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#### COVER NOTE

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From: Secretary-General of the European Commission,  
signed by Mr Jordi AYET PUIGARNAU, Director

To: Delegations

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Subject: Investing in Youth Employment: Implementation of the Youth Guarantee

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Delegations will find attached the SI country fiche.

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## SLOVENIA

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

The implementation of the Youth Guarantee systems continues to progress in Slovenia amid rapidly falling numbers of unemployed youth and young NEETs. Partnerships, in which youth organisations in particular are intensively involved, are a good basis for effective implementation (although the involvement of employers could be further improved). The labour market relevance of training, despite some recent initiatives aimed at vulnerable groups, requires significant efforts, and timeliness of offers is still a challenge. Sustainability of offers remains an issue and is still affected by the high degree of labour market segmentation, despite recent positive developments. The availability of information to monitor follow-up of exits of the system and to assess the quality of offers continues to be key. Recently adopted legislation to facilitate the availability of data is therefore welcome.

### 2. YG monitoring 2016: key data

#### Highlights

- ❖ Two thirds (66.1%) of those registered in the Slovenian YG scheme at any point during 2016 had been waiting for an offer for more than 4 months, and a third (34.0%) for more than 12 months.
- ❖ The difficulty to deliver timely offers is reflected in the fact that only a third (33.4%) of those leaving the scheme in 2016 took up an offer within 4 months of registration, fewer than in 2014 (50.3%).
- ❖ On average during 2016, the YG scheme covered almost two thirds (63.4%) of all NEETs aged under 25, an improvement on the previous year (57.2%).
- ❖ Follow-up data to look at subsequent outcomes are not yet available but will be in future data collections.

#### Introduction

Slovenia presented a Youth Guarantee Implementation Plan in January 2014. The Ministry of Labour, Family, Social Affairs and Equal Opportunities is in charge of establishing, managing and coordinating the Youth Guarantee, while the Employment Service of Slovenia (i.e. the PES) is the main implementing institution although some other organisations are also involved in providing services. Further information is available in the YG implementation plan adopted in January 2014. An updated implementation plan covering the period 2016-2020 was adopted in May 2016.

Information on the YG is provided via the PES website and a dedicated YG website.

# 1 Quality of data

## 1.1. Key changes compared to 2015

Slovenian data are in compliance with the definitions of the Indicator Framework. Two improvements made in the current collection relate to correction of a technical issue to facilitate calculation of stocks using age on entry (previously age referred to the date of observation) and to improve the data on entrants by previous YG experience, which now distinguish those that took up an offer. Historical data have been revised accordingly. Note that the complete dataset for 2014 has been updated to resolve all issues detected in the validation process. The 2014 data are now in compliance with the Indicator Framework and comparable across years.

Follow-up data have still not been provided. However, the Labour Regulation Law has been amended allowing the collection and reporting of follow-up data from 1.1.2018 onwards.

The main changes compared to 2015 are summarised below:

### *Improved compliance with definitions of the YG Indicator Framework:*

- 2014 data have been updated to be in complete compliance with YG definitions and comparable with 2015 and 2016 data.

### *Correction of technical issues:*

- Corrected technical issue to apply the rule that “age always refers to the age of a young person on registration” in the calculation of stock. Historical data have been amended accordingly.

### *Other issues:*

- Improved data regarding previous YG experience for all reference years. Previously information on take-up of an offer was not available.

## 1.2. Data quality 2016

Slovenia has provided the majority of data requested, the only important shortfall being the lack of follow-up data. The relevant law has been amended and follow-up data should become available in the future. Data are in accordance with the definitions of the YG Indicator Framework and are provided on the same basis for all reference years.

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>	<ul style="list-style-type: none"> <li>– Public Employment Service of Slovenia (and its external contractors)</li> <li>– Ministry of Labour, Family, Social Affairs and equal opportunities</li> </ul>
<b>Participants</b>	<ul style="list-style-type: none"> <li>– All young people aged 15-29 registered as unemployed with the public employment services (PES)</li> </ul>
Completion of data	
<b>Missing data</b>	<ul style="list-style-type: none"> <li>– Follow-up T, T-1, T-2: Data expected to be available for the 2017 data collection.</li> </ul>
Data recording	
<b>Entrants</b>	<ul style="list-style-type: none"> <li>– Entry to the YG coincides with registration as unemployed so all entrants are registered unemployed.</li> <li>– Apprenticeships are available only to students (i.e. people moving directly from education/training and not those already NEET) so no exits to apprenticeship are possible.</li> </ul>
<b>Exits by destination</b>	<ul style="list-style-type: none"> <li>– Exit from the YG coincides with end of the unemployment spell so destination unemployment is always zero.</li> <li>– Exit to inactivity refers to young people that are deregistered due to sanction, incarceration longer than 6 months, death, voluntary military service, maternity/parental leave, retirement (disability) and others temporarily not available for work (e.g. long-term illness).</li> <li>– Proportion of unknown destinations: 5.3%</li> </ul>
Comparability of data	
<b>Across time</b>	<ul style="list-style-type: none"> <li>– Data are comparable.</li> </ul>

Source: YG monitoring template (quantitative data).

## 2 Monitoring results

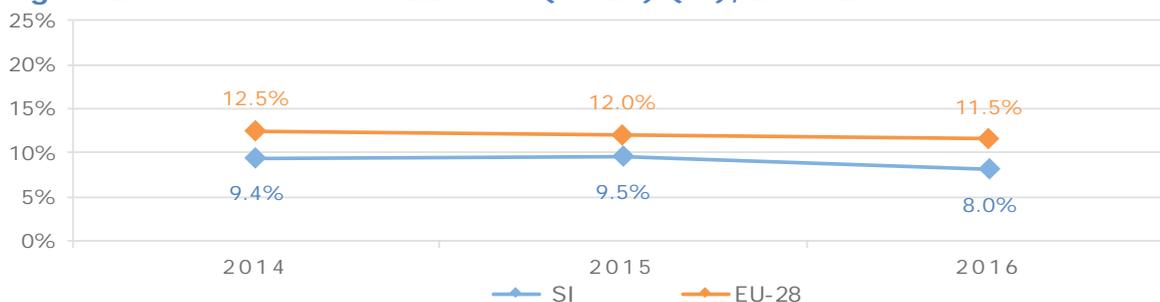
This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators 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 Slovenia was 8.0%, below the EU average (11.5%) and an improvement (decrease) of 1.4 percentage points compared to 2014, the year the YG was implemented (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, two thirds (66.1%) of young people aged 15-24 were still in the YG preparatory phase beyond the 4-month target, well above the EU average of 49.1% (Table 3). The figure represents an increase of 5.0 percentage points (pp) compared to 2015. The larger increase compared to 2014 noted in the table is to be expected given that 2014 was the year the YG implementation started so that durations of more than 4 months could only occur in observations of stocks from 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)	66.1%	+23.0	49.1%
<b>Breakdown by age</b>			
15-19	64.6%	+23.2	46.2%
20-24	66.5%	+23.1	49.3%
<b>Breakdown by gender</b>			
Men	64.0%	+22.8	48.0%
Women	68.2%	+23.0	49.9%

Source: DG EMPL, YG monitoring database, data extracted 24 October 2017.

The main indicator result suggests some difficulty to deliver offers within the timescale targeted in the Recommendation and this is apparent also in the supplementary indicator (Figure 3), which shows that only a third (33.4%) of those leaving the YG in 2016 took up an offer within 4 months. This result again shows a progressive worsening of the situation through time (37.8% in 2015 and 50.3% in 2014) and is well below the EU average of 44.5%.

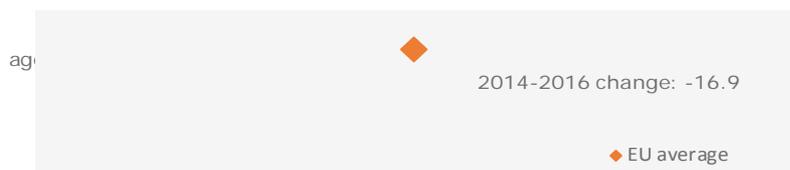
Nearly three quarters (82.6%) of those leaving the YG within the 4-month target period are known to have gone to positive destinations, with only just over one in ten (12.1%) going to negative destinations. Almost nine in ten (88.3%) of those taking up an offer within 4 months went to employment, followed by education (11.6%), with just a few going to a traineeship (see Figure 4). All traineeships and more than two thirds of education offers (64.1%) were subsidised, but only 3.4% of employment offers. Overall, 85.3% of timely offers were open market jobs.

### 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)

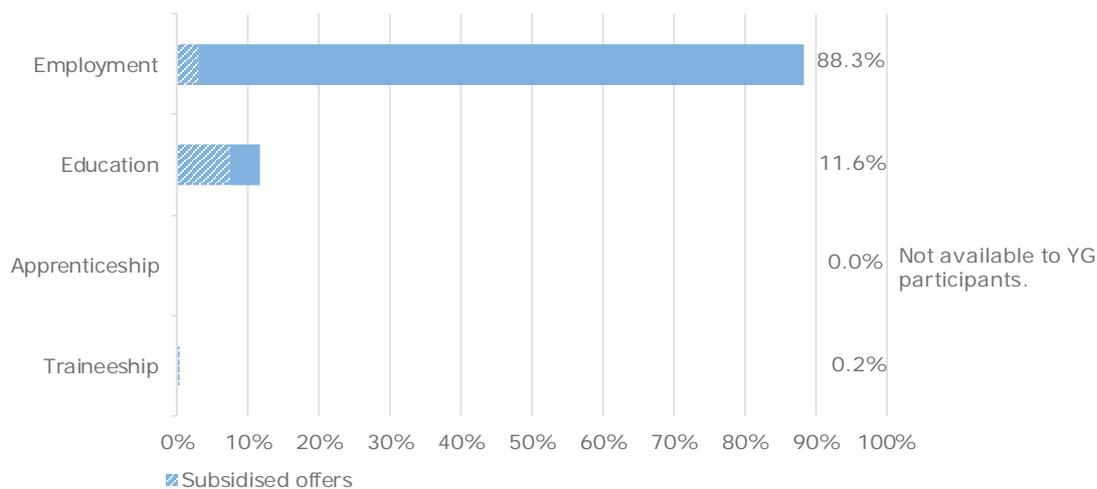


Supplementary indicator: Positive and timely exits from the YG preparatory phase (% exits)



Source: DG EMPL, YG monitoring database, data extracted 24 October 2017.

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



Source: DG EMPL, YG monitoring database, data extracted 24 October 2017.

### 2.3 Direct monitoring: coverage of the YG target population

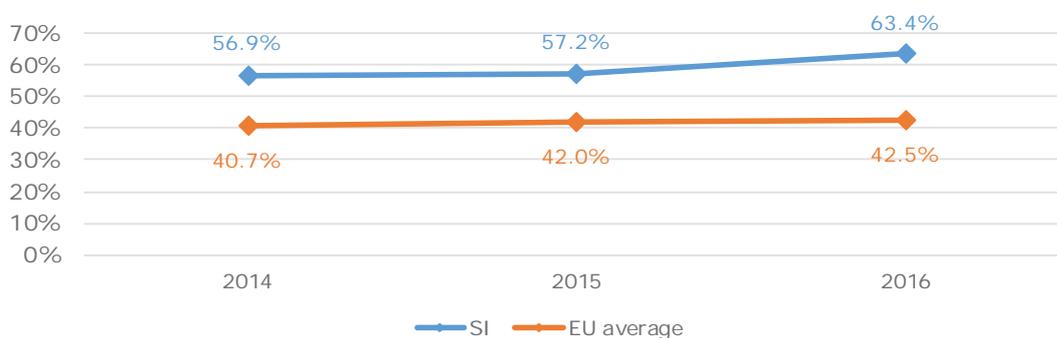
The Council Recommendation on establishing a Youth Guarantee<sup>1</sup> aims to ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education.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

<sup>1</sup> <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 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.

In Slovenia, on average, two thirds (63.4%) of NEETs aged 15-24 were enrolled in the YG scheme at any point during 2016, a progressive improvement since launch of the scheme (56.9% in 2014 and 57.2% in 2015), and considerably above the EU average of 43.0%.

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



Source: DG EMPL, YG monitoring database, data extracted 24 October 2017.

## 2.4 Follow-up: sustainability of YG outcomes

Slovenia has not yet been able to provide any follow-up data to assess the sustainability of YG outcomes.

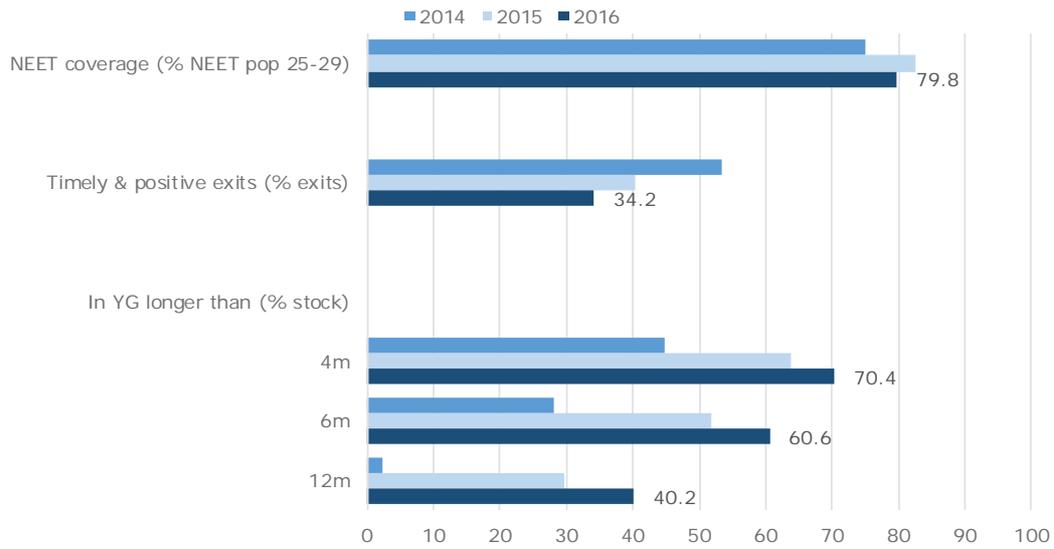
## 2.5 Additional results for the 25-29 age-group

The Slovenian 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 6.

The proportion of people aged 25-29 registered for more than 4 months in the YG is higher than for those aged 15-24 (70.4% vs 66.1%) and has increased since 2015 (63.9%). However, the proportion of timely and positive exits is more or less the same as for the younger age group (34.2% vs 33.4%), though again the rate of successful throughput has been falling through time (53.5% in 2014).

Coverage of the older age-group is, however, excellent, with almost four in five (79.8%) of NEETs aged 25-29 covered by the Slovenian YG.

**Figure 6: Key indicators for the 25-29 age-group, 2014 – 2016**



Source: DG EMPL, YG monitoring database, data extracted 24 October 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))