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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 NL country fiche.

NETHERLANDS

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

The Netherlands has good results in the area of youth unemployment, with the lowest NEET rate in the EU. Initiatives are in place to prevent early school leaving. There is a strong and diverse approach to partnership (although stronger central coordination might be considered).

There continue to be challenges with young people with a migrant background, and there is scope for improving the outreach of the YG. A pilot project on outreach for young NEETs has recently been carried out in a number of municipalities.

At the moment, no follow-up data are available to assess the sustainability of outcomes. EMCO looks forward to more data on this in the future.

2. YG monitoring 2016: key data

Highlights

- ❖ On average in 2016, more than six in ten (61.6%) of those registered in the Dutch YG (i.e. the administration of unemployment and social assistance benefits of young people) at any point during the year had not left the administration within 4 months (with or without the help of an ALMP), well above the EU average of 49.5%.
- ❖ Just over two in five of those leaving the YG in 2016 (41.1%) took up an offer within 4 months of registration.
- ❖ The Dutch YG data cover young people in receipt of an unemployment (WW) or social assistance benefit (WWB). On average, half (50.0%) of all NEETs aged under 25 were covered by the YG (benefit) scheme in 2016.
- ❖ No follow-up data are available to assess the sustainability of outcomes.
- ❖ Overall, the Dutch YG scheme seems relatively ineffective in relation to the objective of acquiring a place in employment, education or training within 4 months. However, in mitigation, it should be recognised that the NEET rate in the Netherlands is the lowest in the EU and that this relatively small NEET population includes a high concentration of those furthest from the labour market and particularly hard to place so that longer stays in the YG preparatory phase (benefit administration) are to be expected.

Introduction

Youth unemployment in the Netherlands is tackled comprehensively by departments of the Ministries of Education, Culture and Science, and Social Affairs and Employment, together with the municipalities, employers, unions and educational institutes. Policies are built on the positive experience gained with the 'Action Plan youth unemployment' (2009) and aim to further reduce the number of early school leavers and to strengthen the links between education and the labour market.

The national Youth Guarantee Implementation Plan was delivered in April 2014. Measures developed in response have focused on improving the quality and availability of work-based training (both through vocational education and training and through internships), and providing incentives to employers to increase job opportunities for youth ('Work Agreements').

The NEET rate in the Netherlands was the lowest of all Member States when the YG was launched in 2014 (5.5% for those aged 15-24 compared to 12.5% for the EU-28) and has since improved to 4.6%. The Commission's three-year assessment of the YG and YEI produced in 2016¹ notes that the key remaining challenges for the Netherlands relate to improving support for young people with a migrant background and monitoring the sustainability of the acquired places in employment, education or training. Unfortunately, however, the YG monitoring data for 2016 still do not include any follow-up data.

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. However, the data are impacted by a technical change in the underlying source data, which impact slightly on indicator values and comparisons between years.

Technical issues:

- The Dutch data cover young people in receipt of an unemployment benefit (WW) or a social assistance benefit (WWB). A technical change in the way that the Statistics Netherlands measures WW recipients means that the annual average stock reported for the YG in 2016 is slightly lower than it would have been using the previous method (47,500 compared to 49,600). The reduction in WW recipients also has the effect of increasing the share of WWB recipients who are typically further from the labour market and less likely to successfully move off the benefit and into a place in employment, education or training. Consequently, the main indicator on the proportion remaining in the YG more than 4 months is slightly higher than it would have been using the previous method of reporting (61.6% compared to 60.5%).

Whilst the above-mentioned change has a slight impact on indicator values and, therefore, technically represents a break in the series, the change does not impact on the direction of changes, only on their magnitude.

¹ Staff Working Document: The Youth Guarantee and Youth Employment Initiative three years on (part 2/2)

1.2. Data quality 2016

As noted above, the data collected have not changed compared to previous years. Therefore, follow-up up data are still missing and there remains no breakdown by age or of the previous YG experience of entrants. The breakdown by duration (4-month observation point) is also estimated.

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	Social security agency (UWV) and municipalities
Participants	Young people registered with the social security agency (UWV) or municipalities for (respectively) an unemployment benefit (WW) or social assistance benefit (WWB). The Dutch YG monitor targets individuals who were actually unable to find work, and are more likely to be relatively difficult to place, especially those without (recent) work experience.
Completion of data	
Missing data	<ul style="list-style-type: none">– Breakdown by age. However, the number of persons aged 15-19 is known to be small (<10%).– Follow-up data (T, T-1, T-2). There are no current plans to collect this data.– Entrants by previous YG experience.– Subsidised exits to education, apprenticeships and traineeships.
Data recording	
Exits by destination	<ul style="list-style-type: none">– Proportion of unknown destinations: 0%
Comparability of data	
Definitions	<ul style="list-style-type: none">– Yearly stock data are based on average of two year-end figures and not of monthly data as recommended in the methodological manual.– Stock with <4 months duration is estimated as three quarters of the average stock with duration <6 months.– Exits within 4 months are estimated as three quarters of exits within 6 months.
Across time	<ul style="list-style-type: none">– Data are broadly comparable, though data for 2016 are impacted by a technical change in the underlying data for WW recipients which result in some small differences in indicator values based on stock data and, therefore, on the changes between years.

Source: YG monitoring template (quantitative data).

2 Monitoring results

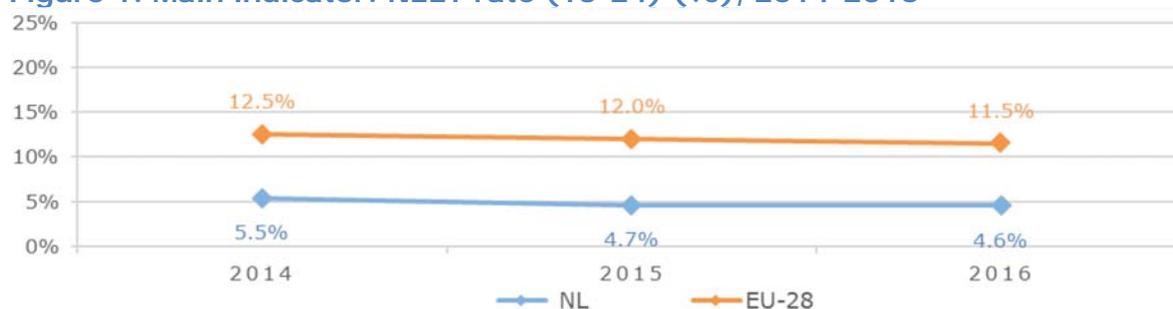
This section presents the results of YG monitoring on the basis of the [Indicator Framework for Monitoring the Youth Guarantee](#). Aggregate monitoring indicators are based on data from the EU Labour Force Survey and are considered comparable between countries. Direct and follow-up monitoring indicators 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 2014, when the YG was launched, the NEET rate in the Netherlands was the lowest in the EU at 5.5% and is has subsequently improved to 4.6% (see Figure 1).

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, 61.6% 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% (see Table 3). This disappointing result represents an increase of 6.9 percentage points compared to 2014, though part of this increase derives from a technical change in the underlying data for 2016. It should be noted also that the stock with duration >4 months is estimated for the Netherlands (on the basis that those with duration <4 months are $\frac{3}{4}$ of those with duration <6 months) but this is not anticipated to have a major impact on the magnitude of the indicator and does not affect the comparison through time.

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)	61.6%	+6.9	49.1%
Breakdown by age			
15-19	:	:	46.2%
20-24	:	:	49.3%
Breakdown by gender			
Men	59.7%	+8.7	48.0%
Women	63.5%	+5.0	49.9%

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

Almost half of those in the Dutch YG have been registered for more than 6 months and almost three in ten (29.0%) for more than 12 months. These figures are again considerably above the EU averages (36.2% and 18.3% respectively, [Figure 2](#)) and have increased through time, though again a small part of the increase in longer durations derives from the technical change in the underlying data (see section 1.2).

The supplementary indicator for direct monitoring shows that just over four in ten (41.1%, [Figure 2](#)) of those leaving the YG in 2016 took up an offer within 4 months of registering, a little below the EU average of 44.5%. In contrast to the main indicator, which shows a worsening situation, the proportion of exits that are timely and positive has improved progressively each year (from 35.8% in 2014 and 37.8% in 2015). This may well reflect the improving labour market conditions so that a higher proportion of young people that begin a claim for unemployment benefits are able to find a job (or training opportunity) quickly and therefore exit the YG with a positive and timely outcome (irrespective of whether they found the job through their own initiative or with the assistance of the employment services). When job-ready youth find work quickly, the relative share (in the stock) of those that are not quite job-ready will also increase, which will, in turn, tend to increase the proportion with higher durations (as demonstrated by the main indicator). This effect has been slightly exacerbated by the technical change in the underlying data which has increased the share of social assistance recipients compared to unemployment benefit recipients.

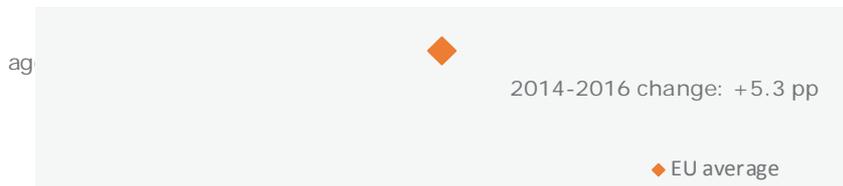
More than three in four (76.7%) of those leaving the YG within 4 months of registration during 2016 went to positive destinations, a slight increase on the previous year (75.2%). The vast majority of these (86.0%) took up an offer of employment, with the remainder distributed more or less equally between education, apprenticeships and traineeships (see [Figure 3](#)). Only 0.1% of all offers taken up within 4 months were subsidised, a long way below the EU average of 31.0%. The low proportion is partly explained by the fact subsidised offers to education, apprenticeships and traineeships cannot be identified. However, even if all of such offers were subsidised, which is unlikely, the proportion of subsidised offers would still reach only 14.0%. Overall, 85.9% of offers taken up within 4 months were open market jobs, which tends to support the suggestion made earlier that the improved incidence of timely and positive exits is linked to more favourable labour market opportunities for young people.

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)

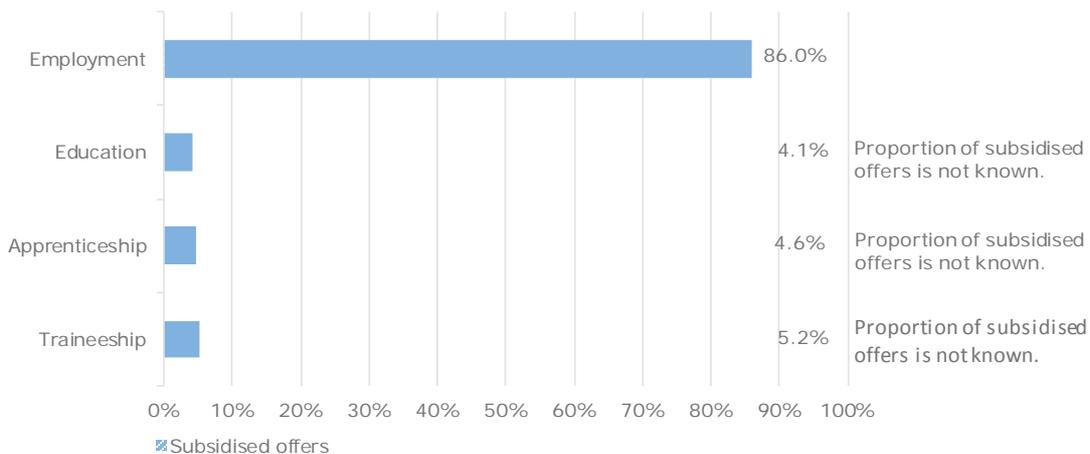


Supplementary indicator: Positive and timely exits from the YG preparatory phase (% exits)



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.

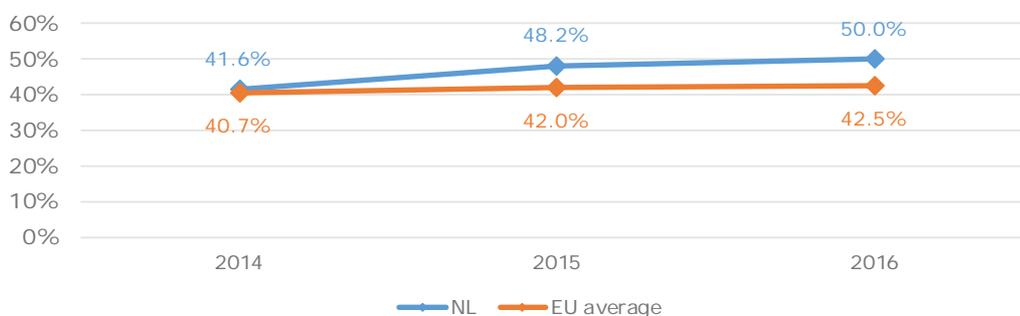
2.3 Direct monitoring: coverage of the YG target population

The Council Recommendation on establishing a Youth Guarantee² 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 young people with a distance to the labour market, 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 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 the Netherlands, the YG scheme covered exactly half of the NEET population in 2016. In other words, half of those recorded by the LFS as being not in employment, education or training were in receipt of an unemployment or social assistance benefit and the other half were not. As in all countries, the part of the NEET population (as measured by the LFS) that is not covered by the YG will include people that are not available for the labour market (e.g. heavily disabled or sick) and others not reached by the benefit system (or other mechanisms through which people may be registered). Because of the overall low NEET rate in the Netherlands, the fact that half of the NEET population is not covered is less of an issue for the Netherlands compared to countries in which the NEET rate remains high.

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

The Netherlands has not provided any follow-up data to support assessment of the sustainability of outcomes. This has previously been highlighted by the Commission as an area for improvement.

2.5 Additional results for the 25-29 age-group

The Dutch YG covers only young people aged under 25. Accordingly, there are no optional data for the 25-29 age-group.

² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

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))