



# Youth Guarantee country by country

*Netherlands*  
*October 2020*

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## Introduction and context

The [Youth Guarantee](#) has become a reality across the EU. It has facilitated structural reforms and innovation in policy design across EU Member States.

This document provides extracts from official Commission documents on the implementation of the Youth Guarantee in the Netherlands. It contains extracts from:

- The country report drawn by the Commission for The Netherlands in the context of the [European Semester](#);
- The conclusions of the thematic multilateral surveillance review of the [Employment Committee \(EMCO\)](#).
- Results from the data collection on Youth Guarantee schemes.

A section at the end of the document is devoted to the assessment made by the Commission the previous year.

The Netherlands presented a [Youth Guarantee Implementation Plan](#) on 7 April 2014.

## Commission's assessment

### From the 2020 Country report (EN – NL):

**“The labour market is performing well.** Labour force participation continues to increase, and was among the highest in the EU at 80.3% in Q3-2019, well above the pre-crisis level. The unemployment rate reached close to historically low levels – 3.4% in 2019 [...] – on the back of robust GDP growth. The long-term unemployment rate also stood at 1.4% in Q3 2019 (well below the EU average of 2.5%) and has been declining for all age groups.”

9 **“The unemployment rate bottomed out at its lowest level since 2001 as the labour market remains tight.** The unemployment rate, which stood at 3.8% in 2018, fell to 3.4% in 2019. [...] Employment increased by 1.7% in 2019 and is also expected to remain marginally positive this year. Labour force participation (age 15-75) now stands at a relatively high 71.4%. Youth and long-term unemployment rates have also fallen compared to last year. However, some untapped potential remains as regards (part-time) employment of women, older workers, people with a migrant background and (partly) people with disabilities”

**“The Social Scoreboard, which supports the European Pillar of Social Rights, shows that the Netherlands performed very well on most indicators.** It has an overall good standing on both labour market performance and the social situation. Per capita real gross disposable income of households continued to rise, with income inequality below the EU average. On social protection and inclusion, the country is among the top performers, with a low level of poverty. The share of young people not in employment, education or training (NEET rate) is well below the EU average. However, in comparison to the general decrease observed in other Member States, the Netherlands registered a slight increase in this rate in 2018.”

*For further youth-related matters please refer to the country report.*

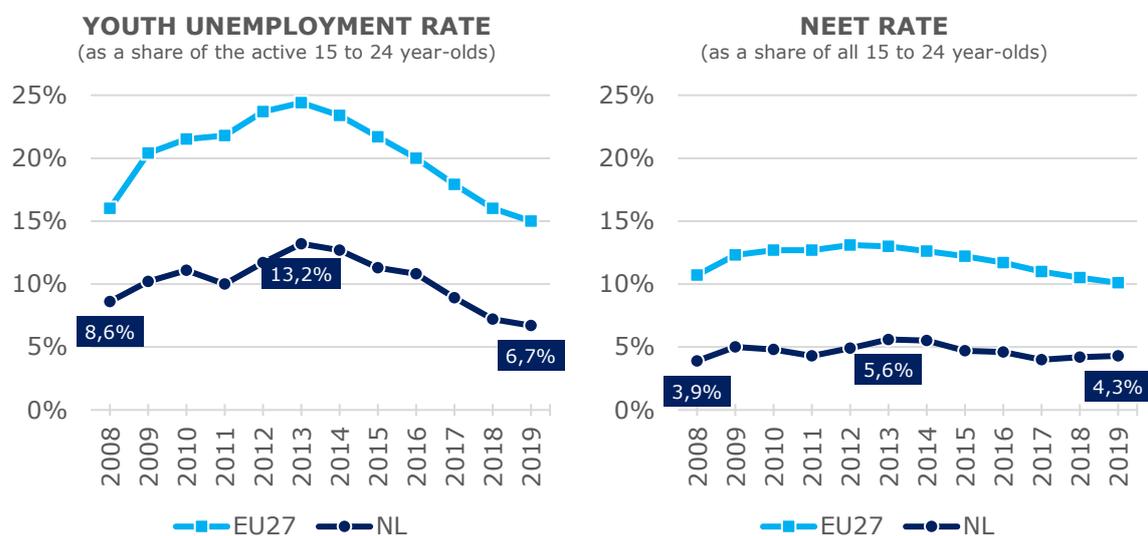
## EMCO's assessment

### **Conclusions of the Employment Committee's multilateral surveillance review on youth employment, October 2019:**

The Netherlands is very advanced in implementing the Youth Guarantee. This is visible in the very low NEET rate of around 4 %, which is well below the EU average. Implementation is based on partnerships between various ministries, local government bodies, social partners and other actors. Focus has moved away from youth unemployment in general to supporting youth in vulnerable positions and preventing school dropouts. New legal responsibilities for schools and municipalities have led to expanded mandates for municipal offices to improve their collaboration with informal organisations and with schools. Decentralised implementation and the above-mentioned changes have enabled more integrated support services for youth. The challenge is to target the specific problems of youth in more vulnerable situations. On traineeships, the Netherlands complies with the main elements of the Quality Framework for Traineeships. A significant number of trainees can be considered as employees since they have an employment relationship, and therefore working conditions are generally respected. In certain sectors, however, open-market traineeships are still being used and therefore encouraging the appropriate use of traineeships remains necessary.

## Youth Guarantee monitoring – Key data<sup>1</sup>

### 1. Main trends in young people's labour market performance



Source: Eurostat, LFS (une\_rt\_a, edat\_ifse\_20)

### 2. Youth Guarantee delivery

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.

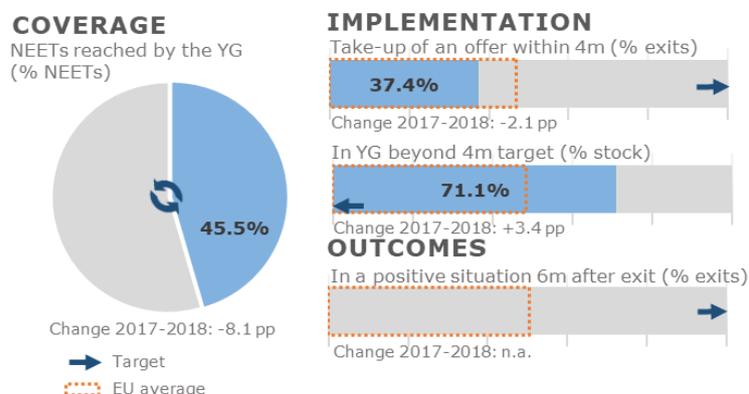
The national [Youth Guarantee Implementation Plan](#) was delivered in April 2014. Measures developed in response have focused on improving the quality and availability of work-based training (both through vocational education and training and through internships), and providing incentives to employers 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 2016<sup>2</sup> 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.

<sup>1</sup> The information below is taken from the country fiche related to the Youth Guarantee Data collection (full results can be found on <http://ec.europa.eu/social/main.jsp?catId=1143&langId=en#YGIF>).

<sup>2</sup> Staff Working Document: The Youth Guarantee and Youth Employment Initiative three years on (part 2/2).

## YG monitoring data 2017-18



Source: DG EMPL, YG monitoring database, data extracted 09 December 2019.  
NEETs data were extracted from Eurostat, Labour Force Survey on 21 June 2019.

On average in 2018, over two thirds (71.1%) of those registered in the Dutch YG at any point during the year remained in the YG preparatory phase (benefit administration) for more than 4 months, well above the EU average of 48.6% and a continued increase compared to 2017 (+3.4 pp) and 2016 (+ 9.5 pp).

Fewer than two in five of those leaving the YG in 2018 (37.4%) took up an offer within 4 months of registration, well below the EU average of 46.7%.

On average, less than half (45.5%) of all NEETs aged under 25 were covered by the YG (benefit) scheme in 2018, a decline of 8.1 pp from 2017, but still above the EU average of 38.9%.

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 delivering an offer of 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. On this basis, longer stays in the YG preparatory phase are to be expected.

## Previous years

### From the 2019 Country report (EN – NL):

**"The labour market is performing well, with headline labour market indicators converging towards pre-crisis levels.** Labour force participation continues to increase and now exceeds the pre-crisis level. Moreover, it is one of the highest in the EU at 82.2% in Q3-2018. In the last quarter of 2018, the unemployment rate reached the pre-crisis low level of unemployment of 3.6% (Graph 4.3.1) on the back of robust GDP growth. In addition, the long-term unemployment rate stood at 1.4% in the third quarter of 2008 (well below the EU average of 2.9%) and is declining for all age groups."

**"The labour market outcomes of the native-born with a migrant background (the 'second generation') are also unfavourable.** Among native-born persons aged 15-34, those with at least one foreign-born parent represented around 10.5% in 2016(42). Despite being born and educated in the Netherlands, their employment situation is less favourable. This is especially true for those with two foreign-born parents who had an employment rate of around 67% in 2016, 21 pps lower than among native-born persons, one of the largest gaps among EU countries(43). The gap was more pronounced for young women with an employment rate of around 61%, 26 pps lower than among those with a native background. Men performed better, with an employment rate of around 73%, 13 pps lower than among those with a native background. While daughters of immigrant parents fare well in the education systems (often better than young men), this does not always translate into success in the labour market. An even wider gender gap appears among the low-educated, where low educational attainment among women frequently leads to inactivity on the labour market."

**"The unfavourable employment situation faced by native born with a migrant background can only in part be related to lower educational outcomes.** Native children with immigrant parents are less likely than native children to be tertiary-educated (25% and 35% respectively), although the gap is relatively small compared to other similar countries(46). Part of the disadvantages faced by second generation young people is due to the lower socio-economic level inherited from their parents. Other factors include early tracking in fields of education with limited possibilities for good transitions to the labour market and the lack of network and role models, while also (indirect) discrimination plays a role (Ministry of Social affairs and Employment, VIA, 2018). In general, prioritising investments in employability of people with a migrant background could contribute to both social inclusion for this group and expansion of economic activities."

**"The labour market situation of people with disabilities remains challenging and in particular young people with disabilities face vulnerability risks.** Important implications for the labour market situation of specific categories of people with disabilities stem from the introduction of the Participation Act (Participatiewet) in 2015 (European Commission, 2015b, p.38, European Commission, 2017d, p.29). As a result, the inflow into sheltered workplaces was blocked and the number of workers with disabilities in sheltered workplaces dropped from 102 855 in 2014 to 86 959 in 2017 (Panteia 2018). Only 30% of those on the (former) waiting list for the sheltered workspaces succeeded in finding work, whereas this figure had been 50% before (Sadiraj et al., 2018). The social benefits scheme for young persons with disabilities (Wajong) was also reformed. As a result, the entitlement to a Wajong benefits was restricted to fully people with disabilities who reach the age of 18 years as from 2015

onwards. All other categories are entitled to social benefits and receive assistance from municipalities to find work.”

**“Increased investment in skills, education and training are important for improving access to the labour market and employability, while fostering equal opportunities and active inclusion.** The employment situation of low(er) skilled workers, (young) people with disabilities, people with a migrant background and third country nationals, asylum seekers and status holders, which remains challenging, points to the need to invest more in targeted active inclusion policies for those operating at the margin of the labour market and economically inactive people.”

**“[...] A generational divide, influenced by systemic redistribution from young to old workers via the average pay/average accrual system, lies beneath these challenges.** Both older and younger generations claim to carry a disproportional part of the adjustment burden. For pensioners, the real value of their pensions has declined due to the lack of indexation and/or cuts in nominal pensions. Young generations have seen pension contributions go up and expect to receive lower pensions in the future. In addition, the current ‘average pay, average accrual’ system (‘doorsneesystematiek’) is considered in need of reform. In the current set-up, pension contributions paid in at any point of one’s career entitles the beneficiary to the same amount of pension benefits, irrespective of their age and the investment horizon. While this system facilitates collective risk sharing, it is not actuarially fair (Graph 4.2.8). It leads to systemic redistribution from young workers (who pay too much compared to an actuarially fair contribution) to older workers (who pay too little compared to an actuarially fair contribution). While the shifts in value may be limited when measured over the full life-cycle, this system may lead to arbitrary outcomes depending on career paths. As it makes the link between contributions and pension savings less clear, it also reduces transparency. In addition, as lower pension pay-outs are a last resort, the balance of risks is geared towards the active and young generations. In other words, ad hoc adjustments to indexation and pension contributions have led to pro-cyclical macroeconomic shocks and could give rise to intergenerational transfers at the expense of current younger generations, i.e. they pay higher contributions for a relatively lower guaranteed pension.”

For further youth-related matters please refer to the country report.

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## Links to further information

**Youth Guarantee Knowledge centre** – *Including promising examples from the Netherlands*

<https://ec.europa.eu/social/main.jsp?catId=1327&langId=en>

**Youth Guarantee Implementation Plan**

<http://ec.europa.eu/social/BlobServlet?docId=16481&langId=en>

**Where to register for the Youth Guarantee?**

<http://ec.europa.eu/social/main.jsp?catId=1218&langId=en>

**Youth Wiki Netherlands**

<https://eacea.ec.europa.eu/national-policies/en/content/youthwiki/overview-netherlands>