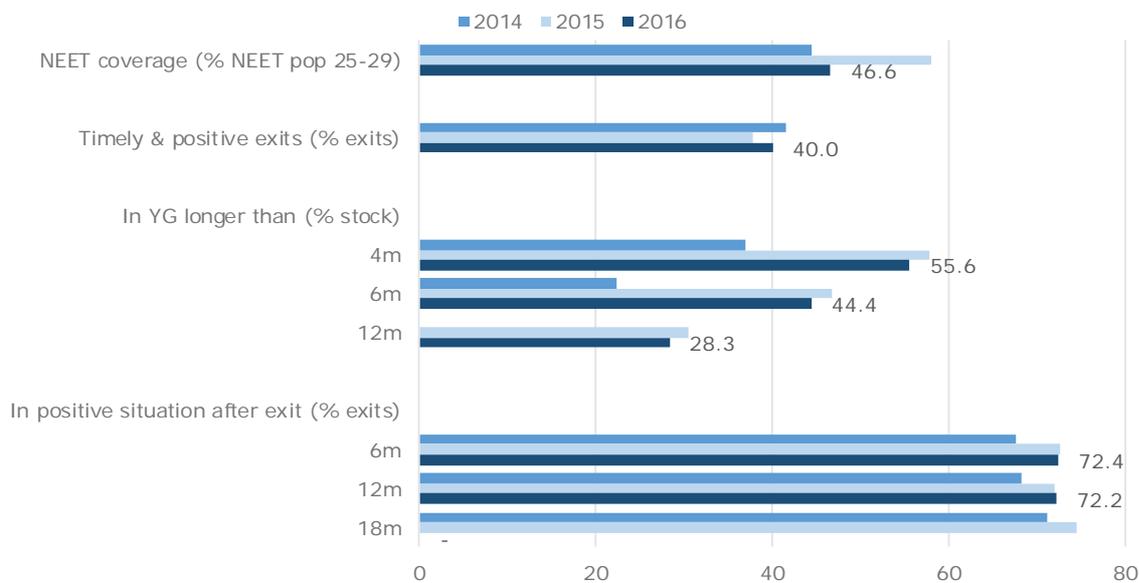
The Croatian YG scheme also covers young people aged 25-29. Accordingly, optional data for the 25-29 age-group were provided and key results are shown in Figure 7.

The main indicator for direct monitoring shows that well over half (55.6%) of those aged 25-29 registered in the YG at any point during the year had been registered for more than 4 months, more or less the same as for the main target group aged 15-24 (55.3% for 15-24). The supplementary indicator on positive and timely exits shows a slightly better result with 40.0% of those aged 25-29 leaving the YG in 2016 taking up an offer within 4 months compared to 34.4% of those aged 15-24.

Less than half (46.6%) of NEETs aged 25-29 in Croatia were covered by the YG in 2016, a coverage rate that is some way below that for the main target group (54.3% for 15-24).

The main follow-up indicator on the situation of young people after exiting the YG preparatory phase suggest that outcomes are more sustainable for this age group. More than seven in ten (72.4%) of those aged 25-29 were known to be in a positive situation (i.e. in employment, continued education, or a traineeship) 6 months after exit, well above the results for the main target group (62.0% for 15-24). However, the result at least in part reflects a lower proportion of unknowns amongst the older age-group.

**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))