



# **Implementation of the Youth Guarantee by the Public Employment Services**

**Success factors and key challenges**



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October - 2018*

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**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion  
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Unit B.1 — Employment Strategy

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## **Success factors and key challenges**

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Luxembourg: Publications Office of the European Union, 2018

ISBN: 978-92-79-99982-6  
doi: 10.2767/052550

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The European Network of Public Employment Services was created following a Decision of the European Parliament and Council in June 2014<sup>1</sup>. Its objective is to reinforce PES capacity, effectiveness and efficiency. This activity has been developed within the work programme of the European PES Network. For further information: <http://ec.europa.eu/social/PESNetwork>.

This publication has received financial support from the European Union Programme for Employment and Social Innovation 'EaSI' (2014-2020). For further information please consult: <http://ec.europa.eu/social/easi>.

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<sup>1</sup> DECISION No 573/2014/EU

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## List of Abbreviations

<b>ALMP</b>	Active Labour Market Policy
<b>BL</b>	Benchlearning
<b>DG EMPL</b>	Directorate-General for Employment, Social Affairs and Inclusion
<b>EC</b>	European Commission
<b>EU</b>	European Union
<b>ESF</b>	European Social Fund
<b>GDP</b>	Gross Domestic Product
<b>HoPES</b>	Heads of Public Employment Services
<b>NEET</b>	Young person Not in Employment, Education or Training
<b>NGO</b>	Non-Governmental Organisation
<b>NYGIP</b>	National Youth Guarantee Implementation Plan
<b>PES</b>	Public Employment Services
<b>UB</b>	Unemployment Benefit
<b>YEI</b>	Youth Employment Initiative
<b>YG</b>	Youth Guarantee
<b>YGIP</b>	Youth Guarantee Implementation Plan

## Definition of main indicators<sup>2</sup>

Indicator	Definition
<b>NEETs rate (15-24) (%)</b>	Number of people aged 15-24 not employed and not involved in any further education or training/Number of people aged 15-24
<b>NEETs coverage rate</b>	Average annual stock of young people in the YG preparatory phase/NEET population (annual average) measured by LFS (age-group 15-24)
<b>Proportion of young people in the YG preparatory phase 4 beyond the 4 month target</b>	Average annual stock of young people still in the YG preparatory phase after 4 [6, 12] months after the date of registration/Average annual stock of young people in the YG preparatory phase
<b>Positive and timely exits from the YG preparatory phase</b>	Number of young people exiting the YG preparatory phase with a positive known outcome within 4 months/total exits from the YG preparatory phase

<sup>2</sup> Source of the first six indicators: European Commission (2017), 'Indicator Framework for Monitoring the Youth Guarantee', Revision of January 2017. Available at: <http://ec.europa.eu/social/BlobServlet?docId=13402&langId=en>.

Indicator	Definition
<b>Situation of young people 6, 12 and 18 months after exiting the YG preparatory phase</b>	Number of young people who 6, 12, 18 months after exiting the YG preparatory phase are in a positive (employment, apprenticeship, traineeship, education), negative (unemployed or inactive) or unknown <sup>3</sup> (all other) status/total number of YG exits having reached the relevant observation point
<b>Recycling rate</b>	% of entrants with previous YG experience
<b>Youth unemployment rate<sup>4</sup></b>	Number of unemployed aged 15-24 actively seeking employment or waiting to take up employment divided by the labour force aged 15-24 years
<b>Youth recruitment rate<sup>5</sup></b>	Number of employed people aged 15-24 whose current job is less than 12 months divided by the number of employed people aged 15-24 years
<b>Transition rate from inactivity to jobs<sup>6</sup></b>	Annual averages of quarterly transitions of persons aged 15-24 years from the labour market status of inactivity to the labour market status of employment
<b>Transition rate from unemployment to employment<sup>7</sup></b>	Annual averages of quarterly transitions of persons aged 15-24 years from the labour market status of unemployment to the labour market status of employment
<b>Job to jobs transitions<sup>8</sup></b>	Annual averages of quarterly transitions of persons aged 15-24 years from the labour market status of employment to the labour market status of employment
<b>Youth long-term unemployment rate<sup>9</sup></b>	Number of persons aged 15-24 years who have been unemployed for 12 months or more divided by the Labour Force aged 15-24 years
<b>Youth employment rate<sup>10</sup></b>	Number of employed 15-24 years divided by the population 15-24 years
<b>Number of NEETs willing to work<sup>11</sup></b>	Total number of NEETs expressing a willingness to work whether seeking employment or not

<sup>3</sup> The category 'unknown' is considered neutral. It may for instance contain persons who are self-employed or in education if these are not registered and thus not counted as having a positive status.

<sup>4</sup> Source: Eurostat (lfsa\_urgan).

<sup>5</sup> Source: Eurostat (lfsa\_enewasn).

<sup>6</sup> Source: Eurostat (lfsa\_long\_e06).

<sup>7</sup> Source: Eurostat (lfsa\_long\_e01).

<sup>8</sup> Source: Eurostat (lfsa\_long\_e07).

<sup>9</sup> Source: Eurostat (yth\_empl\_120).

<sup>10</sup> Source: Eurostat (yth\_empl\_010).

<sup>11</sup> Source: Eurostat (yth\_empl\_150).

## 1. Introduction

### 1.1. The Youth Guarantee in Europe

The Youth Guarantee<sup>12</sup> has a **long history** in Europe. The idea of a Youth Guarantee or similar programmes emerged in the 1980s and 1990s in the Nordic countries, with Sweden being the first country that introduced a YG scheme in 1984, followed by Norway (1993), Denmark and Finland (1996) and Austria (1998).

The institutions of the European Union made **the first steps** to establish a European Youth Guarantee in 2005, in the context of preparing the employment guidelines of Member States for the period 2005–2008<sup>13</sup> and later on for 2008-2010.<sup>14</sup> Two years after the start of the economic and financial crisis, the youth unemployment rate in the European Union had reached an unprecedented high level (above 20% in 2010<sup>15</sup>), but only a few countries<sup>16</sup> established a Youth Guarantee programme. Under these circumstances, between 2010 and 2012, the EU and its institutions made several appeals, asking Member States to take action to address labour market challenges, especially those related to youth unemployment. Furthermore, the EC launched in December 2012 a youth employment package, including a proposal for a Council Recommendation on the establishment of a Youth Guarantee. In April 2013, the Recommendation was adopted by all Member States. Moreover, in order to support the Member States in their implementation of the YG, the European Council and the European Parliament agreed to create the Youth Employment Initiative (YEI), a financial instrument of a total of EUR 8.8 billion for the period 2014-2020, dedicated mainly to regions where levels of unemployment had been higher than 25% in 2012.

The main **goal** of the YG is 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 a period of four months of becoming unemployed or leaving formal education'<sup>17</sup>. According to the Council Recommendation of April 2013, the YG should be

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<sup>12</sup> Sources of information for this chapter: Council of the European Union (2013), Council Recommendation of 22 April 2013 on establishing a Youth Guarantee, Official Journal of the European Union, C120, 26 April, Official Journal of the European Union, C120, 26 April; European Commission (2016), Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, 'The Youth Guarantee and Youth Employment Initiative three years on' COM/2016/0646 final; ILO (2015), 'The Youth Guarantee programme in Europe: Features, Implementation and challenges'; DG EMPL monitoring data: Main features of the YG schemes, 2018.; European Commission (2017), Report on PES Implementation of the Youth Guarantee.

<sup>13</sup> 'Every unemployed person is offered a new start before reaching six months of unemployment in the case of young people', for more information see Integrated Guidelines for Growth and Jobs (2005-2008). Available at: [http://ec.europa.eu/economy\\_finance/publications/pages/publication6410\\_en.pdf](http://ec.europa.eu/economy_finance/publications/pages/publication6410_en.pdf)  
<https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=celex:32005D0600>

<sup>14</sup> 'Every unemployed person is offered a job, apprenticeship, additional training or other employability measure; in the case of young persons who have left school within no more than 4 months by 2010'. Source: Council Decision of 15 July 2008 on guidelines for the employment policies of the Member States (2008/618/EC). Available at: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32008D0618>

<sup>15</sup>Youth unemployment rate – 21.1% in 2010. Source: Eurostat. Available at: <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

<sup>16</sup> E.g. AT.

<sup>17</sup> Council of the European Union (2013), Council Recommendation of 22 April 2013 on establishing a Youth Guarantee, Official Journal of the European Union, C120, 26 April, Official Journal of the European Union, C120, 26 April. Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013H0426\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013H0426(01)&from=EN)

implemented through supportive measures, adapted to the national, regional and local circumstances. These measures should be based on **six axes**: building up partnership-based approaches; early intervention and activation; supportive measures enabling labour market integration; use of Union funds; assessment and continuous improvement of the scheme; and its swift, continued adaptation to national, regional and local circumstances.

All 28 Member States submitted their **Youth Guarantee Implementation Plans** by mid-May 2014. Some countries<sup>18</sup> revised the plans between 2015 and 2018. In most countries **coordination of the YG** falls upon the ministry in charge of labour (or equivalent), with a few exceptions, where this responsibility belong to the ministry in charge of education and/or youth<sup>19</sup> or is shared between several ministries<sup>20</sup>.

**Young people under 25** are the target of YG interventions in most of the Member States, but almost half of them<sup>21</sup> have extended the **upper age limit to 30** or under 27 years<sup>22</sup>, among others to align with practices under the YEI.

**The time limit for delivering an offer** is defined, in most Member States, from the moment of registration with YG providers, which is most commonly the PES, **and is in general four months**. Some countries apply a shorter period<sup>23</sup>, while a longer time limit is applied for some groups of NEETs in other countries.<sup>24</sup> **Public Employment Services (PES) are central players** in the implementation of the YG with a **wide range of responsibilities** in management, coordination and direct service provision, being the main providers of employment interventions. Other types of providers are also involved in YG delivery, especially for education offers or for the hardest to reach among the target group<sup>25</sup> with regional or local bodies being given a key role. Registration of young people takes place with PES in most countries. Online registration is possible in many Member States<sup>26</sup> on the PES websites or specific YG online portals created to provide specific information. Some PES<sup>27</sup> are also involved in reaching out to NEETs. Other PES responsibilities include the follow-up of all young people who received YG services and the design and maintenance of the YG monitoring system.

The YG scheme is implemented with a **'partnership-based approach'** and most PES work in close cooperation with a wide range of partners, through formal and informal agreements.

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<sup>18</sup> BE, CZ, DK, EE, HR, IE, MT, NL, PL, RO, SI, SE. Source: DG EMPL monitoring data: Main features of the YG schemes, 2018.

<sup>19</sup> FI, MT, PT.

<sup>20</sup> LV: Ministry of Welfare and the Ministry of Education and Science are steering the YG's implementation.

<sup>21</sup> BG, CY, HR, DK, EE, FI, IT, LV, LT, PL, PT, SK, SI, ES: some of these countries decided to extend the age-limit when revising the YGIPs. Source: European Commission (2016), Staff Working document (SWD 2016) 323 final. Accompanying the document: Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, 'The Youth Guarantee and Youth Employment Initiative three years on'.

<sup>22</sup> NL.

<sup>23</sup> AT (as soon as possible-target three months), Finland (three months), SE (90 days), DK, NL and UK (less than four months, depending on the target group and support).

<sup>24</sup> Belgium regions – up to six months, depending on the region.

<sup>25</sup> Local authorities, Chambers of Commerce or third sector organisations, agencies responsible for general or vocational education, youth centres and agencies, agencies responsible for education, etc.

<sup>26</sup> AT, BE, DE, DK, EE, EL, ES (YG platform), FI, IE, IT (YG platform), LT, NL, PL, PT (YG platform), SE, SI, UK.

<sup>27</sup> BE-Actiris, BE-Le Forem, BE-VDAB, BG, CY, CZ, DE, EL, FI, FR, HR, HU, IT, LT, LU, MT, NL, PL, PT, RO, UK.

Implementation of the YG is supported **through national sources** (government funds), **as well as EU financial instruments** the ESF and the YEI. In many PES<sup>28</sup> YG delivery is supported by **staff that exclusively and directly work with young people**. Other PES, where the YG activities are incorporated into staff functions and roles, have specialised youth teams or counsellors, advisers, mentors, etc.

In all Member States, YG **offers** include **four categories**: employment, continued education, apprenticeships and traineeships. In addition to these measures, other **PES specific services** or **employment intermediation** are available for young people under the YG scheme, such as job-search assistance, career guidance (including for young people with disabilities), skills assessment or validation of prior learning, employment counselling.

## 1.2. Monitoring the Youth Guarantee

Having processes in place **for monitoring and following up with young people** was also foreseen as an integral element of the Youth Guarantee.<sup>29</sup> Most PES in Member States established specific targets: follow-up young people participating in the YG scheme and conduct client satisfaction surveys. However, no impact evaluation has been done up to now.

In all Member States, **monitoring the YG's efficiency and effectiveness** is done under the common Indicator Framework for Monitoring the Youth Guarantee<sup>30</sup> endorsed by the Employment Committee in May 2015 and revised in January 2017. The YG data collection focuses on the indicators related to NEETs coverage rate, timely provision of offers within four months and sustainability of offers.

Since 2014, when implementation of the YG started on the ground, each year more than 5 million young people have registered in the YG schemes. Annually, more than 3.5 million young people registered in the YG took up an offer of employment, continued education, a traineeship or an apprenticeship. Each year since 2014 around 50% of all exits were known to be in a positive situation six months after exiting the YG.<sup>31</sup>

Also, the EU Network of Public Employment Services has committed to supporting and monitoring the delivery of the YG and assessment reports have been published<sup>32</sup>.

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<sup>28</sup> BE-Actiris, BE-VDAB, BG, CZ, DE, EE, FI, FR, HR, HU, LV, LT, LU, MT, SI.

<sup>29</sup> Council of the European Union (2013), Council Recommendation of 22 April 2013 on establishing a Youth Guarantee, Official Journal of the European Union, C120, 26 April, Official Journal of the European Union, C120, 26 April.

<sup>30</sup> Employment Committee (2015), Indicator Framework for Monitoring the Youth Guarantee, INDIC/10/12052015/EN-rev.

<sup>31</sup> DG EMPL, YG monitoring database, 2017.

<sup>32</sup> European Commission (2013), HoPES Assessment Report on PES capacities to implement the Youth Guarantee. Available at: <http://ec.europa.eu/social/BlobServlet?docId=11100&langId=en>;  
European Commission (2014), Second Assessment report on PES capacity to implement the Youth Guarantee. Available at: <http://ec.europa.eu/social/BlobServlet?docId=13198&langId=en>;  
European Commission (2015), Report on PES Implementation of the Youth Guarantee. Available at: <http://ec.europa.eu/social/BlobServlet?docId=14322&langId=en>;  
European Commission (2016), Report on PES Implementation of the Youth Guarantee. Available at: <http://ec.europa.eu/social/BlobServlet?docId=16966&langId=en>;  
European Commission (2017), Report on PES Implementation of the Youth Guarantee. Available at: <http://ec.europa.eu/social/BlobServlet?docId=18901&langId=en>.

### 1.3. Purpose of the study and research methodology

The latest related reports indicate that progress in efficiency and effectiveness of the YG is still limited, that PES have applied different approaches in implementing the YG and many Member States face constraints hampering the full implementation of the YG.

Therefore, the EC decided to take stock and analyse more in depth the success factors for PES implementation of the YG, but also to look at the challenges PES are facing and how they can overcome them. The **main objectives of this small-scale study** are to review factors influencing PES performance in the actual delivery of the YG, focusing on three aspects: NEETs coverage rate, timeliness and accuracy of offers and sustainability and quality of offers. The study focuses on six countries and discusses their performance more deeply.

The **research methodology** combined quantitative and qualitative methods to identify if there is any correlation between particular macro-economic and external factors, institutional settings and PES performance in YG delivery. Based on quantitative and qualitative indicators the following six countries were selected for case studies: Austria, Bulgaria, Hungary, Lithuania, Portugal and Sweden. The selected countries include those that have better results for implementing the YG than other PES and those that encountered difficulties in delivering the YG. Geographic and political perspective has also been considered, e.g. 'new and older EU MS' countries and representing Eastern Europe, the Baltic States, Central Europe, the Mediterranean region and Northern Europe and Scandinavia.

To gather qualitative information not available via desk research or through the quantitative databases, as well as to gather the views of the PES on key aspects of their experience of implementing the YG, a qualitative survey of the relevant PES of countries covered by the case studies was launched at the end of June. The **data collection lasted from 30 June to 14 September 2018**.

The performance of the Youth Guarantee is influenced by many factors. Some are exogenous in the sense that the institutions tasked with the management of the YG have no direct control over them. For example, the coverage rate is measured by dividing the average national stock of people participating in the Youth Guarantee by the number of NEETs estimated by the national Labour Force Survey. If the latter is relatively small, ceteris paribus the coverage rate will be very high and vice versa.

Similarly, the timeliness and accuracy of offers will be less of a challenge if the youth labour market is buoyant and employment opportunities are plentiful, while the sustainability and quality of offers will be more easily achieved in a youth labour market characterised by decent jobs and permanent contracts.

For these reasons the analyses of the performance of the YG in the six selected countries goes beyond the indicators published in the Monitoring reports<sup>33</sup> and in addition focus on identifying the characteristics of the local youth labour market. These significantly influence the value of each indicator.

The conclusions for each case study are divided into four categories; the main challenges to a successful implementation of the Youth Guarantee; the awareness of the PES of the challenges; the capacity of the PES to address them, and data issues.

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<sup>33</sup> European Commission, Data collection for monitoring of Youth Guarantee schemes: 2016; Data collection for monitoring of Youth Guarantee schemes: 2015. Available at: <http://ec.europa.eu/social/main.jsp?catId=1143&langId=en#YGIF>

Finally, unless otherwise stated, all of the analyses in this report are of the NEETs population aged 15-24 years and refers to the year 2016. The reason why one specific year (i.e. 2016) was chosen for the analyses is to facilitate a more in-depth exploration of the factors which contributed to the most recent performance of the Youth Guarantee scheme in the six selected countries. It allowed more detailed questions to be included in the survey than would otherwise have been possible if the focus had been spread over a range of different years.

## 1.4. Characteristics of case study countries

The YG scheme in **all the six countries** selected as case studies follows the Council Recommendation of April 2013. In all countries the YG is implemented in a partnership approach and PES are key institutions in coordination and YG delivery.

Two of the countries, Austria and Sweden, have a long history in implementing policies targeted at young people. Both countries opted for a shorter target time limit to provide a good offer: three months in Austria, 90 days in Sweden.

In nearly all countries, the YG scheme was launched in 2014, except Hungary where the YG scheme started in 2015. By 2018, the YG in Hungary was targeted at the long-term unemployed or young people at risk of becoming the long-term unemployed, and after that, to all NEETs.

Bulgaria, Lithuania and Portugal have broadened the age limit. Young people under 30 can receive the YG offer in these countries.

Government funds are used to support the YG interventions in all six case studies. In Bulgaria, Hungary, Lithuania and Portugal national funds are complemented by ESF and YEI financial support.

Portugal and Sweden provide all four categories of interventions. In Austria, employment, continued education and apprenticeships offers are provided, while in Bulgaria only employment and traineeship offers are available<sup>34</sup>. Lithuania implements the YG through employment and continued education and training interventions.

The PES in Austria, Lithuania and Sweden have no specific responsibilities in reaching out to NEETs, but they cooperate with other institutions, mainly schools, in such activities.

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<sup>34</sup> A dual training system was introduced, but was not active in 2016

## 2. Case studies

### 2.1. Austria

#### 2.1.1. Overview of the YG scheme and PES role in its delivery<sup>35</sup>

Austria has a long history in implementing policies targeted at young people. A YG scheme was introduced for the first time in 1998 (for young people aged 15-18) followed by a similar one in 2009 (targeted at those aged 20-25), focusing mainly on guaranteed access to apprenticeship training. The current NYGIP (National Youth Guarantee Implementation Plan) was presented in March 2014. NEETs who are 15-24 years old are the target group and they have to receive a good offer as soon as possible, with a target of three months after registration.<sup>36</sup>

The partnership approach is in place as the PES works in close cooperation with provincial governments, federal social offices, supervisory school authorities, vocational schools, youth welfare offices, training institutions, employers and other social partners.

The National Coordinator is the Ministry of Labour, Social Affairs and Consumer Protection, but the PES also plays a key role in the management and coordination of the YG scheme. Other PES responsibilities consist of provision of specific interventions, registration of young people (possible also on the PES website), and coordination of partnerships. Reaching out to NEETs is not a standard service of the PES itself, but it regularly cooperates with other actors in delivering outreach activities, in particular through youth centres, youth coaches (organised by the Federal Social Office SMS), schools, and federal ministries.

The YG activities are incorporated into PES staff functions and roles. Government funds are the main source for the implementation of the YG in Austria. ESF funding was received up to 2015 to support YG implementation in 2013 and 2014.

A range of ALMPs are provided to young NEETs covering three categories of offers: employment, continued education and apprenticeships. PES specific services are also available, some of which are provided as e-services (see details in Table 1 and Table 2). Individual counselling is obligatory for registered NEETs. Career guidance, orientation and information as well as testing services<sup>37</sup> (when necessary) are also provided. Several initiatives and services for young people with migration backgrounds are also available under the YG scheme.<sup>38</sup>

YG delivery and its results are monitored and assessed through specific activities and indicators.<sup>39</sup>

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<sup>35</sup> Sources of information for this chapter in all six case studies: 2016 Questionnaire – ‘Member States’ response to 2013 Council Recommendation on establishing a Youth Guarantee’; EEPO Country Reports ‘Implementation of the 2013 Recommendation on establishing a Youth Guarantee’; 2017 EMCO Review on the Youth Guarantee self-assessment questionnaire; 2017 PES Capacity Questionnaire, Part 2- Supporting Youth; 2016 Country Factsheet, PES survey for the current small-scale study.

<sup>36</sup> NYGIP Austria - <http://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPageId=3327>

<sup>37</sup> Aptitudes, interests, personality tests, etc.

<sup>38</sup> NYGIP Austria- <http://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPageId=3327>

<sup>39</sup> Satisfaction surveys, monitoring young people who leave the register of unemployed, received an offer, entered employment or training, etc. and specific indicators under the YG Framework indicators.

### **2.1.2. The youth labour market, NEETs characteristics and the coverage of the Youth Guarantee**

There was steady growth in annual GDP over the period 2014 to 2016 from 0.7 pp to 2.0 pp. This steady level of growth is reflected in an expansion of total employment from 4.03 million to 4.14 million. However, the number of young people at work declined by 7,000 from 508,200 to 501,200. There was a slight increase in the youth population (0.67%). The employment rate hovered around 51% over the period.

The NEETs population in Austria was estimated to be 76,000 by Eurostat. This is only 19% more than the number of the young unemployed, which was 64,000.<sup>40</sup> Just over half of the NEETs population (51%) were unemployed, while 49% were inactive. A very high share of NEETs (80%) expressed a desire to work.<sup>41</sup>

The coverage rate reported in the Monitoring Report was the highest of any Member State at 80%.<sup>42</sup>

The disadvantaged component of the NEETS population was relatively high. The share of those in the young NEETs population with the lowest educational qualifications (i.e. ISCED 0-2) was 45% and this was similar to the share in the PES registered NEETs population. However the long-term unemployment rate of young people was modest at just 2%, well below the EU rate of 5.4%.

Approximately 87% of the inactive youth population were engaged in some form of education or training and they were therefore excluded from NEETs. A further 5.9% were engaged in caring activities while 2.3% had a disability which was the reason that they were not seeking employment.

Young persons of ethnic minority background<sup>43</sup>, those without formal education background and school drop-outs without interests in further education were considered by the PES the most difficult sub-groups of NEETs to be attracted to the YG.

Interestingly, in their response to the questionnaire, the Austrian PES mentioned the desirability of having part-time courses for NEETs to further enhance the coverage, although they did not specifically allude to persons with care responsibilities. They also mentioned clear institutional agreements with relevant partners and expressed the view that greater involvement of career guidance teachers, coaches and parents could improve coverage. A clear commitment and agreement with relevant third partners was also seen as important in the task of not just attracting NEETs to the YG, but also in retaining them on the registration.

Although the Austrian PES has no outreaching responsibilities (see section 2.1.1), in the opinion of the PES the most effective tools are the proactive work with schools, employing or working with designated youth outreach workers and single-point services (Table 3).

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<sup>40</sup> It is important to note that unemployed persons who are engaged in education or training are not included in the count of NEETs.

<sup>41</sup> Eurostat provide data on the percentage of the youth population who are NEETs wishing to work whether unemployed or not. Source: Eurostat (yth\_empl\_150).

<sup>42</sup> The coverage rates in the Monitoring reports are based on dividing the annual stock of NEETs by the Eurostat estimate of NEETs, whereas the figures provided in the questionnaire are based on registrations at the end of 2016.

<sup>43</sup> This refers to an ethnic background different from the ethnic background of the majority of citizens.

### 2.1.3. Timeliness and accuracy of offers

The 2016 direct and supplementary indicators show a performance above the EU average, and among the highest of the case studies: the proportion of NEETs in YG preparatory phase beyond the four months<sup>44</sup> is 33.7% and timely and positive exits is 50.6% (Table 5). However, the share of unknown destinations (31.7%) was well above the EU 28 (Table 6).

The NEETs population 15-24 was small. It represented 12% of the EU related cohort in 2016, compared, for example, to the almost 20% in the case of Bulgaria. The NEETs rate (7.7%) was among the lowest of the countries included in this study (see Table 5). Moreover, the caseload of the Austrian PES counsellors (89 in 2016) was much lower than the average (140) of countries with responsibilities for unemployment benefits or unemployment and other benefits.<sup>45</sup> Consequently, it may be less challenging for the PES to achieve reasonable results in this area.

In the opinion of the PES, the flexibility of offers<sup>46</sup> and adequate staff capacity in terms of number and skills/competencies are the key success factors in the timeline and accuracy of offers.

As stated in the survey, appropriate budget, low-threshold<sup>47</sup> access to services and close cooperation with partners are other ingredients of the positive results. The social and political commitment towards young NEETs is of particular importance in achieving the YG goal.

The focus on the implementation of YG initiatives, which are supported by legislation, clear agreements with stakeholders, annual target setting and monitoring of outcomes<sup>48</sup> is a key feature of the Austrian PES policy.

On the other side, the PES noticed in their response to the survey, that keeping young NEETs in the PES register<sup>49</sup> is one of the main difficulties in delivering timely and accurate offers. Activating NEETs in the target time limit is in general a challenge, but it is particularly difficult in the case of disengaged<sup>50</sup> young people, persons of ethnic minority background<sup>51</sup> and young people 'without formal educational achievement'<sup>52</sup> (Table 7). Young people with multiple problems<sup>53</sup> often need a longer time to be activated or motivated.

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<sup>44</sup> The target time-limit for providing a good and qualitative offer in Austria is 3 months.

<sup>45</sup> European Commission (2016), 'Assessment Report on PES Capacity'. Available at:

<http://ec.europa.eu/social/BlobServlet?docId=16967&langId=en>

<sup>46</sup> Flexible start-date of interventions, full-time or part-time offers, etc.

<sup>47</sup> Low eligibility criteria.

<sup>48</sup> Benchlearning Initiative External Assessment, PES of Austria - AMS, Summary Report, 2015.

<sup>49</sup> NEETs leave the PES register before an offer is provided.

<sup>50</sup> These are persons who are not seeking a job and who are not in education or training and who do not have obligations stopping them from working or participating in education or training. Source: Eurofound (2016), 'Exploring the diversity of NEETs'. Available at: <https://www.eurofound.europa.eu/publications/report/2016/labour-market-socialpolicies/exploring-the-diversity-of-neets>.

<sup>51</sup> This refers to an ethnic background different from the ethnic background of the majority of citizens.

<sup>52</sup> Educational achievements according to the 'Law on Compulsory Training' approved in June 2016 introduces compulsory education and training up to the age of 18: the objective - to prevent young people from achieving only very low levels of education, which often results in poor job prospects, for more information see: <http://ec.europa.eu/social/BlobServlet?docId=16125&langId=en>.

<sup>53</sup> Lack of basic skills, social problems, health restrictions, etc.

The PES also mentioned that many young people prefer part-time offers (e.g. training), as full-time ones are too 'demanding' for them. But these part-time offers are not always available as the eligibility criteria for livelihood allowances require full-time attendance. The number of places for training courses is not always sufficient and the starting-dates for training are not always flexible. Therefore, an offer cannot always be ensured within the target time limit.

Some views of the Austrian PES on how to overcome these difficulties, also relevant for the sustainability of outcomes, are presented in the next section. Once again the PES stressed the importance of the early career guidance and counselling, advice in solving personal problems and more opportunities for on-the-job training in better activating NEETs.

#### **2.1.4. Labour market dynamics and sustainable and quality outcomes**

Short and long-term follow-up data suggest sustainable outcomes. The short-term<sup>54</sup> performance in this area (63.7% in 2016) was well above the EU average and the highest of the six EU countries reviewed (see Table 5). The share of unknown situations six months after exiting the YG (19.9% in 2016) was almost half of the EU average and the lowest among the countries included in this study (see Table 8). This showed a good capacity to track the participants in YG.

The 2016 YG guarantee monitoring report revealed that employment offers were flexible, providing access to both full- and part-time jobs, on either fixed-term or open-ended contracts. The duration of employment subsidies<sup>55</sup> was agreed between the employer and the regional PES taking into account the labour market environment. As the PES underlined in the survey, flexible offers are one key to success in ensuring the effectiveness and efficiency of YG interventions (see also the section above). The additional support<sup>56</sup> for better integration into labour market or training is not provided by PES, but the most effective, in the opinion of the PES are presented in Table 9. The PES also considered that a standardised and compulsory follow-up support/mentoring system<sup>57</sup> should be introduced in every region to better integrate NEETs to the working/training place. Also a greater social responsibility on the part of companies could bring improvements of the YG outcomes.

While the coverage rate in Austria was high, the recycling rate was exceptional (almost double the EU average) and at 74% by far the highest among the EU countries who reported a rate for 2016 (see Table 5). The phenomenon of a high coverage rate coinciding with a high recycling rate occurred with sufficient frequency for the authors of the 2016 YG Monitoring Report to suggest that there may be a causal link. This coincidence was by no means confined to Austria.

The analyses in this report, however, suggest that exogenous factors may also play a critical role. In the case of Austria, the youth labour market was stagnant at half a

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<sup>54</sup> Six months after exit.

<sup>55</sup> Maximum duration is of 3 years. European Commission (2016), Data collection for monitoring of Youth Guarantee schemes, Country fiche Austria. Available at:  
<http://ec.europa.eu/social/main.jsp?catId=1143&langId=en>

<sup>56</sup> After placement into a job or during training, etc.

<sup>57</sup> After placement into jobs, during training etc.

million between 2015 and 2016. The youth recruitment rate (43%)<sup>58</sup> was below the EU28 rate of 49%, which is to be expected as net jobs growth was zero and the share of job-changers was modest at 8%. The share of young people in short-term jobs (i.e. less than 3 months), while not the lowest, was reasonably modest at 14%.

Surprisingly, however, the rate of transition from unemployment to employment was high at 31%, as was the transition rate from inactivity to jobs (10%).

These figures suggest that there was movement of young people into jobs from both unemployment and inactivity. There was a tendency for many of these young people to stay in those jobs. This is consistent with the fact that the proportion of all exits which were known to be in a positive position six months after exiting and who had received an employment offer was around 80%.

This analysis appears to be inconsistent with the exceptionally high rate of recycling, but the explanation may lie elsewhere. It is probably necessary to have information on the proportion of those who entered a second registration by type of offer before an accurate assessment may be made on why the recycling rate was so high in 2016. If a very high proportion of those who recycled were in receipt of education offers, the apparent contradiction might not exist.

Thus, while the recycling rate was high in Austria, it is not necessarily inconsistent with a high retention rate in employment. Furthermore the fact that Austria had one of the highest shares of exits known to have a positive outcome six months after exiting<sup>59</sup> suggests that the recycling rate may not be a good indicator of the extent to which YG graduates find and retain employment.

The Austrian PES proffered some insightful comments on how the level of sustainability could be improved. Their focus was very much on preventive measures. They suggested that the number of early school-leavers should be reduced while there should be a greater focus on the situation of minority ethnic groups even during the period of compulsory education, and greater utilisation of occupational guidance experts for both trainees and prospective employers.

They regarded vocational preparation courses, placement into low-entry jobs or internships and provision of low threshold offers as being the best instruments to reduce the incident of second registrations.

They expressed the view that young YG graduates tended to become frustrated when employment or apprenticeships/traineeships opportunities did not reflect their expectations and returned to the registration. This situation is also partly caused by the fact that young people lack detailed information<sup>60</sup> about specific jobs/occupations, apprenticeships, etc. Some other young people are interested in occupations for which they do not have the necessary abilities/capabilities or they simply have 'no strength' to remain in the specific job, training, etc. As in the case of Bulgaria, the Austrian PES also mentioned unemployment and other social benefits as a pull factor in the case of re-registration.

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<sup>58</sup> This is the share of young people who are in their current job for less than 12 months and is referred to by Eurostat as the newly employed. Source: Eurostat (Ifsa\_ewasn).

<sup>59</sup> Only Denmark, Ireland and Malta had a higher rate.

<sup>60</sup> E.g. the working schedule, type of work, specific responsibilities.

Moreover, in the opinion of the PES, the high recycling rate is not a 'negative' aspect: the young people remain active, and the second registrations are 'natural as there is a wide network of institutions dealing with youth in Austria'.

The suggestions of the Austrian PES for a more flexible delivery of training programmes and an emphasis on training in combination with work experience opportunities through internships was pertinent given the relatively high level of educational disadvantage among their youth NEETs population. In this regard also, their view that the focus should be on reducing the number of early school-leavers is highly appropriate.

### **2.1.5. Main conclusions**

**Success factors:** The Austrian PES achieved a high degree of success in its management of the Youth Guarantee. This is reflected in the values of both the direct and supplementary indicators reported by the 2016 YG Monitoring Report. The coverage rate was 80%. This was the highest in the EU and the values of most of the other indicators were also well above the average for the EU28. The exceptions were the share of unknown destinations and the recycling rate, both of which were well above the EU average.

When assessing the reasons why the Austrian PES performed very well on most indicators, three main themes stand out: 1) a strong level of co-operation with other relevant youth organisations; 2) well developed, appropriate and in some case customised services; and 3) a reasonable balance between resources and outputs.

Firstly, the intense engagement of the Austrian PES with a range of local youth groups is all the more surprising given the fact that the Austrian PES is not responsible for the outreach service. Yet it itself considers proactive work with schools and with designated outreach workers, together with the concept of the local one-stop shop as the most effective instruments for successfully attracting NEETs to the YG.

Secondly, the Austrian PES has shaped its services specifically to reflect the needs of its NEETs clients, especially the more disadvantaged clients. Occupational guidance is mandatory for those on the register and many courses are delivered in a flexible manner; where appropriate such as in the case of NEETs from migration backgrounds, training courses are customised to reflect their specific requirements.

Finally, as noted in this report, the staff resources available to the Austrian PES are relatively greater than those available to many other PES.

#### **Challenges in implementing the YG:**

The very high coverage rate (80%) and the relatively high share of positive and timely exits (50%) create a positive impression of the management of the Youth Guarantee in Austria. However, the recycling rate was 74%, by far the highest of any Member State. Furthermore, over 40% of second registrations were of persons who had received an offer from the Youth Guarantee. Roughly 60% of these offers had been employment offers while a further 10% were of apprenticeships. On the other hand, 63% of young people leaving the YG were known to be in a positive situation six months later, which is well above the EU average.

Thus the picture which emerges is one in which the Austrian PES does rather well in attracting NEETs to the Youth Guarantee and performs reasonably in terms of the rate of positive and timely exits, and the proportion of leavers who are in a positive situation six months later. However, the high recycling rate gives the impression that they experience considerable difficulty assisting NEETs to find decent, sustainable employment, including NEETs who received an offer under the YG framework. But in order to make an accurate

assessment of the high recycling rate, it would be necessary to have information on the recycling rates per types of offers.

**Level of awareness of the PES:** The Austrian PES showed an awareness of where the key challenges were in successfully implementing the Youth Guarantee. Indeed, most of the responses to the questionnaire involved suggestions on how to attract and retain young NEETS, particularly those with multiple problems. There was an emphasis on early contact through the school system and providing more time for preparing such young people for mainstream courses. Simplifying and reducing eligibility criteria (for example the minimum 16 hour attendance on training courses in order to qualify for an allowance) were also proposed.

The Austrian PES emphasises the creation of a flexible training delivery system with a focus on combining training with internships to allow disadvantaged youth to acquire relevant work experience.

Their emphasis on preventative measures, such as reducing the incident of early school-leaving, also suggests that they understood that the NEETs population in Austria has a high-level of educational disadvantage.

The Austrian PES were very much in favour of using 'supra-companies' to provide apprenticeship to disadvantaged young persons. They recognised that many of these young people would not be qualified to enter mainstream apprenticeship but that the supra-company concept could provide a bridge to eventually entering a mainstream apprenticeship.

**Capacity of the PES to implement the necessary measures:** While the Austrian PES did mention the need for more finance, they were most vociferous about the need for the PES to be able to coordinate its activities with schools, parents, youth coaches and occupational guidance specialists. The PES claimed that the challenge of reintegrating disadvantaged youths should not be solely the task of the PES; other institutions had a responsibility such as the SMS (Social Ministry Service).

**Data issues:** The situation in Austria demonstrates the need to include more refined indicators on recycling; in particular to produce recycling rates which are specific to the different type of offers, particularly employment offers.

The share of unknown destinations in data on exits was well above the EU 28, showing a need for improved PES capacity to monitor the YG participants, when they initially leave the YG.

## 2.2. Bulgaria

### 2.2.1. Overview of the YG scheme and PES role in its delivery<sup>61</sup>

The NYGIP in Bulgaria was presented in December 2013, updated and launched in April 2014. Bulgaria has extended the YG to young people under 30 who must be given a good offer within four months of registration. A National Coordination Council, based on a partnership approach and managed by the Ministry of Labour and Social Policy, oversees the implementation of the NYGIP 2014 – 2020.

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<sup>61</sup> Sources of information for this chapter in all six case studies: 2016 Questionnaire – 'Member States' response to 2013 Council Recommendation on establishing a Youth Guarantee'; EEPO Country Reports 'Implementation of the 2013 Recommendation on establishing a Youth Guarantee'; 2017 EMCO Review on the Youth Guarantee self-assessment questionnaire; 2017 PES Capacity Questionnaire, Part 2- Supporting Youth; 2016 Country Factsheet, PES survey for the current small-scale study.

On the basis of the partnership approach, the PES cooperates with educational institutions, employers, social partners, NGOs, municipalities, youth organisations, etc.

As in all Member States, the PES plays an important role, being one of the implementers of the YG and having responsibilities in the provision of specific services, registration of young people, follow-up of young people who received YG services and design and maintenance of the YG monitoring system. In reaching out to NEETs - another PES responsibility - specific tools are used, presented in Table 3.

PES specialised employment counsellors are dedicated to work with young customers, but they may also work with other clients, if necessary. Government funds as well as ESF and YEI are used to support the implementation of the YG.

The YG scheme in Bulgaria provided employment<sup>62</sup> and traineeship offers, through specific ALMPs, as well as PES employment services. Some of the interventions, especially services and information are also available online (see Table 1 and Table 2). Each young person up to 25 years, registered with PES, is included in vocational guidance and job-search training provided in different ways e.g. individual, in group, online, and on the spot, as stated in the PES survey. Part of the youth targeted activities, such as the National Programme 'Activation of Inactive' were in place prior to the current YG scheme.

YG activities are monitored and efficiency and effectiveness of the YG scheme is also assessed.

### **2.2.2. The youth labour market, NEETs characteristics and the coverage of the Youth Guarantee**

Since the introduction of the YG in 2014, the Bulgarian economy has displayed signs of recovery. Growth in gross domestic product has increased from 1.8% in 2014 to 3.5% in 2015 and 3.9% in 2016.

This positive trend in economic growth however was not reflected in the performance of the youth labour market. While total employment increased modestly from 2.93 million in 2014 to 2.95 million in 2016, youth employment suffered a net decline from 152,700 in 2014 to 133,400 in 2016. The youth employment rate, however, remained more or less constant at 20% reflecting a decline in the youth population over the period of 60,000 or 8%.

The behaviour of the youth labour market and in particular the lack of movement in the labour market, which is highlighted in the section on sustainability, must be viewed in this context.

The NEETs population 15-24 years of age is estimated by Eurostat to be 123,000. This is significantly greater than the number of unemployed which was only 28,000. This is reflected in the composition of NEETs; approximately 97,000 were inactive and 26,000 unemployed.

The annual stock figure as published by the Monitoring report was 14,667 which would give a coverage rate of just over 11%. As a total of 55,000 of the NEETs population expressed a willingness to work, this suggests that the Bulgarian PES was not attracting a significant number of NEETs to the register during 2016.<sup>63</sup>

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<sup>62</sup> As mentioned by the Bulgarian PES, 'employment schemes also include some training'.

<sup>63</sup> Total entries were 40,982 while the average point in time estimate of NEETs 15-24 was 123,000.

The share of those with the lowest education qualification (ISCED 0-2) among the NEETs population was 53%. The share of those with lowest education qualification, which registered with the PES under the YG, was a little lower at 48%.

The fact that Bulgaria had a youth long-term unemployment rate of 8% compared to only 5% in the EU28 increased the level of disadvantage of the NEETs population.

For the Bulgarian PES to significantly increase its coverage of the youth NEETs population above the low rate of 11%, it needs to attract significantly more inactive NEETs to register under the YG.

Roughly 80% of the youth inactive population were engaged in education or training and were thus excluded from NEETs and the YG. The vast majority of the remainder were involved in some form of care activity, such as taking care of children or relatives. There was, however, a significant cohort (5.1%) of young NEETs, who were not seeking employment because they believed that there was no work available. Their share was much greater than in the EU28 as a whole and policies to address this 'discouraged worker' phenomenon must be an integral component of any strategy designed to expand the YG coverage rate in Bulgaria.

The Bulgarian PES appears to be aware of why its coverage rate is not as extensive as it should be. In their response to the questionnaire, they identified two sub-groups, disengaged young persons and persons from a minority ethnic background, as being particularly difficult to attract to the YG. It was also particularly difficult to attract young people from some of the poorer regions in Bulgaria.

The PES placed considerable emphasis on improving the qualifications of young people through a combination of preventative measures (e.g. reduce early school-leaving) and a system of proactive support. The latter included facilitating young people who wished to complete their education through more flexible provision (e.g. evening and part-time tuition), a mentoring model and providing real work experiences to improve work habits, skills and experience. The PES also mentioned the need to ensure that young persons were provided with the skills the labour market requires.

Based on responses to the questionnaire, some of the core issues were not explicitly identified. The very high level of care activities among the NEETs inactive requires a range of specific actions. The Bulgarian PES could incorporate specific measure into its YG programmes that will allow those involved in care responsibilities to engage in education, training or work. Such measures might include an increase in part-time provision in all major programmes and the availability of low cost crèche facilities.

The Bulgarian PES should also ensure that the share of NEETs with the lowest education qualifications registered for the YG is at least as high as the share in the overall NEETs population in Bulgaria.

Nevertheless, it is notable that the PES uses a wide range of outreaching tools and a major part of them are efficient, as appreciated by the PES (see details in Table 3). Reaching out to the inactive NEETs through mobile teams, full use of modern technology (e.g. by 'publishing information on websites visited by young people and social networks via Facebook, Twitter, posting videos to Vbox7, YouTube') and organising more information events are PES strategies to address the remaining challenges. Better involvement of various youth and Roma NGOs, educational institutions, social assistance directorates, the Red Cross, the Commission for Protection against Human Trafficking, etc. is also necessary in the view of the PES.

### 2.2.3. Timeliness and accuracy of offers

In 2016, 44% of the young people registered in the Youth Guarantee had been waiting for an offer for more than 4 months, almost five pp lower than the EU average. The timely and positive exits (40.5%) were among the lowest of the six case studies (see Table 5). However, as already stated, this share covers a very small proportion of the youth NEETs population (see section 2.2.2). The share of unknown situations in exits (11.9%) was half of the EU average (see Table 6).

The population of NEETs 15-24 was the highest among the case studies at almost 20% of the 2016 EU related cohort. The NEETs rate (18.2%) was also the highest among the countries included in this report (Table 5). Furthermore, the YG scheme covers the additional NEETs group of 25-29 years, which means additional effort for the PES in providing specific interventions. The PES human resources seem to be limited: counsellors' caseload in 2016 (127) was 25% higher than the average of countries where PES only administrate other social benefits (as in the case of PES Bulgaria).<sup>64</sup> All of these aspects contribute to the challenge of achieving a high rate of timely and positive exits.

Based on the information provided in the survey, the most difficult NEETs to be activated or motivated in the four months target are: the unavailable young persons due to disabilities or illness problems, those of ethnic minority background<sup>65</sup> and NEETs facing poverty and social exclusion, regardless of gender (Table 7).

In the PES opinion, lack of motivation, 'inertia', lack of interest or of professional experience, key competences and work habits are other challenges in the activation of young people within 4 months. Young people have high expectations regarding the type of work or wage they would like to receive. Sometimes young people are not able to make an objective self-assessment, for example they want to work in jobs for which they are not qualified, or they have no related abilities. Since the recruitment procedures are long, the integration of young people into job vacancies takes a longer time.<sup>66</sup> For example, employers are expected to recruit the selected candidates, within the term of the validity of the offer, which may range from 15 days to two months. But young people are not willing to wait long periods prior to be hired and this leads to becoming demotivated and losing interest in finding a job. Moreover, a challenge for the PES is that other private employment services are preferred by employers when recruiting employees.

Another challenge for the PES, as stated in the survey, is the mismatch between the education system and the needs of the labour market: a limited labour market relevance of vocational VET system is confirmed by some EC reports.<sup>67</sup> The quality of traineeship offers is not satisfactory in the opinion of the PES. Young people do not want to be re-trained, the vocational training courses are not attractive as such programmes are usually in qualifications<sup>68</sup> that do not match young peoples' wishes or aspirations.

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<sup>64</sup> For comparability purpose, the caseload was calculated for: PES with no tasks regarding benefit administration, PES responsible for UB or UB and other benefits, and PES only administering other benefits. Source: European Commission (2016), 'Assessment Report on PES Capacity'. Available at: <http://ec.europa.eu/social/BlobServlet?docId=16967&langId=en>

<sup>65</sup> This refers to an ethnic background different from the ethnic background of the majority of citizens.

<sup>66</sup> E.g. the timeframe for the employer to decide which of the candidates to hire is not legally defined.

<sup>67</sup> European Commission (2018), Youth Guarantee country by country, Bulgaria. Available at: <http://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPageId=3342>

<sup>68</sup> E.g. welders, turners, shredders, tailors, etc.

The PES also faces difficulties in providing timely and accurate offers in the regions with poor social and economic development, and with major problems in labour and social integration of ethnic minorities.

Nevertheless, the individualised approach, measures targeted at the development of skills/competences for employment and those motivating employers to hire young people are some of the success factors in achieving good results, as mentioned by the PES.

#### **2.2.4. Labour market dynamics and sustainable and quality outcomes**

The proportion of young people known to be in a positive situation 6 months after exit (28.6% in 2016) was the lowest among the case studies, and 18 pp under the EU average (Table 5). However, a pertinent comparison with other countries and a proper assessment of the YG performance in this area is difficult due to the extremely high share of unknown situations six months after exiting from the YG. At 71.2% this is almost double the EU 28, and the highest among the six case studies (see Table 8). This high proportion of unknown situations also denotes a poor PES capacity to track the young people after their participation in the YG.

The 2016 YG monitoring report revealed some aspects that could have affected the sustainability and quality of offers: there were no education offers in place<sup>69</sup>; some apprenticeships<sup>70</sup> did not lead to a recognised qualification; all employment offers were with fixed-term contracts, resulting in some of the young people returned to PES register.

Additional support for labour market/training integration is provided only in the traineeships (or internship) offers (see Table 9). Therefore, implementing a mentoring model at the workplace is necessary, according to the PES.

The PES also stated in the survey that flexible forms of employment or training were not available (e.g. part-time jobs, home work, evening training), although, as mentioned in section 2.2.2, some NEETS are young people with family/care responsibilities. Thus, such flexible offers would lead to improvement of the YG performance, in the opinion of the PES. On the one hand, the PES specified that only permanent and full-time jobs are perceived by jobseekers as providing them with social insurance contributions. On the other hand, employers do not advertise such types of flexible jobs.

Young people are not well informed about the trends on the labour market, thus the available information (especially on the PES digital platform) regarding the economic sectors, levels of wages, possibilities for career developments, etc. should be improved in the PES opinion. Another challenge is to convince employers to hire NEETs and to take NEETs out of their 'comfort zone' and persuade them to remain in employment.

The recycling rate is only 6.4% in 2016, the lowest of the six case studies (see Table 5). But the figure should be treated with caution (see the very high share of unknown situations).

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<sup>69</sup> The dual training system was not active in 2016.

<sup>70</sup> Traineeships with exits recorded as apprenticeships - European Commission (2016), Data collection for monitoring of Youth Guarantee schemes, Country fiche Bulgaria. Available at: <http://ec.europa.eu/social/main.jsp?catId=1143&langId=en>

The 2016 YG monitoring report specifies that many of those leaving the YG returned to the regular education/training system (without specific support), and this could partly explain the low recycling rates.

It may also be significant in understanding the low recycling rate that there was relatively little movement in the youth labour market in Bulgaria compared to other EU Member States. The share of young employees whose current jobs were less than 3 months (11%) was the lowest and only Romania had a lower youth recruitment rate. The same low rates were evident in the transition between unemployment and inactivity to employment and in a very low rate of job changing among the young (4%).

No doubt, the fact that there was a net loss (-7pp) in youth employment between 2015 and 2016 contributed to the low recruitment rate and the low level of job-changers. Certainly, it was not a case of better quality employment; over half of all young employees were working in just three sectors: manufacturing, retail and wholesale, and accommodation and food. None of these sectors are associated with high-quality employment.

There were both negative and positive reasons for second registrations, as specified by the PES. The negative reasons included the employment not meeting the expectations of the job-seeker and also the attraction of qualifying for unemployment benefit payments. The NEETs' discontent with jobs seems to be partly valid as in the opinion of the PES, some wages are low compared to job responsibilities/tasks. Furthermore, employers often describe in their vacancies a certain range of responsibilities that differ from what young people are asked to perform when they are hired.

The positive reason indicated by the Bulgarian PES was that second registration in some cases indicated a willingness to learn a new and more relevant skill.

In their response to the questionnaire, the Bulgarian PES mentioned that greater co-ordination between institutions as well as more targeted provision was important to achieve sustainable results. Interestingly, the Bulgarian PES identified 'internships' and 'on-the-job training' as the instruments which were the most successful in creating sustainable employment opportunities for YG graduates.

## 2.2.5. Main conclusions

**Success factors:** Despite the challenges posed by a relatively large and disadvantaged NEETs population, the Bulgarian PES did achieve considerable success with those NEETs who did register with the PES under the YG framework. For example, the proportion of young people in the preparatory stage beyond the four months was below the EU average; the share of exits in unknown situations was only half the EU average and the recycling rate was the lowest among the Member States. However, these successes have to be placed in the context of the lowest coverage rate of any Member State.

The PES was asked in the questionnaire to identify what types of offers were the most successful in sustainably integrating NEETs into the workforce. It responded that the 'Traineeship' model was the most successful, highlighting the fact that the trainee gained experience in a real working environment over a period of six to twelve months and that their learning outcomes were certified by their employer and could be shown to a prospective employer at the end of their traineeship.

Interestingly, when asked how the low coverage rate could be improved, they again mentioned providing real work experience and introducing mentoring models in the workplace. Although they did not state so explicitly, the Bulgarian PES clearly believe that if they can improve their employment outcomes, more NEETs will be persuaded to

register, and the best means of improving these outcomes was to extend the traineeship model.

The PES is also introducing a multi-faceted approach to identifying inactive NEETs and their training needs. This approach includes a range of different local communication strategies and an emphasis in training on improving 'employability'. This includes CV preparation, interview training and the creation of a pool of 'youth mediators'<sup>71</sup> specifically responsible for engaging with young people.

It will take some time before these and other initiatives bear fruit (e.g. the work mediators were introduced in 2015), but the initiatives are appropriate and focused and undoubtedly will achieve success in the fullness of time.

**Challenges in implementing the YG:** The main challenge confronting the PES in successfully implementing the YG is that they are simply not attracting a sufficient number of the NEETs youth population to register: the coverage rate is just over 11%. It is mainly inactive NEETs who are not registering, many of whom have care responsibilities or don't believe that there are any jobs available.<sup>72</sup>

The share of those who received timely and positive offers was 4pp lower than the EU28 average. However, the value of this indicator has to be viewed in the context of a very small absolute number of YG participants because of the low coverage rate.

The Bulgarian PES has the lowest recycling rate of all EU Member States (6.4%) that were included in the Monitoring Report. However, this apparently positive result would appear to reflect a fear of unemployment in those who already had jobs, a not surprising response in a stagnant youth labour market. While most young people were employed in sectors associated with low-quality jobs, the level of movement either between jobs or from unemployment and inactivity to jobs was quite low as was the share of short-term jobs.

The low recycling rate is also misleading because the proportion of persons who exited the YG in 2016 and were known to be in a positive situation six months later was only 30%. Given that 40% of all exits had received a timely and positive offer, it suggests that most of those who exited the Youth Guarantee without receiving an offer struggled to acquire a positive status and did not re-register.

Also, it seems that PES human resources are limited, which creates another significant challenge for the PES in successfully managing the YG scheme.

**Level of awareness of the PES:** The Bulgarian PES displayed a reasonable understanding of what needs to be done to improve the performance of the Youth Guarantee. For example, one of the youth sub-groups they claimed were difficult to attract to the Youth Guarantee were disengaged young persons and this is corroborated by the LFS data which shows that this subgroup is quite prominent among inactive youth in Bulgaria.

The PES stated that in their experience, owing to a lack of work experience, and professional knowledge and skills, many young people found themselves in low-quality employment, which left them demotivated. However, they did not specifically identify

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<sup>71</sup> More information concerning Youth Mediators is available at:

<https://www.google.be/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=2ahUKFwjmsZKX9YjfAhULKuwKH SklBTwQFjACegOICBAC&url=https%3A%2F%2Fec.europa.eu%2Fsocial%2FBlogServlet%3FdocId%3D18454%26langId%3Den&usq=AOvVaw2cKTHMyr6a8rUK4eTYdQwT>

<sup>72</sup> The number of discouraged young workers in Bulgaria is relatively high at 3.9% of the youth population or 26,000. To put this in perspective, the EU-wide proportion is only 0.8%.

persons with family responsibilities as a significant share of inactive NEETs which is a concern.<sup>73</sup>

**Capacity of the PES to implement the necessary measures:** In their response to the questionnaire, the Bulgarian PES make several references to the necessity for much greater coordination between the PES and a wide range of institutions. These institutions included NGOs and local communities, particularly for the activation of Roma, and also the association of municipalities and a wide range of Ministries.

The Bulgarian PES also mentioned the fact that young people could still qualify for unemployment benefit even if they voluntarily left a job as a factor in attracting people to re-register at the PES. This was particularly attractive in cases where the person qualified for family financial supports in addition to benefit payments.

The Bulgarian PES also suggested that financial incentives would be useful in attracting YG participants and they implied that such incentives might also be useful in persuading employers to hire YG participants.

Finally, according to the PES, the use of mobile teams and information technology and much greater deployment of IT, especially the social media, would be useful in reaching out to young people not currently participating in the Youth Guarantee.

**Data concerns:** The Bulgarian PES performs quite well in terms of the indicators used to measure YG performance. It has an average share of positive and timely offers and a very high share of these offers (67%) consist of employment offers. Furthermore, its rate of recycling is low.

However, the analysis in this study suggests that these scores disguise a more problematic reality. Firstly, the share of NEETs to which these indicators apply is very small. Secondly, the low recycling rate appears to reflect a significant sub-group within NEETs, which is demotivated and do not re-register.

Furthermore, the follow-up indicators showed the highest proportion of unknown situations six months after exiting from the YG (71%). This is almost double the EU average, suggesting a strong need for enhancing the PES capacity to track young people after their participation in the YG.

## 2.3. Hungary

### 2.3.1. Overview of the YG scheme and PES role in its delivery<sup>74</sup>

The YG scheme in Hungary was formally launched on 1 January 2015 based on the NYGIP submitted in December 2013, revised, in line with the recommendations of the Commission, and presented in April 2014. Until 2018, the YG focused on long-term unemployed youth and NEETs at risk of becoming long-term unemployed. Since then it targets all NEETs. However, measures were already introduced to fulfil the requirements of the YG recommendation prior to the actual implementation of the scheme. The

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<sup>73</sup> This is all the more surprising given that there was a possibility in the questionnaire to identify this sub-group.

<sup>74</sup> Sources of information for this chapter in all six case studies: 2016 Questionnaire – ‘Member States’ response to 2013 Council Recommendation on establishing a Youth Guarantee’; EEPO Country Reports ‘Implementation of the 2013 Recommendation on establishing a Youth Guarantee’; 2017 EMCO Review on the Youth Guarantee self-assessment questionnaire; 2017 PES Capacity Questionnaire, Part 2- Supporting Youth; 2016 Country Factsheet, PES survey for the current small-scale study.

National Coordinator is the Ministry for National Economy (into which the national PES was merged in January 2015).

The target group are young NEETs 15-24 years old and the time limit to provide them with a good offer is within four months (since 2016) of registration.

PES partnerships include schools and education institutions, youth organisations, minority self-governments, social institutions, orphans' asylums, homeless shelters, prisons, etc.; other partners include consortium for VET centres, National Youth Council, National Youth Expert Forum, New Generation Contact Points<sup>75</sup>, etc.

Coordination of partners is ensured by the Hungarian PES which also has responsibilities in management and coordination of the national YG scheme, registration of young people (online registration is available), provision of PES services and follow-up of young people who received YG services. Outreach to NEETs falls under PES responsibility as well, and in cooperation with different partners, specific outreach activities are implemented (see Table 3).

In the local offices, PES staff members are especially dedicated to the implementation of the YG, which is supported by government funds as well as ESF and YEI funds.

Two categories of offers are provided under the YG: employment and continued education and training through a range of ALMPs. Specific PES services, including e-services are also available (see Table 1 and Table 2). Guidance services<sup>76</sup> are provided to all NEETs.

As in the other Member States, monitoring and evaluation of the YG activities as well as assessment of the efficiency and effectiveness of the YG scheme is performed using different tools and indicators.<sup>77</sup>

### **2.3.2. The youth labour market, NEETs characteristics and the coverage of the Youth Guarantee**

Strong annual GDP growth of 4.2% was recorded in 2014 in Hungary. This declined to 3.5% in 2015 and to 2.3 % in 2016. Total employment, however, expanded from 4.07 million to 4.31 million over this period as did the level of youth employment, rising from 263,900 to 301,100. The youth population declined by just over 50,000 or 5% during this period and combined with the increase in employment, pushed the employment rate from 23.5% in 2014 to 28.1% in 2016.

In Hungary, the NEETs (15-24) population was estimated to be 118,000, which was more than twice the youth unemployment estimate of just 45,000. Most of the unemployed (41,000), however, were also classified among the NEETs population. It is perhaps surprising that not more of the young unemployed were engaged in education and training, and therefore excluded from NEETS, but the relatively strong net jobs growth in the youth labour market may be the reason why almost all of them were focused on seeking employment.

The coverage rate in 2016 was significantly below 10% and lower than any other EU Member State with the exception of Malta. However, in the case of Hungary, it should be

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<sup>75</sup> County level offices under the Ministry for Human Capacities for outreaching to youth

<sup>76</sup> E.g. individual labour market counselling, job search assistance (individual and group); placement services, vocational orientation, employment and labour market information, mentoring.

<sup>77</sup> Targets for youth related activities, monitoring young people who leave the register of the unemployed, received an offer, entered employment or training, etc. and specific indicators under the YG Framework indicators.

borne in mind when interpreting this figure, that the YG in Hungary was launched quite late (i.e. January 2015). Furthermore, the YG monitoring data in the case of Hungary do not include every young person registered with the PES. This is clearly a contributory factor in the low coverage rate because in the case of the two other EU Member States where this situation applies - Italy and Malta - the rates are also exceptionally low. Consequently, it will be 2017 at the earliest when a more accurate and realistic measure of the coverage rate can be calculated.

Over half (54%) of the NEETs youth population had the lowest education qualifications (ISCED 0-2). That share was not carried over to the registered population as it was only 28%<sup>78</sup>. The rate of youth long-term unemployment, however, was below the European rate at 3.6%.

Approximately 88% of the young inactive in Hungary were engaged in education or training and consequently were excluded from NEETs. As in the case of Bulgaria, almost all of the remainder were engaged in care activities either directly with their family or with other dependants. The share of 'discouraged workers' was marginally higher than the EU share (1.8%) amounting to 13,000 young persons and should be a focus of the Hungarian PES.

In its response to the survey, the PES identified the disengaged young persons, those unavailable due to family or care responsibilities (females) and young people facing poverty/social exclusion as being the most difficult to attract to the YG.

The PES uses a wide range of outreaching tools, but two of them seem to be the most effective in the opinion of the PES: proactive work with schools, and internet and social media services as new points of entry (Table 3). The PES has no access to different databases (it is not legally allowed), e.g. database on early school leavers, so identifying the young NEETs is challenging. Therefore, legislative amendments are necessary as mentioned in the PES survey. Reaching out to NEETs could also be improved through better cooperation and more involvement of educational institutions, youth and family-care organisations and by employing youth outreach workers.

### **2.3.3. Timeliness and accuracy of offers**

The 2016 YG monitoring indicators show the highest performance for Hungary among the countries included in this study, and higher than every EU Member State with the exception of Malta: timely and positive exits are 85.4% (40pp above the EU average). However, this share covers a very small proportion of the youth NEETs population (see section 2.3.2). The proportion of young people in YG preparatory phase beyond the four months was 38.3%, well under the EU average (see Table 5). The share of unknown situations in the data on exits was only 2.3%, ten times lower than the EU average and the lowest of the case studies (see Table 6). Thus, a comparison of performances in this area is not entirely conclusive, as results of the other countries could be underestimated due to the much higher percentage of unknown situations.

Results have also to be seen in the context of interventions targeted to long-term young unemployed (see section 2.3.2).

The population of NEETs 15-24 in Hungary was the highest after Bulgaria, representing around 19% of the 2016 EU cohort (see Table 5). But the coverage rate was low, which means that the PES has worked with a very small number of NEETs: e.g. the number of NEETs covered by the YG in Hungary represented around 30% of the NEETs population

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<sup>78</sup> The vast majority of those registered as NEETs at the end of 2016 were ISCED 3-4.

covered in Portugal. Consequently, it may be less challenging for the PES to achieve reasonable results in this area.

As noted by the PES, the profiling system<sup>79</sup> is a success factor as it 'serves as guidance for the PES counsellors and accelerates the process of providing an appropriate offer to young people, taken into account their individual characteristics'.

In the opinion of the PES, regardless of gender, the most difficult NEETs to be activated or motivated within the four months target are the disengaged young people, persons of ethnic minority background<sup>80</sup>, those unavailable due to family/care responsibilities and young people facing poverty/social exclusion (Table 7).

The main PES concern in providing timely and accurate offers seems to be the mismatch between the labour market demand and supply. The PES also mentioned in the survey that the administrative process of organising training courses reflecting the labour market needs is difficult/too bureaucratic. Training offers answering the local labour market needs/skills shortages or NEETs preferences are not always available. Training is also not attractive for young people as it does not meet their expectations. In the opinion of the PES, the young NEETs are not motivated to participate in such programmes as they have not been successful in their integration into the labour market after graduating from the initial education programmes. Problems of the VET system, such as a heavy deficit in basic skills and a low adult participation in life-long learning, are also documented in some EC reports.<sup>81</sup> Thus it is understandable why the PES strategy in enhancing performance in this area is to improve the career guidance and make the training opportunities more attractive to young people.

A realistic approach of young people to labour market realities is one of the strategies proposed by the PES in improving the motivation and activation of young people. Young people in Hungary, as in other countries included in this report, have high expectations in relation to the type of jobs they want and wages they expect.

The level of the PES contact with employers to promote the YG interventions and to find job vacancies seems to be insufficient, so the network of PES 'contact persons with employers' should be extended, as stated in the survey.

#### **2.3.4. Labour market dynamics and sustainable and quality outcomes**

Outcomes seem to be sustainable, the proportion of young people known to be in a positive situation six months after exit (45.2% in 2016) being more or less similar to the EU average (Table 5). The share of unknown situations six months after exiting from the YG (35.1% in 2016) was also similar to the EU level (Table 8).

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<sup>79</sup> Profiling system introduced in 2016, involving segmentation of clients in 3 groups: Group 1- Low risk of LTU, customers do not need much support from the PES, can be integrated in the primary labour market; Group 2 – Medium risk of LTU, customers who need training support, but can be integrated in the primary labour market; Group 3 - High risk of LTU, customers who are not ready for the primary labour market and who might be referred to public works first; see The European Network of Public Employment Services – Benchmarking Initiative, 2015. External Assessment PES of Hungary; Institute of Economics, Centre for Economic and Regional Studies, Hungarian Academy of Sciences, Budapest – The Hungarian Labour Market 2016. Available at: [http://www.econ.core.hu/file/download/HLM2016/TheHungarianLabourMarket\\_2016\\_onefile.pdf](http://www.econ.core.hu/file/download/HLM2016/TheHungarianLabourMarket_2016_onefile.pdf).

<sup>80</sup> This refers to an ethnic background different from the ethnic background of the majority of citizens.

<sup>81</sup> European Commission (2018), Youth Guarantee country by country, Hungary. Available at: <http://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPageId=3342>

The Hungarian PES were quite definite about the type of interventions that were and would be most successful in resulting in more permanent employment. They identified training combined with subsidised work experience followed by wage subsidy, training being the third choice. The emphasis on subsidised employment should be viewed in the context of comments made by the PES that Hungarian employers are very subsidy conscious and they often use such financial support to hire new NEETs. So, after the subsidy ends, some of the young NEETs return to the PES register.

Additional support for better integration to the working place is provided through mentoring (see Table 9), but the PES saw a need to make the follow-up assistance more effective. Some 'reflection groups' were proposed, i.e. young people trained in the same group to share with each other their first working experiences.

Although the indicators (see also section 2.3.3) suggest that the Hungarian PES is performing reasonably well in terms of the management of the YG, two caveats should be introduced into this assessment. Firstly, as already mentioned, the YG began rather late in Hungary<sup>82</sup> and this may have had the effect of artificially keeping the incident of second registrations below what it might otherwise be. Secondly, given the sectoral distribution of youth employment<sup>83</sup>, there is an obvious risk that the incidence of second registrations may become much more frequent over the next few years as young people become frustrated working in sectors where the long-term prospects are limited.

For these reasons, the expressed preferences of the Hungarian PES for relevant vocational training followed by subsidised employment as the vehicle for acquiring relevant experience should be implemented to fully exploit existing opportunities in the youth labour market for quality and sustainable employment opportunities.

As already stated, Hungary enjoyed a robust rate of growth in the youth labour market between 2015 and 2016. Despite this growth, the youth recruitment rate was similar to the rate for the EU28 at 47%.

The fact that a relatively buoyant youth labour market did not create a stronger than average level of recruitment provides the key to understanding why the recycling rate (9% - see Table 5) was so low in Hungary. The share of youth employment in short-term jobs was low at 12%. While there was a considerable level of transitions from unemployment to employment<sup>84</sup> as to be expected in a situation of strong net growth in youth employment, the level of transitions between jobs was low at 6%.

Thus, while the robust youth labour market ensured that many young people were able to obtain employment in Hungary, they tended to stay in those jobs. This is reflected in the performance indicators, in particular the recycling rate of only 9%. This is lower than all other Member States except Bulgaria.<sup>85</sup>

In the case of both Bulgaria and Hungary, a more conservative approach to job tenure appears to have been a significant contributory factor in reducing the level of second registrations. It was certainly not the case that the youth sectoral employment profile was predominantly in sectors associated with high levels of remuneration and permanent contracts. On the contrary, 56% of all young people in jobs for less than three months were working in one of just four sectors; manufacturing, retail and wholesale,

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<sup>82</sup> It began in 2015.

<sup>83</sup> For example, the share of youth employed in elementary occupations (13.3%) was the same as in Portugal and higher than in Austria (5.1%) and Sweden (11%) and the EU28 (12.8%).

<sup>84</sup> But interestingly not from inactivity to employment which was only 3%.

<sup>85</sup> Estonia is not included because previous offers are unknown.

accommodation and food, and construction. There were virtually none employed in information technology, finance or insurance, or professional and technical sectors.<sup>86</sup> These are the ones traditionally better paid and providing higher-quality employment.

Not surprisingly, a high level of movement in the labour market was not seen by the Hungarian PES as a problem. Instead, the PES mentioned the lack of geographical mobility among some NEETs, especially those with a disadvantaged background. This is not surprising in view of the fact that over half the NEETs population were severely disadvantaged from an education perspective (their highest level of education attainment equivalent to ISCED levels 0-2).

### 2.3.5. Main conclusions

**Success factors:** The PES in Hungary achieved a higher rate of positive and timely exits in 2016 than any other Member States except Malta. In addition, the share of unknown destinations was negligible (2.3%) and the lowest of the case studies. It also has the lowest rate of recycling in the EU with the exception of Bulgaria.

However, while these successes are impressive, they should be viewed in the context of the very small share of NEETs who were registered with the PES; the coverage rate recorded in the 2016 YG Monitoring Report was only 6.2%.

Nevertheless, it is informative to consider the reasons for these successes. The Hungarian PES itself attributes this to their profiling system which allows them to identify an appropriate offer quickly. It also mentioned the work of the 'contact' staff in identifying the skills required by the local labour market although the PES did concede that the matching of the client with local vacancies could be improved.

The PES also highlighted two instruments as being particularly effective in reaching out to unregistered NEETs. These are proactive work in the schools and the use of social media as a communication tool to improve the awareness of the potential benefits of the services provided by the PES to NEETs.

**Challenges in implementing the YG:** The results of the monitoring report would suggest that as in the case of Bulgaria, the main challenge confronting the PES in Hungary is to significantly increase the coverage rate, particularly of the inactive NEETs population. However, as pointed out above, there are mitigating circumstances, which may affect the accuracy of the rate published in the report. The number of NEETs was very high being roughly six times the official youth unemployment number. Furthermore, over half of them have the lowest education qualifications.

The share of positive, timely exits was exceptional at 85%, higher than every country with the exception of Malta.<sup>87</sup> Roughly 73% of the offers were of employment, the remainder were of education.

The proportion of exits known to be in a positive situation six months after exiting the Youth Guarantee was 45%, a little below the EU average of roughly 46%. This represented a significant decline on the previous year. This is perhaps not surprising as the employment opportunities for young people contracted over the period 2014-2016 from a net growth of 4.2% to 2.3%<sup>88</sup>.

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<sup>86</sup> No figures were provided by Eurostat because they were too small to be statistically reliable.

<sup>87</sup> It was the highest in 2015 at roughly 93%.

<sup>88</sup> This pattern was also reflected in the share of timely and positive exits.

Only Bulgaria had a lower level of recycling than the Hungarian rate of 9.7%. As in the case of Bulgaria, the low recycling rate combined with the relatively low share of previous YG participants who were in a positive situation six months after leaving, raises the question of why more of those who encountered difficulties did not re-register.

**Level of awareness of the PES:** The Hungarian PES were aware of the fact that they are not attracting a sufficient share of NEETs to the Youth Guarantee. There was a strong emphasis throughout their response to the questionnaire on finding and registering young NEETs. Their concern was primarily focused on disengaged young NEETs and those facing poverty and social exclusion although they also specifically mentioned young female NEETs who had care responsibilities.

They offered a range of proposals to enhance coverage including targeted outreach activities and access to the database identifying early school-leavers. The Hungarian PES was the only PES to mention the potential of databases as a means of identifying vulnerable sub-groups within the NEETs youth population.

The Hungarian PES highlight what they perceived from their experiences as low motivation and confidence partly arising from the fact that many of the young NEETs had failed in the formal education system and this had shattered their confidence. In order to develop confidence, the PES suggested that training courses should contain a mixture of young and older participants, the latter having a more stable and reassuring influence on the young NEETs.

They also highlighted the important role of communication. They emphasised that direct communication between each NEETs individual and a youth counsellor immediately when entering the Youth Guarantee was very important. They pointed out that the official website and Facebook page of the Youth Guarantee was one of their most successful channels for reaching out to young NEETs.

**Capacity of the PES to implement the necessary measures:** There was no access to databases, especially the database on early school-leavers. Also, and this was stated throughout the questionnaire, a much greater level of co-operation with youth organisations was required. Close co-operation, particularly between disadvantaged NEETs and relevant youth organisations was considered essential to maintain motivation and focus.

They also stated that the involvement of educational institutions and family care organisations would be beneficial. The mention of a potential role for family care organisations points to a good understanding on the part of the Hungarian PES of the NEETs client population as a significant number of inactive NEETs in Hungary have care responsibilities. This suggestion needs to be implemented.

**Data issues:** The major data issue, as in Bulgaria, is how to produce indicators, which control for the relative coverage rate. Clearly it is easier to achieve relatively positive results on the other indicators if the value of the indicator on the coverage rate is relatively low. This is especially the case in a relatively buoyant youth employment market.

The way the coverage rate is measured, together with the LFS measure of NEETs<sup>89</sup>, define the numerical parameters to such an extent that it is difficult to view the indicators produced by the Monitoring Reports as barometers of relative performance.

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<sup>89</sup> In particular, the share of the unemployed who are engaged in some form of training or education (see chapter 2.6 Sweden). To be fair, the authors of the Monitoring Report also mention this indicator as one which can make it difficult to assess relative performance.

## 2.4. Lithuania

### 2.4.1. Overview of the YG scheme and PES role in its delivery<sup>90</sup>

The NYGIP in Lithuania was submitted in December 2013, then updated and presented in April 2014. The Ministry of Social Security and Labour is the National Coordinator of the YG that addresses young NEETs 15-29 years old. The target time limit to provide a good offer to young clients is within four months from their registration.

In order to achieve the YG main aim, the PES has established and/or developed partnerships with student organisations, media, public institutions and organisations, municipalities vocational schools, private employment agencies, employers, etc. Partners are coordinated by the Lithuanian PES, which is one of the implementers of the national YG scheme. The PES is also responsible for registration of young people (available online), provision of PES services, follow-up of all young people who received YG services and design and maintenance of the YG monitoring system.

The responsibility for reaching out to NEETs falls under the authority of the Department of Youth Affairs (Ministry of Social Security and Labour). But the PES cooperates with this department in implementing the Youth Initiative Project 'Discover Yourself' where services for both active and inactive NEETs are carried out, including outreach to NEETs activities (see specific activities in Table 3).

The PES has strengthened its capacity to implement the YG by allocating staff that work exclusively and directly with young people. Government funds as well as ESF and YEI financial support are used as means to finance the YG activities.

Employment, continued education and training, and traineeships are the three categories of offers within the Lithuanian YG scheme. These are provided through specific instruments such as ALMPs and PES services, of which some are available as e-services (see Table 1 and Table 2). Many similar measures and services were in place prior to the current YG scheme. Guidance services<sup>91</sup> are provided to all NEETs registered with the PES. Information and counselling services, opportunities to take part in volunteer activities, etc. are also available for the non-registered NEETs, as stated in the survey.

Monitoring and evaluation of YG activities is in place as well as assessment of results of the YG scheme.<sup>92</sup>

### 2.4.2. The youth labour market, NEETs characteristics and the coverage of the Youth Guarantee

The economy in Lithuania performed strongly in 2014 (3.5% GDP growth) when the current iteration of the YG was introduced. However, the GDP growth declined to 2.4% by 2016, having recorded growth of 2% in the previous year. The growth in annual GDP was not reflected in the labour market. While there was a modest increase in

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<sup>90</sup> Sources of information for this chapter in all six case studies: 2016 Questionnaire – 'Member States' response to 2013 Council Recommendation on establishing a Youth Guarantee'; EEPO Country Reports 'Implementation of the 2013 Recommendation on establishing a Youth Guarantee'; 2017 EMCO Review on the Youth Guarantee self-assessment questionnaire; 2017 PES Capacity Questionnaire, Part 2- Supporting Youth; 2016 Country Factsheet, PES survey for the current small-scale study.

<sup>91</sup> Individual and group counselling, testing services (skills, personal interests, personality tests), short training, seminars for career planning, experts advice provided by psychologists, lawyers, placements.

<sup>92</sup> Targets for youth related activities, satisfaction surveys, monitoring young people who received an offer, those referred to education and training, etc. and specific indicators under the YG Framework indicators.

employment of 30,000 between 2014 and 2016 resulting in overall employment of 1.32 million, the level of youth employment actually declined over that period from 106,600 to 105,200.

It may seem surprising therefore that the youth employment rate increased from 27.6% in 2014 to 30.2% in 2016. However, this reflected a decline of almost 45,000 in the youth population over the period rather than a buoyant youth employment market.

The NEETs population was estimated by Eurostat to be 33,000, which was significantly higher than the unemployment level of 18,000. The composition of NEETs was 18,000 inactive and 15,000 unemployed. The coverage rate, as published by the Monitoring Report, was roughly 35%, which gives an annual stock figure of 11,518. As 19,000 NEETs were willing to work, this suggests that not all NEETs willing to work were being supported by the YG during 2016.

The share of young people in education and training, and therefore excluded from NEETs, was 89%. There were a range of reasons why the remaining 11% were not seeking employment, the most prominent of which were family responsibilities (3.2%).

The share of the lowest educated, who were registered with the PES under the YG, reflected the share in the NEETs population. The share was 25%, one of the lowest in the EU and by far the lowest of the six countries reviewed. In addition, the youth long-term unemployment rate was also very low<sup>93</sup>.

However, only 4,000 of the 18,000 inactive NEETs were willing to work, so the untapped employment potential was only 23%. It is surprising that only 4,000 of 18,000 inactive NEETs declared that they were willing to work. There may be some potential for the Lithuanian PES to activate more of the inactive NEETs population by ensuring that the range of supports they offer under the YG can address the main reasons<sup>94</sup> why so many inactive NEETs do not wish to become part of the labour force.

In response to the questionnaire, the Lithuanian PES mentioned a wide range of sub-groups as being difficult to attract. These included disengaged young people, persons with disabilities, persons from an ethnic minority and persons who were from social exclusion and poverty backgrounds.

However, in the case of unemployed young persons and those with care responsibilities, the PES specifically mentioned females as the problematic sub-group. In the case of recent immigrants, only males were identified as the challenging group.

It should be noted that the figures support the contention of the Lithuanian PES that young unemployed females are somewhat more difficult to attract to the YG. The 33,000 NEETs are made up of 18,000 males and 15,000 females, a female share of 45%. However, the responses to the questionnaire suggest that only 41% of those registering with the PES were female<sup>95</sup>.

There were a wide range of suggestions offered on how to enhance the coverage rate. Better dissemination of information was mentioned as was more training in marketable transversal skill such as computer literacy and foreign languages and opportunities in

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<sup>93</sup> Indeed, Eurostat regard the figure in 2016 as being too low to be statistically reliable.

<sup>94</sup> While the number of people who have family responsibilities is known, it is not known what the other reasons are.

<sup>95</sup> However, the difference could be accounted for women with caring responsibilities. In this sense, there may have been some double counting in the Lithuanian PES response to the questionnaire, through ticking both the box on young unemployed in general and the boxes on those with family responsibilities.

general for requalification. The difficulties of attracting persons from relatively remote rural locations was also mentioned due to poor transport infrastructure. The Lithuanian PES believes that many young people have a poor perception of the unemployment exchange, but they also contend that many employers have a poor perception of young people who undergo the YG processes.

As stated in the survey, the most effective communication tools in reaching out to NEETs have proved to be proactive work with schools as well as online and social media services or networks (see details in Table 3). The PES also identified a need to further develop partnerships with social partners, non-governmental organisations, career centres, municipalities, probation services, etc.

### **2.4.3. Timeliness and accuracy of offers**

The proportion of young people in YG preparatory phase beyond the four months target (33.9% in 2016) was well below the EU level and the lowest of the six EU countries reviewed, after Austria. Timely and positive exits (45.6%) were similar to the EU average (see Table 5). But the PES capacity to monitor the YG results seems to be limited, as the share of unknown situations in the data on exits (37.1% in 2016) was almost double the EU average (see Table 6).

The number of NEETs 15-24 years was the lowest among the six case studies. This was 5.3% of the respective population at EU level in 2016 (Table 5), or half of the NEETs population in Austria or Sweden. The coverage rate was the third lowest of the case studies (see Table 4). Thus, the NEETs population covered by the YG in 2016 was quite small, representing, for example, less than a fifth of that covered in Portugal. Consequently, it may be less challenging for the PES to achieve reasonable results in this area. On the other hand, it should be noted that the YG in Lithuania covers the additional NEETs group of 25-29 year olds.

The success factors in providing timely and accurate offers, as stated by the PES in the survey, consist of undertaking a precise NEETs' needs assessment, a rigorous planning and organisation of the YG interventions, cooperation with social partners and individual customised assistance.

In the PES opinion, young persons with disabilities or illness, persons of ethnic minority background and young people facing poverty and social exclusion, regardless of gender, are among those most difficult to be activated or motivated within the four months target. Women with care/family responsibilities, men belonging to the sub-groups of recent immigrants/asylum seekers and disengaged young people also represent a challenge for the PES in terms of activating them (see Table 7).

Other difficulties in delivering timely offers are specified in the PES survey. The primary intervention period (Stage 1<sup>96</sup>) is too short to motivate young people, and the financial resources are not always sufficient to support a wider range of YG interventions. The recruitment procedures take quite a long time (more than two months), thus integration of young people into job vacancies (Stage 2<sup>97</sup>) exceeds four months (up to six months). Lack of motivation, social skills, or mobility of young people make them difficult to be activated in four months. Financial constraints of some young people or the transport

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<sup>96</sup> NYGIP: Stage 1 - Early intervention and activity promotion; this stage consists of needs assessment and different services to improve motivation of the most disadvantaged young people, e.g. counselling, social and psychological rehabilitation, development of job seeking skills; an IAP is developed.

<sup>97</sup> NYGIP: Stage II (2-4 months) - Integration into the labour market: vocational education, subsidised employment, territorial mobility, support for job creation, etc.

infrastructure that is under-developed or 'complicated' in some rural areas create obstacles in accessing the YG interventions and even finding a job. In other cases, young people are not willing to attend training courses for qualifications in demand on the labour market. Moreover, employers have a 'stereotyped negative attitude' towards potential NEETs employees.

The PES claimed in the survey that availability of vocational guidance and psychological services is affected by the lack of staff. The PES also stated that due to the same lack of staff, the groups of participants in different interventions are too big and it is not possible to closely work with each participant. But the caseload of PES counsellors in Lithuania (136 in 2016) is similar to the average (135) of countries with no tasks regarding benefit administration and much lower than in other such PES.<sup>98</sup> This means that there might be a shortage of knowledge and skills for some specific YG activities or a lack of some specialists.

PES proposals to improve the performance in this area stem from the difficulties mentioned above. These concern: an extension of the secondary intervention (Stage 2) period according to the needs of each participant; reinforcing the interventions for young people living in rural areas; more staff, knowledge, specialists to provide an individualised assistance; better promotion of information about ALMPs in the sub-districts, and more financial resources for a wider range of YG services.

#### **2.4.4. Labour market dynamics and sustainable and quality outcomes**

Follow-up indicators showed sustainable YG outcomes in Lithuania. The proportion of young people known to be in a positive situation six months after exit (48.7%) being 2.5 pp higher than the EU average in 2016. But a high proportion (40.8% in 2016- above the EU average) was in unknown situations six months after exiting from the YG (see Table 5 and Table 8).

The PES appreciated that all measures were reasonably successful. However, they also said that certain forms of interventions, most notably apprenticeships, traineeships, subsidised work experience and vocational training were more successful than others at improving the employability of YG participants. Additional support is provided for better integration of young people to the working or training place and is presented in Table 9.

The PES in Lithuania was aware of many difficulties in ensuring sustainable employment. In the PES opinion, labour legislation changes quite often, creating a kind of 'instability' or 'sense of insecurity'. Moreover, the quality of some training/teaching is poor, and opportunities for on-the-job training/"paid practice" or training in areas in demand on the labour market are limited. This is confirmed to some extent by some EC reports showing that 'adult learning remains underdeveloped'<sup>99</sup> in Lithuania. Lack of working skills, habits or experience as well as changes in family circumstances<sup>100</sup>, also affect employment sustainability. Other NEETs make choices not in line with their skills, abilities, potential or reflecting labour market needs. Moreover, social benefits are sometimes equal to entry-level wages, thus some of the young people are not motivated to search for a job. In other cases, youth mobility is affected by the difficult transport

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<sup>98</sup> European Commission (2016), 'Assessment Report on PES Capacity'. Available at: <http://ec.europa.eu/social/BlobServlet?docId=16967&langId=en>

<sup>99</sup> EC, 2018, Youth Guarantee country by country, Lithuania. Available at: <http://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPageId=3342>

<sup>100</sup> E.g. childcare, divorce, nursing of family members.

conditions, especially in rural areas. A lack of flexible working arrangements<sup>101</sup> also affects the sustainability of employment.

The PES also specifically referred to the frequent movements between jobs, which they attributed to a combination of unrealistic expectations, and the prevalence of low wage employment. Their suggested solutions to this problem also revealed a realistic assessment of what is involved in assisting the YG participant to find more permanent employment. They advocated: individual and group counselling to better identify individual needs; improving the work culture of both employers and employees, and enhancing the participation of young people from the regions by making transportation available.

While these suggestions are entirely valid, a more focused approach designed to equip YG graduates with the skills associated with permanent employment might yield positive results. While it is difficult to pinpoint precisely the highest incidence of precarious employment because of the unreliability or confidentiality of the figures, it is significant that approximately one in four young people in jobs for less than three months in Lithuania were working in the wholesale and retail sector. A greater focus on training in specific technical skills such as craft or IT skills would enhance the probability of YG graduates obtaining more permanent employment.

The rate of recycling in Lithuania was 42%<sup>102</sup>, slightly higher than the average for the EU 28 (see Table 5). However, in sharp contrast to the situation in Bulgaria and Hungary, the Lithuanian youth labour market is very fluid. The share of young people in employment for less than 3 months was 21% compared to 15% for the EU28. The youth recruitment rate was 61% compared to 49% for the EU28.

The PES also stated in the survey that many employers 'use temporary employment for young people' and the YG monitoring report<sup>103</sup> confirmed that a part of offers are fixed term.

The impression of a youth labour market in a constant state of movement is further supported by the data on transitions. That data shows that there was both a quite high movement of unemployed people into employment (25%) as well as a high incidence of young people changing jobs (12%).<sup>104</sup>

The importance of monitoring movements in the youth labour market is that it may be a major factor in the magnitude of the recycling rate<sup>105</sup>. This may be positive or negative. In the case of Bulgaria, a relatively stable youth labour market contributed to a relatively low recycling rate, while the opposite may be the case in Lithuania.

While movements in the labour market are largely outside the control of the PES, it can nevertheless reduce the incidence of short-term employment among YG graduates by equipping them with the skills associated with occupations with longer tenure of employment.

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<sup>101</sup> Flexible working schedules, distance or online working, etc.

<sup>102</sup> There are reasons for believing that the recycling rate in Lithuania may be understated. If the unemployment spell is not broken, it is not counted as a re-entry although the original offer is acknowledged in their statistics as an offer.

<sup>103</sup> European Commission (2016), Data collection for monitoring of Youth Guarantee schemes, Country fiche Lithuania. Available at: <http://ec.europa.eu/social/main.jsp?catId=1143&langId=en>

<sup>104</sup> 25% is an average rate for the countries reporting movements from unemployment to employment in 2016 but only four Member States of the 25 reporting on job-to-job transitions had a higher rate than 12%.

<sup>105</sup> While Eurostat emphasises that transitions data is still experimental, there is no overlooking the general pattern in the case of Lithuania, regardless of the precise accuracy of individual results.

## 2.4.5. Main conclusions

**Success factors:** From a labour market perspective, the performance of the Lithuanian PES was reasonably successful. The proportion of young people in the YG preparatory phase beyond the four-month target was well below the EU average and the lowest of the six countries reviewed with the exception of Austria.

Furthermore, the share of young people in positive and timely exits was equivalent to the EU rate and the proportion known to be in a positive situation six months after exiting was above the EU rate.

The Lithuanian PES success in delivering timely and appropriate offers was due to a combination of factors: precise NEETs needs assessments; rigorous planning and organisation of YG services; individual customisation of some of those services, and good cooperation with the social partners.

Individual counselling, including the availability of specialists when necessary, were also mentioned as important for providing timely and appropriate offers. The PES mentioned individual case analysis as a core activity in ensuring the timely provision of offers and the sustainability of outcomes.

Together with other PES reviewed in this report, the Lithuanian PES specifically identified proactive work with schools and the use of social media as the most effective outreach instruments for attracting NEETs to the YG.

**Challenges in implementing the YG:** The main challenge confronting the PES in Lithuania is to significantly increase the coverage rate. The overall rate was 35.2% which was below the EU average of 42% and a deterioration on the rate in 2015. It is particularly important to increase the share of the inactive NEET's. While this sub-group represented over half of the NEET's population, it was poorly represented on the PES register.

The rate of timely and positive exits was 45%, similar to the EU average. Nevertheless, the recycling rate was 42%, and roughly half of these had a previous offer, usually of employment.<sup>106</sup> This was significantly above the EU average of 36% despite the fact that roughly half of those leaving the YG in 2016 were known to be in a positive situation 6 months later. This share, which was 48%, was slightly higher than the EU level.

To summarise, there are two main challenges confronting the Lithuanian PES in terms of improving the performance of the Youth Guarantee: 1) attracting more young NEETs, especially inactive NEETs, and 2) reducing the incidence of second registration, especially of those who had received an employment offer under the Youth Guarantee.<sup>107</sup>

**Level of awareness of the PES:** The Lithuanian PES was aware that they were not attracting a sufficient number of NEETs to the Youth Guarantee scheme. They attributed this situation to a lack of motivation among disadvantaged youth, a lack of information about the potential benefits to young NEETs of participating in the Youth Guarantee Framework and a lack of resources. They maintained that the structure of the Youth Guarantee and the level of resources attached to it are not sufficient to successfully transition disadvantaged youths to decent jobs. The primary intervention period is much too short and they advocated extending the secondary intervention period on an

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<sup>106</sup> In Lithuania 88% of offers were of employment. To place this figure in perspective, the comparative EU rate was 67%.

<sup>107</sup> While it is also important to reduce the recycling rate of those who did not receive an offer, the solution for that sub-group is to radically increase the volume of appropriate offers.

individual needs basis. They also claimed that the budget was not sufficient to cover the number of staff required to effectively manage the process, particularly staff trained in counselling and motivation. They gave an example of skills, which they had identified as being in short supply such as construction and driving skills, and they claimed that many young NEETs were not interested in working in those types of jobs.

**Capacity of the PES to implement the necessary measures:** Both the lack of coordination and the lack of financial resources were highlighted as constraints to the effective management of the Youth Guarantee Scheme by the PES in Lithuania. The number of non-governmental social partners involved in the scheme was too small, and the PES maintained that there should also be more involvement by the probation services, the municipalities and the career guidance specialists in the education sector (i.e. schools, universities, etc.).

**Data issues:** In order to fully understand the incidence of second registration, it would be useful if the recycling rates were available on an offer-by-offer basis. The data suggests that there is a problem regarding the nature of the employment obtained by many YG graduates, but the addition of some refined indicators would show if this interpretation is indeed accurate. For example, it would be useful if there was a distinction made between second registrations of those who had received an offer of employment, an offer of apprenticeship, an offer of traineeship or an offer of education. Such a level of granularity in the data would allow for a much better understanding of the significance of the recycling rate for each country.

Furthermore, there is a need for improved PES capacity to monitor and track the YG participants as the share of unknown situations in exits and in follow-up data was higher than the EU28 and most of the other countries reviewed.

## 2.5. Portugal

### 2.5.1. Overview of the YG scheme and PES role in its delivery<sup>108</sup>

The Portuguese NYGIP was presented in December 2013 and the YG scheme was launched in January 2014 under the national coordination of the Ministry of Labour, Solidarity and Social Security. Like Bulgaria and Lithuania, Portugal has extended the YG to young people under 30, with a target to provide them with a good offer within four months of registration.

The PES applies a partnership approach and works in close cooperation with different education institutions, commissions for the protection of children and young people, professional integration offices (GIP), youth shops, municipalities, institutions of social solidarity, NGOs, employers, etc.

The PES is a key player in the implementation of the YG interventions. It has responsibilities in management and coordination of the YG scheme and coordination of partnerships, provision of specific interventions, registration of young people, follow-up of all young people who received YG services and design and maintenance of the YG monitoring system.

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<sup>108</sup> Sources of information for this chapter in all six case studies: 2016 Questionnaire – ‘Member States’ response to 2013 Council Recommendation on establishing a Youth Guarantee’; EEPO Country Reports ‘Implementation of the 2013 Recommendation on establishing a Youth Guarantee’; 2017 EMCO Review on the Youth Guarantee self-assessment questionnaire; 2017 PES Capacity Questionnaire, Part 2- Supporting Youth; 2016 Country Factsheet, PES survey for the current small-scale study.

Reaching out to NEETs is the responsibility of the Youth Guarantee Partners Network, composed of around 1,500 partners, including the PES. Specific outreach tools, presented in Table 3 are used by the PES and its partners to attract young NEETs under the YG.

A technician is assigned as a YG interlocutor in each local office, but in general the YG activities are incorporated into PES staff functions and roles. Government funds are used to implement the YG as well as the EU financial support (ESF and YEI). Most of the ALMPs covering YG are financed by YEI.

The offers include all four categories: employment, continued education and training, traineeships, and apprenticeships, provided through a wide range of ALMPs as well as PES employment services (including e-services - see Table 1 and Table 2). Similar services and measures were in place prior to the YG scheme, but adjustments have been done to reinforce their quality. Guidance services<sup>109</sup> are delivered to all registered young people while the education/training measures are targeted at those with no or low qualifications and job placement to those who are 'ready' to enter the labour market.

As in the other EU countries, specific instruments and indicators are used for monitoring, evaluation of YG activities and assessment of YG results.

### **2.5.2. The youth labour market, NEETs characteristics and the coverage of the Youth Guarantee**

There was a steady expansion in annual GDP growth in Portugal over the period 2014 to 2016 from 0.9% to 1.9%. This growth was reflected in an expansion in both total employment and youth employment. Indeed, the latter increased by 15,000 or 5.7% over the period compared to an expansion of 2.6% in total employment. This is quite a high rate of employment growth in the youth labour market by international standards and it created a relatively benign environment for young people.

As the youth population remained more or less stable over the period, the increase in youth employment pushed the youth employment rate up 1.5pp from 22.4% in 2014 to 23.9% in 2016.

In 2016, the NEET's population in Portugal was estimated at 116,000 by Eurostat which is only 13,000 or 13% more than the estimation of youth unemployment of 103,000. The composition of the NEETs population reflects the predominance of the unemployed; 71,000 NEETs were unemployed compared to 45,000 who were inactive. A total of 82% or 96,000 NEETs expressed a desire to work, which included 25,000 inactive NEETs which is over half the inactive NEETs population.

The Portuguese PES, however, have in conjunction with the International Labour Organisation developed a two-phase strategy which should assist them in attracting more NEETs to the PES. The first phase, which is being implemented currently, involves expanding and improving the outreach services. It should result in assisting the PES to locate and interact with many more NEETs not currently registered with them.

The level of disadvantage may have been a significant contributory factor in the coverage rate. The share of the NEETs population with the lowest education qualifications, was relatively high at 45% and this share was also evident in the registered NEETs population. In addition, the rate of long-term youth unemployment was 8.2%, which was the highest among the reviewed countries and significantly higher than

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<sup>109</sup> E.g. counselling (individual and or group counselling), orientation and information and career guidance.

the EU28 rate of 5.4%. Given the high component of unemployed among the registered NEETs population, the combination of a high incidence of long-term unemployed and low education qualifications is challenging for the Portuguese PES.

The responses of the Portuguese PES to the questionnaire indicate that they have a very good idea of where the core challenges are in the implementation of the YG, and specifically in further enhancing the coverage rate.

The PES also mentioned two groups who are particularly difficult to attract to the YG: first-time job seekers and the educationally disadvantaged.<sup>110</sup>

With regard to first-time job seekers, the Portuguese PES stated that their problem was a lack of awareness of the assistance, which the PES could provide to them in terms of finding a job. The PES also expressed the hope that the outreach services, which it is developing with the help of the ILO, will improve the availability of information. However, they also suggested a number of initiatives, such as establishing local partnerships with institutions linked to young people, providing information in the secondary schools, and enhancing the capacity of the web-based platform to keep young people informed of the services of the PES.

Regarding those who are disadvantaged educationally, the PES expressed a concern that as these young people often experienced difficulties accessing employment, there was a high risk of them becoming demotivated and exiting the labour force. The concern of the PES in this regard is consistent with the data. The share of the young inactive population who are discouraged workers at 3.9% is significantly above the EU28 rate of 1.3%<sup>111</sup>.

Thus, a key challenge for the Portuguese PES is the level of disadvantage in their young NEETs population. This reflects a combination of long-term unemployment and a high share of NEETs with the lowest education qualifications.

In addition, as stated in the survey, the current portfolio of YG measures does not include outreach programmes or interventions targeted at inactive young people and this affects the quality of related offers. But a new outreach strategy was developed (see above). Moreover, sharing information about NEETs, between institutions and relevant organisations, is based on 'personal contacts'. Therefore, it has to be institutionalised, in the PES opinion.

Some of the current outreach tools proved to be effective, as appreciated by the PES, and these include cooperation with NGOs and youth organisations, providing new points of YG entry through internet and social media services and awareness-raising events/campaigns (see Table 3).

### **2.5.3. Timeliness and accuracy of offers**

According to 2016 YG monitoring indicators, the proportion of NEETs 15-24 in the YG preparatory phase beyond the four months (54.8%) was about 6pp higher than the EU average. The timely and positive exits (40.6%) were 4pp under the EU level, so Portugal's performance in this area is among the lowest of the six EU countries included in this study (see Table 5). The share of unknown situations (30.1%) in the data on exits was among the highest of the six case studies after Lithuania and Austria (Table 6).

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<sup>110</sup> Young persons with a low level of qualification.

<sup>111</sup> Of the six EU countries reviewed, only the Bulgarian rate is higher at 5.1%. However, only 80% of the young inactive population is in education or training in Bulgaria while the figure for Portugal is 90%.

Undoubtedly, the relatively high level of disadvantage among the NEETs population is the reason why, despite a relatively benign youth employment environment, the performance in the area of timely and suitable offers is under the EU average.

When analysing performance in this area it is also worth noting that the PES in Portugal has to deal with the additional NEETs group of 25-30 years old and is one of the countries with a large population of NEETs, representing almost 19% in the EU cohort 15-24. The number of NEETs covered by the YG in 2016 represented about 90% of the total population of NEETs in Austria or Sweden (see Table 5). This factor contributes to the challenge of achieving a high rate of timely and positive exits. The caseload of Portuguese PES counsellors (213 in 2016) was nearly 60% higher than the average of countries with no tasks regarding benefit administration (135).<sup>112</sup> Limited human resources create another significant challenge for the PES in successfully managing the YG scheme.

The high caseload and 'difficulty in timely allocation of financial resources' cause some delays in offers delivery and affects the quality of services, as mentioned by the PES. In other cases, appropriate offers were not available in the four-months target due to some difficulties in rapidly adapting the interventions plan (e.g. the training plan developed one year in advance) to the current NEETs needs or aspirations. The PES is not always able to provide or to find partners for proximity services, especially in the remote areas.

In the opinion of the PES, the NEETs who are the most difficult to be motivated or activated within four months, are the unavailable young persons due to different causes, recent immigrants/asylum seekers, those facing poverty and social exclusion and discouraged workers, regardless of gender (Table 7).

The PES has also noted in the survey that some of the young people have unrealistically high expectations<sup>113</sup> or they want to attend training courses for qualifications not in demand on the labour market. Employers have high expectations as well<sup>114</sup>. 'Matching' these expectations is another challenge for the PES.

Intensifying the individualised assistance through the 'personal managers' and more staff for this type of activities, as well as improving the PES staff knowledge and skills to work with young people are some of the PES proposals to overcome the main challenges. Also, enhancing the relationship between the training centres and employers could improve the quality and labour market relevance of training interventions.

#### **2.5.4. Labour market dynamics and sustainable and quality outcomes**

The proportion of young people known to be in a positive situation six months after exit was 56.7% (in 2016), showing sustainable outcomes above the EU average (see Table 5). Together with Austria, Portugal is one of the countries with high performance in this area.<sup>115</sup> The share of unknown situations six months after exits (34.6% in 2016) was under the EU average (Table 8).

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<sup>112</sup> European Commission (2016), 'Assessment Report on PES Capacity'. Available at: <http://ec.europa.eu/social/BlobServlet?docId=16967&langId=en>

<sup>113</sup> Regarding the type of work and the wage they would like to receive.

<sup>114</sup> 'To get skilled and preferably low-wage and non-problematic workers'.

<sup>115</sup> An indicator value by more than 8 pp higher than the EU average: BE, DK, IE, HR, IT, MT, AT, PT.

Employment incentives<sup>116</sup>, traineeships<sup>117</sup> and vocational training specially designed for youth<sup>118</sup> are the most effective measures leading to sustainable integration of NEETs into the labour/training market, as reported by the PES.

Despite the good performance in this area, and a relatively benign youth employment environment, the recycling rate was above average at 42% (see Table 5). Some encouragement however can be derived from the fact that only 20% of those who re-entered the YG had a previous YG offer while another 20% had no offer (see Table 10).

Thus, the challenge involves firstly providing more appropriate interventions and secondly, equipping YG participants with the skills and work experience to find decent jobs and thereby reduce the incidence of second registration.

In this respect, one of the excellent initiatives introduced by the Portuguese PES is to assign a personal manager to those participants which the profiling system has shown are likely to encounter difficulties finding quality employment. The role of the personal manager is to design a customised system of supports to assist the disadvantaged participant to successfully reintegrate into the workforce.

The Portuguese PES, however, was operating in a very fluid youth labour market in 2016. The recruitment rate was 60% compared to 49% for the EU28. The share of young people in jobs of less than three months was 23% compared to 15% for the EU28; the share of unemployed persons transitioning to jobs was 28% and a considerable share of those at work were changing their jobs within the year (12%).

Moreover, the YG monitoring exercise shows that some of the YG employment offers are fixed-term<sup>119</sup> and the PES also allude to the relatively high share of temporary job contracts in the Portuguese youth labour market.

The Portuguese PES appears to be aware of the high level of movement within the youth labour force. They refer to many young people having unrealistic expectations and leaving their jobs to re-register with the PES.

In other cases, difficulties in the adaptation of young people to the workplace affect their employment sustainability. Moreover, as mentioned in the survey, additional support for sustainable integration of NEETs into labour/training market is provided only in the training and apprenticeship offers (see Table 9). And the individualised follow-up process is difficult due to the high staff caseload. Post-placement follow-up/support of young people whose (re)integration into the labour market is more difficult is also suggested by the PES, since it is not a current practice.

Other young people return to the PES after completing training/traineeship programmes, which are not always adapted to the continuous changes on the labour market, in the opinion of the PES.

The Portuguese PES was very clear in their response to the questionnaire on how this situation should be addressed. They suggest a twin-track approach whereby the

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<sup>116</sup> 'Contrato Emprego'- a 'prize' for converting the fixed-term to permanent contracts is included.

<sup>117</sup> 'Estágios Profissionais' - it includes a 'monetary reward' to those companies that hire the trainee(s) within 20 days after the traineeship is finished.

<sup>118</sup> 'Vida Ativa Jovem'- it includes two types of training pathways – one for young NEETs without complete secondary education, and one for those with qualifications equal to or higher than secondary education level.

<sup>119</sup> European Commission (2016), Data collection for monitoring of Youth Guarantee schemes, Country fiche Portugal. Available at: <http://ec.europa.eu/social/main.jsp?catId=1143&langId=en>

participants are trained in the type of skills that the market requires and the employer is incentivised to recruit participants from the YG.

The first element of the strategy entails involving the employer to a much greater extent than hitherto in the identification of the type of skills which the employer requires. The second part of the strategy entails providing a subsidy or grant to the employer in return for subsequently recruiting the trainees.

It is difficult to find fault with this suggested strategy. If employers could be involved in the decision regarding the type of skills which the participants should acquire and if in addition, they were given a financial incentive to recruit such participants, common sense suggests that a much higher share of YG participants would not only find jobs, but would also be willing to stay for a much longer period in those jobs.

### 2.5.5. Main conclusions

**Success factors:** The PES in Portugal performed well on some of the major indicators used for monitoring the Youth Guarantee. Specifically only six Member States had a higher coverage rate and the proportion of young people known to be in a positive situation six months after exiting was also well above the overall EU level. The share of timely and positive exits (40%) was relatively similar to the EU average and the share of exits known to be in a positive situation six months later was 10% above the EU average, at 56 %.

The success of the PES performance, especially in relation to coverage rates, may lie in the fact that there is a very extensive network of partners in Portugal, each providing a different range of services from registration and signalling, through to assessment and guidance and through to implementation. Furthermore, the activities of these various networks are coordinated by the Portuguese PES. It also manages the IT platform which gathers data on all stages of the YG process from registration to outcomes.

Undoubtedly the first phase of the Outreach Strategy that the Portuguese PES is currently implementing in partnership with the International Labour Organisation (ILO) is also contributing to sustaining the relatively high coverage rate.

With regard to the other relatively successful indicator, namely the sustainability of outcomes, the PES attributes that success to the more customised approach being adapted to the client. A core component of this customised approach is the profiling system which identifies those among the registered NEETs who are most vulnerable to long-term unemployment. Such clients are assigned a 'personal manager' who is responsible for developing a personal employment plan for the young person, which takes account of their skills and competences and personal interests. This process, according to the PES, enhances the prospect of creating sustainable outcomes from the YG process.

**Challenges in implementing the YG:** The one disappointing indicator was the recycling rate which at roughly 42% was significantly above the EU average of 36%. Furthermore, roughly half of those seeking a second registration had previously received an offer under the Youth Guarantee. Furthermore, as most (70%) of the original offers were offers of employment, this would suggest that many of those who registered with the PES for a second time had been in employment before.

As in the case of Sweden, there was an exceptionally high level of movement in the youth labour market. However, unlike Sweden, there was also strong youth employment growth. Thus, the challenge for the Portuguese PES is to translate their employment offers into sustainable employment in a robust youth labour market.

The limited human resources create another significant challenge for the PES in successfully managing the YG scheme.

**Level of awareness of the PES:** The Portuguese PES is very conscious of the high disadvantage profile of its NEETs population as a result of the combination of high youth long-term unemployment and a high share of educational disadvantage among NEETs. They expressed the view that the profiling of participants highlighting those that are particularly vulnerable and their assignment to a personal manager allows the design of a bespoke range of supports to assist him/her to reintegrate into the workforce. On the incidence of second registrations, the PES emphasised the importance of continuing the system of supports beyond the initial contact period.

The PES was engaged with the ILO in specifically designing an approach that would involve more contact with the young, disengaged NEETs who were ignoring the Youth Guarantee and who were ignorant of the potential benefits to them of engaging in the offers which were available to them under the YG framework. They expressed confidence in the capacity of the outreach strategy they were developing with the ILO to increase the coverage rate.

The PES also showed some understanding of why the recycling rate was rather high. They spoke of the prevalence of short-term contracts, of high and unrealistic expectations on the part of many participants and of a need to educate participants on the realities of the labour market. However, they did not explore the type of skill training which was provided and if it was actually contributing to participants being employed in short-term jobs.

**Capacity of the PES to implement the necessary measures:** The PES stated that there needed to be a better balance between the high number of young people registering with the PES and the number of staff who were providing them with services. They gave the example of the obligations of the 'personal manager' to follow-up on the progress of the vulnerable NEETs who were assigned to him/her. The PES claimed that in reality this was not possible because there was not a sufficient number of 'personal managers'.<sup>120</sup>

Unlike many of the other PES surveyed in this report, the PES succeeded in developing strong co-operative arrangements both with the municipalities and with the private entities who were involved in reintegrating the socially excluded.

**Data issues:** Based on the data on the nature of the youth labour market and the values recorded in the monitored indicators, it would appear that the main problem is to improve the fit between the original employment offer and vacancies in decent permanent jobs. However, the absence of a recycling rate specifically related to employment offers and any information on the type of jobs obtained by YG graduates means that it is difficult to be absolutely certain that this is the core difficulty. It would be useful to add some additional, more refined indicators to those that already exist.

Finally, the PES has also to improve its capacity to monitor the YG participants, as the share of unknown situations in exits data was above the EU average and among the highest of the six case studies, after Lithuania and Austria.

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<sup>120</sup> The PES expressed the hope that with declining youth unemployment, this situation would resolve itself.

## 2.6. Sweden

### 2.6.1. Overview of the YG scheme and PES role in its delivery<sup>121</sup>

Similar to Austria, Sweden has a long history in strategic policy for promoting youth employment, establishing a YG in 1984. For this reason the adoption of the Council Recommendation of 2013 did not lead to the creation of a new guarantee for youth, but has rather contributed to the development of government policies within the framework of the current YG.

The NYGIP was presented in December 2013 and revised in 2018, and the YG scheme was launched in January 2014. Young NEETs 15-24 years old are the target group of the Swedish YG and they are entitled to receive a good offer within 90 days of registration.

The PES is the National Coordinator of the YG scheme. In implementing YG interventions the PES works in partnership with municipalities, large companies, career guidance services and youth services, education institutions, trade unions, organisations within civil society, etc. The registration of young people (including online registration), provision of PES services, coordination of partners and follow-up of all young people who received YG services are other PES responsibilities.

Reaching out to NEETs is not the PES responsibility but it cooperates with other actors in implementing specific outreaching activities.

Specialised PES youth counsellors, advisers, mentors, job coaches, etc. work with young people but also with other clients. Government funds are used to support the YG interventions.

A wide range of ALMPs and PES specific services are offered to young NEETs, so all four possible types of interventions are covered: employment, continued education and training, traineeships, and apprenticeships (Table 1 and Table 2). Different types<sup>122</sup> of guidance services are available for young NEETs. Under the YG, Sweden offers measures targeting newly arrived young immigrants aged 18-20 and upwards.<sup>123</sup>

Monitoring and evaluation of YG delivery and assessment of successful implementation of the YG scheme is implemented through specific activities and indicators.<sup>124</sup>

### 2.6.2. The youth labour market, NEETs characteristics and the coverage of the Youth Guarantee

The annual growth in GDP was roughly 2.6% in both 2014 and 2016 but there was a spike in 2015 when growth of 4.5% was recorded. Overall employment expanded from 4.6 million in 2014 to 4.74 million (3%) in 2016. However, the increase in youth employment over this period was less than 1%, from 516,600 to 520,700.

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<sup>121</sup> Sources of information for this chapter in all six case studies: 2016 Questionnaire – ‘Member States’ response to 2013 Council Recommendation on establishing a Youth Guarantee’; EEPO Country Reports ‘Implementation of the 2013 Recommendation on establishing a Youth Guarantee’; 2017 EMCO Review on the Youth Guarantee self-assessment questionnaire; 2017 PES Capacity Questionnaire, Part 2- Supporting Youth; 2016 Country Factsheet, PES survey for the current small-scale study.

<sup>122</sup> Individual/group counselling with an employment officer or specialists such as a psychologist, occupational or social counsellor, tests (aptitudes, interests, personality), training/seminars/forums, career guidance, orientation and information, placement.

<sup>123</sup> NYGIP, available at: <http://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPageId=3354>

<sup>124</sup> Targets for youth related activities, satisfaction surveys, monitoring young people who received an offer, etc. and specific indicators under the YG Framework indicators.

However, the youth population declined by 37,000 or 3% over this period, which together with the small increase in employment raised the employment rate from 42.8% in 2014 to 44.5% in 2016.

The coverage rate by the Swedish PES was strikingly different from the rate in every other EU Member States (with the exception of Denmark) in that the total NEETs population estimated by Eurostat (76,000) was significantly less than the total number of unemployed youth (121,000). Theoretically, such a situation is eminently possible. For example, if a very large share of the youth unemployed population were engaged in some form of education or training, they would be excluded from the count of NEETs and the latter could fall below the unemployment estimate.<sup>125</sup>

However, it is a most unusual situation and creates unusual statistics<sup>126</sup>. The number of NEETs who would like to work<sup>127</sup> at 46,000 was only 3.9% of the youth population and one of the lowest in the EU.<sup>128</sup> As the total NEETs population was composed of 45,000 inactive and 32,000 unemployed, it means that roughly 14,000 of the inactive were interested in working.

The share of disadvantaged among the NEETs population was not unusually high in Sweden. The share of those with the lowest qualifications (i.e. ISCED 0-2) was a little lower than the rate for the EU28 at 40% and the share among the registered NEETs was 35%. Furthermore, the rate of long-term youth unemployment at below 1% was the lowest recorded of all EU Member States.<sup>129</sup>

The PES mentioned two groups in particular who are difficult to attract to the YG: the unavailable young persons due to disabilities or illness problems and young people facing poverty/social exclusion. Some of the main challenges in attracting NEETs to the YG are related to the difficulties in contacting inactive NEETs, insufficient internship places and, in some cases, unsatisfactory cooperation with municipalities.

Although the PES is not responsible for outreach activities, it does proactive work with schools. In the opinion of the PES, the quality and effectiveness of the outreach services can be improved through better cooperation between different agencies, municipalities, and other actors such as the municipal adult education and mental/ psychiatric-care institutions. Also the healthcare system and the Social Insurance Agency should be involved in such outreach activities. In this way, the unemployed and other young people with health problems would benefit from a holistic approach to their situation.

### **2.6.3. Timeliness and accuracy of offers**

The proportion of young people in the YG preparatory phase beyond the 4 months in 2016 (44.7%) was around 4pp below the EU average. Timely and positive exits (43%) were almost similar to the EU level (Table 5). The share of unknown situations in the data on exits (24.5% in 2016) was also similar to the EU level (Table 6). But, in Sweden

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<sup>125</sup> This is exactly what happened in the case of Sweden. Only about a quarter of all unemployed aged 15-19 were not in education or training. To place this in perspective, at the EU 28 level, 70% of young unemployed aged 15-19 were not in education or training and consequently were included in NEETs. See in particular 2016 YG Monitoring Report, Figure 5, p.15.

<sup>126</sup> For example, the Eurostat estimate of NEETs - 76,000 - is exactly the same as the estimate for Austria, but Sweden had twice as many unemployed youth as Austria.

<sup>127</sup> This figure refers to all those who wish to work, including those not actively seeking employment.

<sup>128</sup> The Netherlands and the Czech Republic were slightly lower. The EU28 rate was 8%.

<sup>129</sup> The figures were not published for a couple of Member States due to reliability concerns, and those figures may be lower.

(same as Austria) the time-limit for delivering an offer is 90 days, not four months as in the other case studies.

It is also to be noted that the NEETs population, similar to the one in Austria, is among the lowest in the case studies. It represents 12% of the EU cohort in 2016 (Table 5). The NEETs rate was the lowest among the countries included in this report. The caseload of the Swedish PES counsellors is low (26 in 2016), compared to the average of 135 of countries with no tasks regarding benefit administration<sup>130</sup>, and much lower than that of Portugal for example (213). Consequently, it may be less challenging for the Swedish PES to achieve reasonable results in this area.

In the PES opinion, political governance and prioritisation of youth policies are key factors in achieving good results in implementing the YG. NEETs are also a priority in the PES. The frequent contacts with them as well as a close cooperation with municipalities in planning and implementing the YG interventions are the basis for timely and good quality of offers. In some regions there are joint offices (the PES and municipalities) for the youth, acting as one-stop agencies.<sup>131</sup> Also the 'multi-competent teams', formed by the PES and other specialists such as psychologists and social workers, have proven to be very successful in activating and motivating young people. In order to boost the YG performance, a further development and improvement of aspects mentioned above is necessary, as mentioned by the PES.

The most difficult NEETs to activate in the 90 days are the sub-groups of disengaged young persons, those unavailable due to disabilities or illness problems and young people facing poverty and social exclusion, as mentioned in the survey (see also Table 7). Moreover, many young people do not register with the PES.

Other difficulties derive from the fact that the adult education offers (provided by the municipalities) do not entirely support that provision of interventions within the 90 days target - the number of places and the start-date are 'too sparse' (some municipalities for example have training offers that start only twice a year).

The PES also stressed that it is difficult to ensure qualitative interventions within a given time period as many of the qualitative offers include a chain of efforts and/or cooperation with other actors that usually takes more time.

#### **2.6.4. Labour market dynamics and sustainable and quality outcomes**

The outcomes were sustainable in Sweden, short-term<sup>132</sup> follow-up indicators showing a performance of 53.6%, more than 7 pp above the EU level in 2016 and among the three highest in the case studies (see Table 5). The proportion of unknown situations six months after exiting the YG (23.7% in 2016) is under the EU average (Table 8).

The Swedish PES were confronted with an extremely challenging situation. The youth labour market stagnated in 2016 and yet all the indicators point to a labour market with an exceptional level of movement. The youth recruitment rate was the highest of the countries surveyed at 62%, far in excess of the rate of 49% for the EU28. The share of

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<sup>130</sup> European Commission (2016), 'Assessment Report on PES Capacity'. Available at: <http://ec.europa.eu/social/BlobServlet?docId=16967&langId=en>. In Sweden, ALMPS are usually externalised or implemented by municipalities, 2016, Benchlearning Initiative External Assessment Summary report – Sweden; European Commission (2016), Data collection for monitoring of Youth Guarantee schemes, Country fiche Sweden.

<sup>131</sup> 2016, Benchlearning Initiative, External Assessment, Summary report – Sweden.

<sup>132</sup> Six months after exit.

young people in short-term employment (i.e. less than three months) was also the highest and again far in excess of the EU28 rate of 15%. The share of the unemployed who transitioned to jobs was also the highest among the countries surveyed at 32% and even those in employment demonstrated a desire to switch jobs (19%) which was greater than any other EU Member State in 2016.<sup>133</sup>

There is no doubt that the Swedish PES is very aware of the high levels of movement in their youth labour market. When asked to list the challenges to creating sustainable employment, they list lack of motivation and high, unrealistic expectations on the part of YG participants and the high incidence of short-term employment contracts.

The fact that many young people have incomplete upper secondary education<sup>134</sup> (without qualifications or without a graduation diploma) is another challenge for their sustainable integration into the labour market. Matching the skills gap between the supply and the demand in the labour market is challenging for the PES, especially in the case of refugees<sup>135</sup>. Therefore, the PES stressed that ensuring that young people complete their studies and receive relevant information about the labour market while in school are key factors in achieving sustainable integration into the labour market. A clear link between the YG activities and financial support and concerted planning with the municipalities are other strategies for improving the sustainability of YG outcomes, as stated in the survey.

As in the case of some of the other PES surveyed in this report, the Swedish PES highlighted 'internships' with their combination of theoretical learning and relevant on-the-job experience as an active labour market programme that produced positive results. But the most important, in the opinion of the PES, is the interaction between different actors, with a holistic approach adopted towards the young NEETs. Additional support for better integration to the working/training place is not currently a practice, but it is necessary, as stated in the survey.

But, the most striking aspect of the analyses of the management of the YG by the Swedish PES is the issues it raises regarding data comparability. The measure of the NEETs population in 2016 in the Labour Force Survey is only 76,000 despite the fact that the measure of unemployment among the same cohort in the same reference period is 121,000. Furthermore, the NEETs population is composed of 45,000 inactive NEETs and only 32,000 unemployed NEETs. It is surprising that three-quarters of the unemployed are excluded from being NEETs in Sweden.

## 2.6.5. Main conclusions

**Success factors:** In general, the performance of the PES in Sweden in terms of the management of the YG could be described as very solid. The share of timely and positive exits was roughly similar to the EU level, a good achievement considering that in Sweden offers must be made within 90 days rather than four months.

The share of unknown destinations among exits was also similar to the EU share, while the proportion of young people known to be in a positive situation six months after exiting, was higher than the EU average. The coverage rate was 10% higher than the EU average.

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<sup>133</sup> While Eurostat emphasise that 'transitions data' is still at an experimental stage, the fact that virtually all the 'movement' indicators from a range of different sources are suggesting high levels of movement cannot be ignored.

<sup>134</sup> Six programmes are preparatory for higher education and 12 are of vocational education; for more information see: <https://sweden.se/society/education-in-sweden/>

<sup>135</sup> 2016, Benchlearning Initiative, External Assessment, Summary report – Sweden.

The PES in Sweden attributes its successes to political governance and prioritisation, and cooperation especially with the municipalities. The PES has well-established work practices that include mapping of the NEETs population, catching individuals' early and frequent contacts between the relevant institutions. The PES gives NEETs priority access to specialists, youth coaches and good labour market training.

While the Swedish PES is not responsible for the outreach services, it actively engages in them and it rates proactive work in schools, including early-warning systems, as the most effective form of outreach activity.

The Swedish PES considers the traineeship model as the ALMP which gives the most successful outcomes but it emphasises that effective interaction of many different actors providing a holistic approach most likely leads to success.

The impression given by the response of the Swedish PES to the questionnaire is that Sweden places a high priority on integrating the NEETs population into the workforce and this national priority in turn facilitates extensive cooperation between the relevant institutions especially between the PES and the municipalities. The early identification and activation of NEETs is a core component of the PES strategy as is the holistic approach of combining many different measures of support in an integrated package. This is reflected in the PS favouring the traineeship model as it combines two measures that are sometimes offered separately: relevant up-skilling and high-quality on-the-job work experience.

**Challenges in implementing the YG:** The values of the main performance indicators in the Monitoring Report suggest that the Swedish PES is performing quite well in terms of managing the Youth Guarantee. The values of all of the main indicators are either above the EU average or similar to it.

The exception is the recycling rate which at roughly 44% is around 10% higher than the EU average. This is not surprising. As shown in the analyses, the youth labour market was stagnant at this time, and yet it was experiencing the highest rate of movement of any of the countries surveyed and one of the highest in the EU.

However, the high recycling rate does not appear to reflect a mismatch between the skills acquired under the Youth Guarantee as almost all of those who re-entered the YG had not previously received an offer.

**Level of awareness of the PES:** The Swedish PES had a very good understanding of the challenges confronting it in the context of managing a more effective Youth Guarantee scheme. They specifically referred to young people in Sweden having a higher degree of short-term employment<sup>136</sup> and they also mentioned unrealistic expectation on the part of some YG participants.

But it was the lack of joined-up thinking and actions which dominated the responses of the Swedish PES to questions on the challenges to improving performance. They alluded to the incidence of participants with mental health difficulties and other forms of illness and pointed out that these situations should benefit from the involvement of the health authorities and the Social Insurance Agency. While the Swedish PES regarded internship as a particularly successful employment offer, it pointed out that it was difficult to acquire a promising internship for participants who were mentally ill. Reflecting the

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<sup>136</sup> In fact, as shown in this analysis, the share of young people in jobs of less than three months was the highest in the EU.

emphasis on joined-up action, the Swedish PES pointed out that its use of multi-disciplinary teams containing different specialists had been very successful.

**Capacity of the PES to implement the necessary measures:** Of the six PES surveyed in this report, the Swedish PES was the most vociferous about the need for a far greater level of co-operation between the main stakeholders in order to improve the performance of the Youth Guarantee. It expressed the view that the management of the Youth Guarantee needs to be given greater priority and that there should be a much greater level of co-operation between the municipalities and the primary and secondary schools and that the Swedish PES needs to engage with a wide range of different youth forums.

The comments on cooperation with the municipality should be viewed in the context that the municipalities are responsible for the organisation, scheduling, number and type of adult education courses and education comprised 30% of all the offers made under the Youth Guarantee in 2016. Thus, to some extent, it could be argued that the outcomes from the education offers were beyond the control of the Swedish PES. Indeed, the Swedish PES remarked that in the case of many 15-20 year old NEETs, the Swedish PES did not know who they were because the municipalities were responsible for their activation.

**Data issues:** However, this performance must be placed in perspective. Sweden together with Denmark has an exceptionally high share of the unemployed engaged in some form of education or training and consequently they are excluded from the official measure of NEETs. Indeed, the official Swedish count of NEETS 15-24 is identical to the count in Austria although there were twice as many unemployed at that time in Sweden.

These and other data issues point to the need for introducing a range of more refined indicators to the monitoring process.

### 3. Key findings and recommendations

**Success factors:** The review of the six countries in this report shows that different activities contribute to the success of different aspects of the management of the YG. With regard to coverage rates, the activities most likely to create a relatively successful outcome are the extensive use of youth-orientated information channels, especially social media; effective coordination between local youth groups, NGOs and relevant government departments and institutions, and the sharing of data, especially data which facilitates effective early intervention. High-quality outreach activities, involving in particular proactive work in the schools, and the use of mobile teams are also important in the context of attracting inactive NEETs to the PES register, especially NEETs living in remote areas.

With regard to the creation of a high level of positive and timely offers, the review suggests that a profiling system makes a very strong contribution. The results of profiling, by identifying those who are most vulnerable to becoming long-term unemployed, allows the PES to focus its resources on ensuring as much as possible that there will be a sustainable outcome for this particular sub-group of the NEETs population. This is done by creating a range of customised supports which reflect the needs and abilities of each individual.

In general, those PES who were able to both access and up-skill the most disadvantaged NEETs achieved the greatest degree of success. A number of PES mentioned the success of using social media such as Facebook, while some PES have introduced more basic training for NEETs clients such as CV preparation and interview skills. There was a general acknowledgement that the most successful interventions in terms of integrating NEETs into the workforce were measures that combined up-skilling in marketable skills with quality on-the-job work experience. There was evidence from the study that the recognition of the critical role that work experience plays in enhancing employability has resulted in greater interaction between the PES studied in this report and local employers.

**Challenges:** There are a number of common themes, which emerge from the analyses of the six countries which are the focus of this short study. For this reason, the overall conclusions are divided into 11 sub-sections; the lack of coordination among relevant stakeholders; the challenge posed by a high share of disadvantaged NEETs; the need for more effective communication to disadvantaged NEET's sub-groups; the need for a good profiling system and personalised support; the need to facilitate labour market integration; the need to add a number of refined indicators to the current list; the need to improve some administrative procedures; the need to improve labour market information; the need to improve PES relationships with employers; the need to improve the PES image, and the need to improve the PES capacity to monitor and track the YG participants.

**The need for better co-ordination among relevant stakeholders:** With the exception of Portugal, all of the PES surveyed in this report complained quite extensively of the poor coordination among relevant stakeholders. In some cases, the effect of this poor coordination meant that the PES did not have complete knowledge of the NEETs population, especially the younger members. It also meant that specialised expertise which existed within the wider education system were not available to the PES.

**The challenge posed by a high share of disadvantaged NEETs:** It was notable that those PES that were managing a NEETs youth population with a relatively high level of disadvantage in terms of both the lack of education qualifications and the duration of youth unemployment struggled to persuade many NEETs to participate in the Youth

Guarantee. Most of the PES respondents to the survey stressed the fact that it is difficult to motivate or activate young NEETs, especially the disadvantaged ones, within the four months target.

In addition, a number of the PES implied that the structure of the Youth Guarantee and the resources assigned to it did not appear to take the relatively high share of disadvantaged and the implications for resources into account.

***The need to communicate the potential benefits to NEETs, especially disadvantaged NEETs, of participating in the Youth Guarantee:*** All of the PES surveyed in this report strongly acknowledged the necessity to improve communication with disadvantaged NEETs in a manner designed to persuade them to register under the YG framework. Quite a few of the PES had introduced web-based platforms and other instruments of social media and these had been quite successful in that there was evidence of these instruments being accessed regularly by young people.

***The need for a good profiling system and personalised support:*** Some of the PES included in this study expressed the view that the profiling of YG participants is a success factor in achieving good YG performances. NEETs are a heterogeneous population. Their characteristics, needs and experiences differ, thus they require different levels or type of support and intervention. Therefore a good needs analysis or profiling system is necessary to support the provision of YG interventions on the basis of a strong personalised approach, according to individual characteristics, needs, skills or aspirations.

Moreover, many of the surveyed PES claimed that the NEETs have high or unrealistic expectations regarding the type of work they want, which makes their activation within the four months target difficult and affects their employment sustainability.

The experience of some Member States<sup>137</sup> show that a good profiling system includes a holistic approach to identify not only the job seekers' characteristics (in our case young NEETs) and the distance from the labour market, but also their knowledge of the labour market, their job-search behaviour and the jobs they are looking for.<sup>138</sup> Such a tool would also help PES counsellors to discuss the NEETs' unrealistic expectations about the labour market and to match between individual characteristics and aspirations, and the job being sought, or additional skills or capabilities required.

***The need to facilitate labour market integration:*** As resulted from the PES survey, the additional support for NEETs' better integration to the working or training place is limited, and is mainly provided in the training programmes. But, as also stated by the PES, such post-placement support is necessary. Usually young NEETs have no or only short work experience. Therefore, job placements without additional support can undermine the young people's success because they lack the skills, knowledge or self-awareness of how to interact with others and adjust to the workplace. Thus, keeping in touch with young NEETs after placement and post placement support (through mentoring, coaching, guidance on how to overcome problems, short training, different information: e.g. information on child-care facilities) is key to facilitate their smooth and sustainable transition into the labour market.

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<sup>137</sup> EC Mutual Learning Programme for Public Employment Services, DG Employment, Social Affairs and Inclusion - Profiling Systems For Effective Labour Market Integration. Available at: <http://ec.europa.eu/social/BlobServlet?docId=14080&langId=en>

<sup>138</sup> E.g. job content, working conditions, attitude towards different tasks, experiences in relation to previous jobs, fears or concerns, etc.

In particular, quality traineeships, in line with the Quality Framework for Traineeships<sup>139</sup>, and involving a learning component and further support (e.g. mentoring) can be a good opportunity for young people to gain their first work experiences. For youth without sufficient skills to succeed in today's labour market, the goal could be to convince them to return to education or training.

***The need to add a number of more refined indicators to the existing list:***

Throughout this study, references are made to the results of the 2016 Monitoring report, especially with regard to the coverage rate, timely and positive exists and sustainability of outcomes, including the recycling rate. However, it became obvious that neither of these values can be regarded as an accurate barometer of good or bad performance. With regard to the coverage rate, its value critically depends on the share of the unemployed who are engaged in some form of education and training. In the case of Sweden, that share was exceptionally high, with the result that the total number of NEETs was significantly below the total number of unemployed. While Sweden had twice the number of unemployed youth as Austria, they both had the same population of NEETs.

The value of the recycling rate can also be confusing. This is because the rate does not distinguish between the type of offers, and it makes a great difference to policy if the recycling rate refers to those, who received an employment offer, and those who received an offer of education or training. A high incidence of second registrations of former YG participants who successfully completed a short education or training programme in general can be considered a positive development especially if it is in the context of an overall strategy designed to enhance the employability of disadvantaged NEETs. In contrast, a high incidence of second registrations by persons who had received an employment offer must be considered a cause for concern.

***The need to improve some administrative procedures:*** Some administrative procedures (e.g. recruitment procedures, adapting the training plan, organising and implementing the training interventions) cause delays in timely delivery of offers, as acknowledged by some of the PES included in the case studies. Therefore, reviewing these procedures and optimizing the administrative deadlines so that they no longer create difficulties in providing accurate and timely interventions is necessary.

***The need to improve the labour market information:*** In almost all of the case studies the PES mentioned the high or unrealistic NEETs expectations, causing difficulties in timely delivering of offers or affecting the sustainability of outcomes. A need to educate participants on the realities of the labour market and to improve the labour market information (e.g. economic sectors in demand, levels of wages, and possibilities for career developments) via career counselling starting in school, is necessary and was also identified by many of the PES reviewed. There is also a need to ensure that accurate and complete job-details (e.g. tasks and responsibilities, level of wages, working schedule) are consistently provided to young NEETs or displayed on the PES websites.

***The need to improve the PES relationships with employers:*** As revealed by some of the PES surveyed, their contact with employers to promote the YG interventions and to find job vacancies seems to be insufficient. Moreover the employers' involvement in defining and delivering the training interventions and defining the skills needed on the

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<sup>139</sup> Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships, Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1411116781313&uri=CELEX:32014H0327%2801%29>

labour market, seems to be unsatisfactory, while in other cases employers have a 'stereotyped negative attitude' towards potential NEETs employees. All these have a negative impact on the quality and sustainability of YG interventions. Furthermore, employers sometimes include a certain range of responsibilities in their vacancy descriptions that differ from what young people are asked to perform when they are hired. This can create difficulties in NEETs adaptation to the workplace.

It is well known that a low level of cooperation with employers is likely to keep services to jobseekers low and reduce employers' confidence in the public employment service. That is why a more proactive approach to and closer engagement with employers as well as encouraging companies to engage in social responsibility activities would produce positive results for jobseekers, in this case for young NEETs.

**The need to improve the PES image:** In some cases, challenges in improving the YG performance derive from the fact that some of young NEETs have a negative attitude towards the PES or they do not register with the PES. In some other cases, a challenge for the PES is that other private employment services are preferred by employers when recruiting employees. Therefore, improving the PES image towards the public and make them the preferred recruitment channel is necessary.

**The need to improve the PES capacity to monitor and track the YG participants:** Some of the countries reviewed in this study registered a high share of unknowns regarding the situation of those who exited and also their situation six months after exiting from the YG. As a consequence, the PES does not know the outcomes of many of the YG graduates, the YG results may be underestimated and a comparative analysis is not conclusive.

### **Recommendations:**

1. **Creation of a formal national YG coordination committee:** The appropriate national authorities could consider the creation of a formal coordinating committee whose task would be to ensure that all of the relevant stakeholders were engaged in both the identification and the mobilisation of the NEETs Youth Guarantee population. It is recommended that this committee has one entity as the lead coordinator and clear responsibilities for all partners are established.

The purpose of such a committee would be two-fold; firstly to share information about the characteristics of the national NEETs population, and secondly to utilise more efficiently limited specialised resources.

The sharing of databases is not always possible due to legal restrictions. Where possible, a core component of the sharing of information would be providing access to a number of important databases to the institutions tasked with the management of the Youth Guarantee Scheme. These databases at a minimum could include the school enrolment and early school-leavers database from the education authorities and the social insurance database from the revenue authorities. The first database would facilitate the identification of the relevant NEETs population; the combination of the first and second databases would facilitate the tracking of those who exited the YG at least in so far as their destination included either employment or education and training.

There are limited specialised resources available (e.g. occupational guidance specialists, youth coaches) to the public authorities and these resources could be utilised more effectively. One of the tasks of the national coordination committee could involve exploring ways of making these resources available to disadvantaged NEETs.

As resources are scarce and information is often protected, in reality it may be necessary for such national committees to be given the formal authority to issue directions to relevant public authorities regarding the sharing of both resources and information.

2. **Possible adaptation of the structure, resources and offers of the Youth Guarantee in recognition that 'one size does not fit all':** The Commission could consider introducing some flexibility into the structure of the Youth Guarantee specifically for disadvantaged NEETs. For example, consideration could be given to extending the duration of the four months period. Based on the responses from the questionnaires, such an extension could be particularly useful in respect of disadvantaged YG participants in assisting them to achieve positive outcomes.

Consideration could also be given to subsidising activities where there is empirical evidence that it results in more extensive engagement by disadvantaged NEETs. Two examples emerged from the questionnaire respondents and the quantitative analyses of where subsidisation was likely to have such a positive impact; child-minding facilities and the subsidising of rural transport.

Also, in the case of most disadvantaged or vulnerable NEETs, better or more intensive support is necessary. This can be done via training combined with work experiences, low threshold offers, post-placement support, assistance in how to overcome problems, etc.

Moreover, flexible offers are one of the key success factors in ensuring effectiveness and efficiency of YG interventions, as outlined by many of the reviewed PES. Measures and offers should ideally be designed with enough flexibility to cater for the different needs of specific sub-groups of NEETs or should be specifically targeted at particular sub-groups. In the case of training, more flexible programme features (e.g. low-threshold enrolment, frequent starting dates for courses, part-time or evening courses) could be considered by PES. PES could also try to better attract flexible job vacancies (part-time, distance or online working, with flexible schedules) to their register. This would enable the PES to have a larger spectrum of types of offers to provide to young people. However, good profiling systems are needed to provide the right offer to the young person.

3. **Interaction between different actors with a holistic approach towards the young NEETs:** Reflecting the emphasis on joined-up action, some of the PES stressed that the "multi-competent or multi-disciplinary teams" formed by the PES and other specialists such as psychologists and social workers had been very successful in activation and motivation of NEETs. Some countries have also successfully piloted one-stop shops with different services to young people.

Therefore, networking with municipalities, local community services, health and care institutions and organisations, employers and civil society, which allow for holistic solutions to support NEETs in their integration to the training or labour market, could be extended. Establishing co-operation with the police could prevent youth at risk getting into crime. One-stop shops could be introduced into other regions.

4. **Pro-active outreach including via face-to-face contact and social media:** It was notable from the responses to the questionnaire that some of the PES who recently developed social media as an instrument for disseminating information on the Youth Guarantee reported that this media channel had been used extensively by young people. However, to enhance the coverage rate, it is recommended that the social media also include if at all possible examples of disadvantaged young people who benefited in a tangible way (e.g. found employment; enhanced their skills and qualifications) from their participation in the Youth Guarantee. Research shows that real 'peer' examples of achievement can have a very positive impact.

Proactive outreach work can also be done via: street workers, specially trained mediators who work with a specific target group; mobile PES and other partner services to reach young people especially from rural or remote areas; gang advisers<sup>140</sup>; one-stop services<sup>141</sup>; other face-to-face methods.<sup>142</sup> Since these young people often have complex problems, outreach work or easy accessible low threshold alternatives could be organised in co-operation with other stakeholders.

Moreover, a strategic approach to outreach, on the basis of a clear mapping, tracking, partnership and coordinated activities is necessary. Mapping of NEETs in the country to get a clear picture of who the NEETs are at macro level, can enable a better understanding of their characteristics and where they are located, which would allow for more targeted support measures at micro level. Furthermore, partnerships should bring together all the institutions, and authorities that are involved in young people's life as well as NGOs and/or youth organisations that have in-depth knowledge and specialist skills to work with young NEETs.

5. **Early career-guidance:** The need to educate the YG participants on the realities of the labour market via career counselling starting in school was identified by many of the PES reviewed. PES are aware of the changing nature of work so they could use their awareness more proactively – particularly in terms of enhancing cooperation and partnerships with the education institutions in providing early career guidance. PES and its partners should jointly agree on the key outcomes of related services and how each partner can contribute to the common goal, how available infrastructure and resources are used. But, young people can vary in their development of career awareness and knowledge. Therefore, particular emphasis should be placed on career guidance based on pre-identified needs. In this way, specific programs or packages of career guidance support could be tailored accordingly – i.e. general or basic (light) services, more intensive guidance for those young people who need greater support.

6. **Better understanding of the Youth Guarantee's effectiveness via new additional refined indicators and tracking systems:** The data and indicators available now have limited capacity to make a fair judgment about the relative performance of Youth Guarantee schemes, especially regarding their ability to sustainably integrate young people into the labour market. Therefore, a short study could be commissioned to identify quantitative indicators, which could be added to the existing monitoring framework. Such indicators could in particular help to better monitor the situation of different sub-groups of the NEETs population after exiting the Youth Guarantee. To this end, Member States could also put in place systems that track young NEETs, by linking databases of the relevant authorities to provide comprehensive information on where an individual is at given points after having been supported by the Youth Guarantee. Such tracking systems could also shed light on the types of offers that work best in supporting the long-term integration of young people into the labour market.

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<sup>140</sup> To tackle gangs and gang violence.

<sup>141</sup> The range of support needs is addressed through the PES and other partners support.

<sup>142</sup> European Commission (2018), 'Effective outreach to NEETs: Experience from the ground'. Available at: <https://publications.europa.eu/en/publication-detail/-/publication/ce7e7e0d-c5ec-11e8-9424-01aa75ed71a1/language-en>

## Annex

**Table 1. Types of PES services in the Youth Guarantee scheme**

PES/ Type of services	Registration of young people in YG scheme		Career guidance		Career guidance for young people who are still in school		Specialised career guidance for young people with disabilities		Skills assessment or validation of prior learning		Face-to-face employment counselling		Presence on social media (Facebook, Twitter, LinkedIn, etc.)		Provision of automated matching tools		Preselection of young candidates for employers		Individual action planning		Working with schools to re-integrate young people in education	
	in place	provided as e-service	in place	provided as e-service	in place	provided as e-service	in place	provided as e-service	in place	provided as e-service	in place	provided as e-service	in place	provided as e-service	in place	provided as e-service	in place	provided as e-service	in place	provided as e-service	in place	provided as e-service
AT	√		√		√		√		√		√				√	√	√		√			
BG	√		√		√						√		√		√		√		√		√	
HU	√	√	√		√						√		√	√	√		√		√		√	
LT	√	√	√		√				√		√		√	√	√	√	√	√	√	√	√	
PT	√	√	√	√			√		√		√						√	√	√	√		
SE	√	√	√	√			√		√	√	√		√	√	√	√			√		√	

Source: European Commission (2017), Report on PES Implementation of the Youth Guarantee.

**Table 2. Types of ALMPs provided by PES in the Youth Guarantee scheme**

PES/type of ALMPs*	Training (e.g. work experience, work trials, institutional, workplace, alternate training and special support for apprenticeship)		Employment incentives (e.g. recruitment, employment maintenance incentives, mobility/relocation allowance, job rotation, job sharing)		Sheltered and supported employment and rehabilitation		Direct job creation		Start-up incentives (e.g. promotion of entrepreneurship through business advice/training, cash benefits/loans, provision of facilities, etc.)	
	in place	e-service	in place	e-service	in place	e-service	in place	e-service	in place	e-service
AT	√	√	√	√					√	
BG	√		√		√		√		√	
HU	√		√						√	
LT	√		√	√			√		√	
PT	√	√	√	√					√	
SE	√		√		√				√	

\*E-services for ALMPs include mostly provision of information.

Source: European Commission (2017), Report on PES Implementation of the Youth Guarantee.

**Table 3. Types of outreach tools used in the Youth Guarantee scheme and the most effective outreach tools**

PES	Proactive work with schools, including early warning systems (EWS)	Cooperation with NGOs, youth organisations	Employing or working with designated youth outreach workers	Providing new points of YG entry: Internet and social media services	Single point services / one-stop-shops	Mobile PES services	Awareness raising events or campaigns	Tracking of NEETs by sharing specific data and information with other institutions/ services (including social benefits services)	Follow-up on young people who drop out from activation schemes/ no longer access benefits	Radio and social network
AT*	✓		✓		✓					
BG	✓	✓	✓	✓	✓	✓	✓	✓	✓	
HU	✓	✓	✓	✓			✓		✓	
LT*	✓	✓	✓	✓	✓	✓	✓		✓	✓
PT		✓		✓			✓			
SE*	✓									

✓ - the ones in red colour are the most effective outreach tools as suggested by PES.

AT\* - no outreach responsibilities, but the most effective in the opinion of PES.

LT\* - in Youth Initiative Project 'Discover Yourself'.

SE\* - no outreach responsibilities, this is a municipality task, but PES cooperates with schools.

Source: European Commission (2017), Report on PES Implementation of the Youth Guarantee; PES survey for the current report, September 2018.

**Table 4. Number and structure of NEETs, 2016**

GEO/Indicators	Number of NEETs 15-24 (thousand)	Share of inactive (%)	Share of unemployed (%)	Share of lowest educated (ISCED 0-2) (%)	Share of lowest educated (ISCED 0-2) covered (%)
EU 28	6258,00				
AT	76,00	49,00	51,00	45,00	44
BG	123,00	79,00	19,00	53,00	48
HU	118,00	65,00	35,00	54,00	44
LT	33,00	55,00	45,00	25,00	25
PT	116,00	39,00	61,00	45,00	44
SE	76,00	57,00	43,00	40,00	35

Source: Eurostat and data provided in the PES survey for the current small-scale study, September 2018.

\* Number of NEETs covered- Please note that these are the figures provided by the PES in the Questionnaires.

**Table 5. Main YG monitoring indicators, 2016**

GEO/ Indicators	Number of NEETs 15-24 (thousand people)	Share of NEETs (15-24) in total NEETs (15-24) at EU level (%)	NEETs rates 15-24 (%)	Coverage rates 15-24 (%)	Proportion of NEETs 15-24 in YG preparatory phase beyond the 4 months target (%)	Timely and positive exits 15-24 (%)	Young people (15-24) known to be in a positive situation 6 months after exit from the YG (%)	Recycling rates , 15-24 (%)
EU 28	6258	100	11.5	42.4 (av.*)	49.1 (av.)	44.5 (av.)	46.2 (agg.**)	36.0 (av.)
AT	76	12.1	7.7	82.9	33.7	50.6	63.7	73.9
BG	123	19.7	18.2	11.9	44.3	40.5	28.6	6.4
HU	118	18.9	11.0	6.2	38.3	85.4	45.2	9.7
LT	33	5.3	9.4	35.2	33.9	45.6	48.7	42.4
PT	116	18.5	10.6	59.1	54.8	40.6	56.7	42.1
SE	76	12.1	6.5	49.1	44.7	43	53.6	44.4

Source: Extraction from the European Commission, 2016 Database – Monitoring of Youth Guarantee scheme.

\* av.- average

\*\* agg.- aggregate

**Table 6. Timely exits by destination, 2016 (% of timely exits)**

Geo/Destination	Positive	Negative	Unknown
EU 28 av.	72.4	5.4	22.2
AT	68.3	0.0	31.7
BG	69.5	18.6	11.9
HU	96.4	1.3	2.3
LT	62.3	0.5	37.1
PT	66.7	3.2	30.1
SE	66.4	9.2	24.5

Source: Extraction from the European Commission, 2016 Database – Monitoring of Youth Guarantee schemes.

**Table 7. Sub-groups of NEETs most difficult to activate/motivate within four months**

PES/sub-groups of NEETs	Disengaged young persons <sup>143</sup>		Unemployed young people		Unavailable young persons specifically due to family or care responsibilities		Unavailable young persons specifically due to disabilities or illness problems		Persons of ethnic minority background <sup>144</sup>		Recent immigrants/asylum seekers		Young people facing poverty and social exclusion		LTU		Low educational attainment/low skilled young people		Young parents	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
AT																				
BG							√	√	√	√			√	√						
HU	√	√			√	√			√	√			√	√						
LT	√			√		√	√	√			√		√	√						√
PT	√	√			√	√					√	√	√	√	√	√	√	√		
SE																				

Source: PES survey for the current report, September 2018.

<sup>143</sup> Disengaged young persons are persons who 'are not seeking a job and who are not in education or training and who do not have obligations stopping them from working or participating in education or training'- Eurofound 2016, 'Exploring the diversity of NEETs' - <https://www.eurofound.europa.eu/publications/report/2016/labour-market-social-policies/exploring-the-diversity-of-neets>

<sup>144</sup> This refers to an ethnic background different from the ethnic background of the majority of citizens

**Table 8. Situation of young people (aged 15-24) 6 months after exit from the YG, 2016 (% exits)**

Geo/ Situation	Positive	Negative	Unknown
EU 28 av.	48.5	14.5	37.0
EU agg.	46.2	17.7	36.1
AT	63.7	16.3	19.9
BG	28.6	0.2	71.2
HU	45.2	19.7	35.1
LT	48.7	10.5	40.8
PT	56.7	8.7	34.6
SE	53.6	22.7	23.7

Source: Extractions from the European Commission, 2016 Database – Monitoring of Youth Guarantee schemes.

**Table 9. Type of additional support provided to NEETs for better integration to the working/training place**

Type of support /PES	AT*	BG	HU	LT	PT	SE*
Mentoring support		√	√	√	√*	
Guidance on how to overcome problems				√		
Support by psychologists or social workers				√	√**	
'How-to-learn' short training						
Information on child-care facilities						
Other type of support ( <i>Please specify adding the lines as necessary</i> )						
Online guidance and counselling				√		

Source: PES survey for the current small-scale study, September 2018.

PT\* PES does a regular follow-up in all ALMP which includes some mentoring support. Besides that, 'traineeship measure' (Estágios Profissionais) provides a mentor who follows the process of integration of NEETs in the working place.

PT\*\* In what concern to training measures and apprenticeship.

AT\*- no additional support provided.

SE\*- no additional support provided.

**Table 10. Recycling rates, 2016 (% of entrants)**

Geo	With YG experience	No previous YG experience	Unknown	Previous YG with offer	Previous YG without offer	Previous YG offer unknown
EU 28 av.	36,0%	60,4%	1,2%	22,8%	14,7%	3,9%
EU28	34,1%	35,6%	30,2%	13,7%	6,4%	14,1%
AT	73,9%	26,1%	0,0%	44,6%	29,3%	0,0%
BG	6,4%	85,0%	8,7%	5,7%	0,7%	0,0%
HU	9,7%	90,3%	0,0%	8,6%	1,1%	0,0%
LT	42,4%	57,6%	0,0%	23,3%	19,1%	0,0%
PT	42,1%	57,9%	0,0%	21,6%	20,5%	0,0%
SE	44,4%	55,6%	0,0%	6,5%	37,9%	0,0%

Source: Extractions from the European Commission, 2016 Database – Monitoring of the Youth Guarantee scheme.

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