**Council of the
European Union**

Brussels, 28 November 2019
(OR. en)

**14347/19
ADD 2**

**SOC 761
EMPL 575
EDUC 460
JEUN 136
ECOFIN 1057**

**COVER NOTE**

| | |
|---|---|
| From: | The Employment Committee |
| To: | Permanent Representatives Committee |
| Subject: | EMCO Review of the implementation of the Youth Guarantee - |
| | Summary results of the implementation of the Youth Guarantee schemes |

With a view to the Council on 10 December 2019, delegations will find attached the "Summary results of the implementation of the Youth Guarantee schemes" as transmitted by the Employment Committee (EMCO).

———————————

# Data collection for monitoring of Youth Guarantee schemes in 2018

This summary presents **results of monitoring the implementation of YG schemes in 2018**. Data collection was based on the Indicator Framework for Monitoring the Youth Guarantee and the accompanying methodological manual, as revised by the Employment Committee (EMCO) in January 2017.
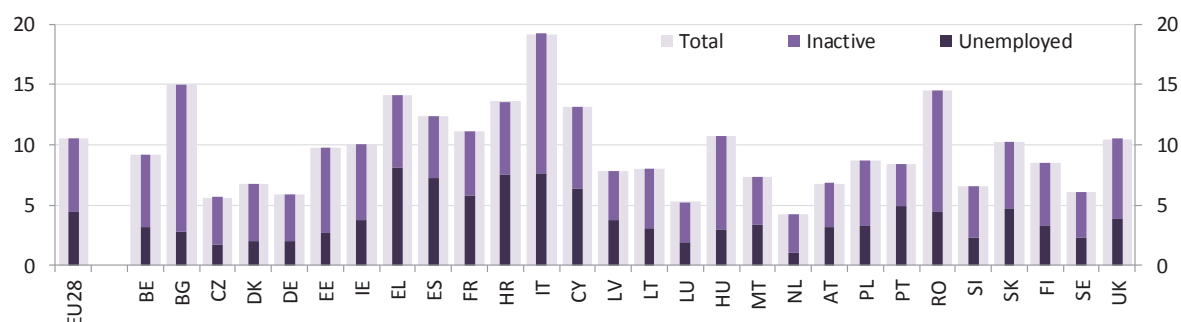
## *The general situation of young people*

The Indicator Framework includes a set of aggregate (macroeconomic) indicators intended to monitor the general situation of young people in the labour market and to indirectly monitor the impact of YG schemes through changes to this situation.

The main indicator is the NEET rate, which refers to the proportion of people within an age-group that are not in employment, education or training and who are the targets for YG schemes. **The NEET rate for people aged 15-24 has fallen from 12.5% in 2014, when most national YG schemes were launched, to 10.5% in 2018.** The number of young NEETs has fallen by 1.3 million, from almost 7.0 million in 2014 to just under 5.7 million in 2018. **The improvement derives almost entirely from a decline in the numbers of unemployed NEETs** (from 3.6 million to 2.4 million) while the number of inactive NEETs has hardly changed (3.4 to 3.3).

As a consequence, the composition of the target population for YG schemes is shifting, with inactive NEETs representing an ever-increasing share (58% in 2018). This has implications for the ongoing implementation of YG schemes, which still primarily target unemployed youth. In 2014 there were four countries with unemployed NEET rates over 10% (Greece, Croatia, Italy and Cyprus), but in 2018 the highest rate was 8.1% in Greece and only Spain, Croatia and Italy also had unemployed NEET rates in excess of 7%. Inactive NEET rates were mostly between 3 and 7% in 2018, but remained over 10% in Bulgaria, Italy and Romania.

### NEET rates for the 15-24 age-group, 2018



## *The YG in 2018 - key numbers*

In total, there were **7.8 million starts on YG schemes during 2018**, 5.3 million from the main target group of NEETs aged 15-24 and 2.5 million from the 25-29 age-group in countries that adopted the extended coverage. In the majority of Member States, inflows to the YG have been falling progressively since 2016 but these declines have been offset by increased inflows in Spain. This is partly due to automatic re-registration of people becoming NEET again after a previous offer and, in the latest dataset, partly a result of improved data quality such that more participations in active measures (mostly training) can now be recorded, which results in increased flows

(more exits to training and then more re-entries if participants do not find work afterwards).

On average, just over **3.0 million young people were registered with a YG provider at any point during 2018** (2.2 million aged 15-24 and 0.9 million aged 25-29), 344 thousand fewer than in 2017 (3.4 million).
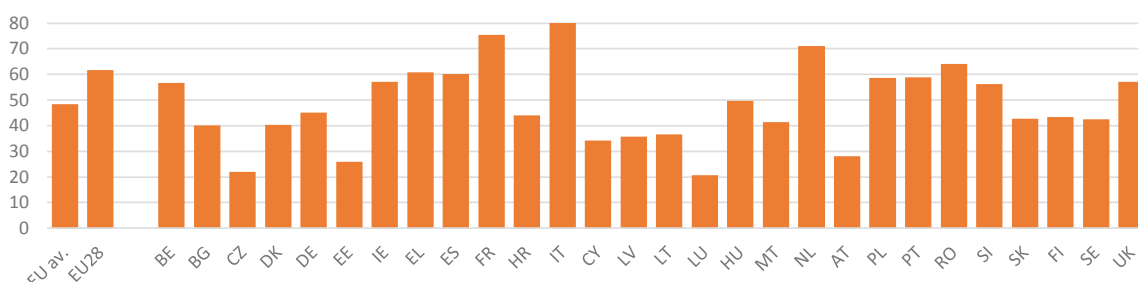
**Cumulatively since the launch of the YG in 2014 there have been 38.2 million new starts on YG schemes**, of which 36.7 million have so far exited the process, leaving 1.5 million still registered at the end of 2018, nearly half a million fewer than at the end of 2017. Of those that exited, **25.5 million (69.4%) are known to have taken up work or education/training opportunities**, 18.8 million in the open market and 6.7 million that were either partially or fully funded through public money. Of the remainder, 3.7 million left the YG without an offer and 7.5 million went to unknown destinations.

### *Main results of monitoring in relation to key YG objectives (15-24 age-group)*

The key objectives of the YG are to ensure that all young people that are or become NEET are registered with a YG scheme and get a concrete offer of employment, education or training within 4 months of the registration date. Monitoring of the efficiency and effectiveness of implementation is based on sets of indicators at the direct and follow-up levels. Taking the three indicators for direct monitoring and the main follow-up indicator as a group, **aggregate results at EU level show that YG schemes remain some distance from targets**.
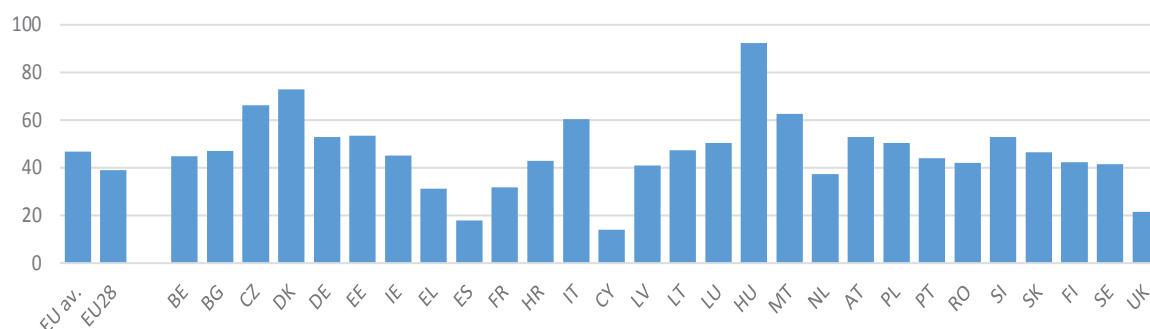
**The proportion of young people aged 15-24 enrolled in a national YG scheme and waiting more than four months for an offer reduced from 63.0% in 2017 to 61.6% in 2018, back to the level seen in 2016.** This result is heavily weighted by the situation in Spain, France and Italy, which together contribute approaching half (46%) of the total stock of young people enrolled in YG schemes, 74.4% of which have been registered for more than 4 months compared to just 50.9% in the other 25 countries.

**Waiting time: proportion of young people registered in the YG for more than 4 months, 2018 (%)**



**Of those leaving YG schemes during 2018, 39.0% left to take up an offer within 4 months of registration**, down from 40.0% in 2017 and 41.5% in 2016. The proportion of timely and positive exits among all exits was over 90% in Hungary and over 70% in Denmark, but was particularly low in Spain (17.9%), Cyprus (14.0%) and the UK (21.6%). In Cyprus and the UK this is at least in part a reflection of the limitations of the  data, with respectively 52.0% and 62.5% of exits within 4 months (3 months in the case of the UK) going to unknown destinations. In the case of Spain, the results are affected (compared to other countries) by the automatic re-registration of all young people as soon as they are known not to be in employment or training.
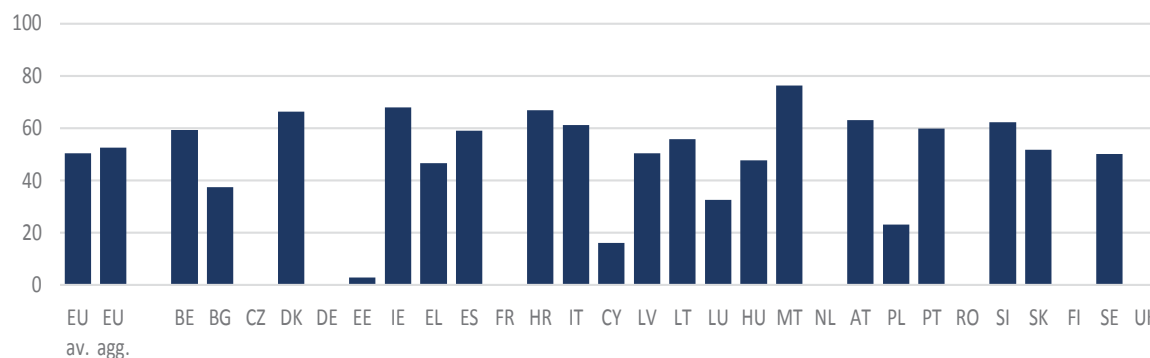
**Timely delivery of offers: proportion of young people leaving the YG to take up an offer within 4 months of registration, 2018 (% exits)**



**The number of young people (aged 15-24) enrolled in a YG scheme at any point during 2018 was 38.2% of the population of NEETs as measured by the EU Labour Force Survey**, though it should be clear that this is a proxy measure of the coverage of YG schemes as the populations may not fully overlap. The NEET coverage rate declined slightly in 2018 compared to 2017 (39.4%) and reduced in the majority of countries (20), most likely as a result of the continued decline in youth unemployment and increasing importance of inactive NEETs in the overall NEET population. NEET coverage rates did, however, increase substantially (by more than 10 pp) in Greece, France and Lithuania and, exceptionally, in Belgium (+44.9 pp) where a change in the measurement of stocks in the Walloon region has taken the coverage rate for the country as a whole over 100%, which needs further investigation.

Follow-up data on the situation of young people after leaving the YG remain incomplete, with five countries still unable to provide data (Czech Republic, France, the Netherlands, Finland and the UK). In the 23 countries that can provide data, **52.6% of young people aged 15-24 were known to be in a positive situation 6 months after exit in 2018, down from 55.9% in 2017**. Longer-term outcomes (after 12 and 18 months) for those leaving the YG in 2017 show similar results at 12 months (54.8%) but fewer still employed or in education/training after 18 months (47.4%). The results remain, however, difficult to compare in a meaningful way because of high numbers in unknown situations, particularly at the 18-month observation point (30.6% overall, but over 50% in Belgium and over 70% in Cyprus and Poland). Improving the completion and quality of follow-up data remains a priority for effective monitoring.

**Follow-up: proportion of young people known to be in a positive situation 6-months after exit, 2018 (% exits)**

**Notes about the data**

**_Comparability._** Data are compiled on the basis of a common methodology - the Indicator Framework for Monitoring the Youth Guarantee 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.

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. The problem derives from a lack of capacity to routinely link administrative registers or legal restrictions to do so.

**_EU level data._** Figures labelled "**EU average**" are unweighted averages of all available country data (i.e. average of indicator values). These are most relevant for comparison of indicator results between countries. Figures labelled "**EU28**" (or in the case of follow-up data, "**EU agg**") are based on EU level aggregates that take into account all affected NEETs in all countries for which data are available (i.e. indicator results calculated using aggregate of underlying numbers, effectively producing a weighted average of indicator results at country level). These figures describe the overall situation of NEETs in the EU but can be significantly influenced by the situation in a small number of large countries. In 2017, for example, just over two-thirds of the average stock of participants in the YG across the EU were found in just 5 Member States: France, Germany, Poland, Spain and Italy.

**_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[1] 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. In exceptional cases, the coverage indicator could even exceed 100% if the criteria governing access to the national YG scheme are more relaxed (in terms of being out of work or education/training) than those applied in the LFS.

---

[1] See http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Young_people_neither_in_employment_nor_in_education_and_training_(NEET)

**Follow-up data** – i.e. information about what happens to people after leaving the YG – are available for only 23 of the 28 Member States. Moreover, even where data are available, they do not necessarily reflect the true situation because of a lack of capacity to track people after exit (i.e. the situation is unknown for a high proportion). The results should be interpreted accordingly.

Note that where follow-up data are collected before everyone that exited in the reference period had reached the observation point (e.g. the 12 month situation of people that exited in year n can only be fully known in January of year n+2) then results are calculated only for the sub-group for whom the observation is valid (i.e. excluding those that had not yet reached the observation point).

_____