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EXECUTIVE SUMMARY OF THE EVALUATION

Executive summary of the evaluation of the ESF and YEI support to youth employment

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EXECUTIVE SUMMARY

This aim of this document is to present the main findings and lessons drawn from the evaluation of the support for youth employment provided by the European Social Fund (ESF) and the Youth Employment Initiative (YEI) from 2014 to the end of December 2018. The document is based on the results of an external evaluation completed in spring 2020.

BACKGROUND

In response to the damaging effects of the economic downturn of the late 2000s on young people and the high levels of youth unemployment, on April 2013 the Council adopted a recommendation establishing a Youth Guarantee. The aim was to ensure that all young people under 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within 4 months of becoming unemployed or leaving formal education.

The ESF 2014-2020 contains an investment priority that directly targets support for integrating young people into the labour market. Member States invested ESF resources to fund both the direct provision of support under the Youth Guarantee and to pursue relevant policy reforms.

The YEI, adopted by the Council in February 2013, provided additional EU funds to complement funding available under the ESF. The aim of YEI funding was to support the offers set out in the Youth Guarantee for young people not in employment, education and training. It targeted regions where youth unemployment was over 25% in 2012. The Initiative was integrated into the legal framework setting out rules governing the programming and implementation of the ESF for 2014-2020. It has been programmed in ESF-supported programmes as a dedicated resource.

SIGNIFICANT RESOURCES MOBILISED TO BOOST YOUTH EMPLOYMENT

An estimated EUR 22 billion is being invested in youth employment schemes over the current programming period (2014-2020), with a 18% share of ESF funding coming from national co-financing. Due to a slow initial set-up of operations, limited capacity in the managing authorities and beneficiaries and problems in reaching out to target groups, the implementation rates at the end of 2018 (as a share of the funding committed) were lower than initially planned: 52% for YEI and 27% for ESF youth operations. However, since then, implementation levels are on track for both funds, with a higher rate for YEI funds.

KEY ACHIEVEMENTS: LARGE NUMBER OF YOUNG PEOPLE REACHED

By the end of 2018, there had been about 3.8 million participations¹ under youth employment support (up to 29 years), representing 15% of all ESF participations and 60% of the target. Women made up 52% of all participations and 70% were under 25 years old.

Some 1.4 million participations resulted in employment immediately after participation, with further positive results including employment-focused education and training and self-employment. The evaluation indicates that the level of employment of participants tended to increase over the medium to long term, meaning that the operations improved the overall employability of participants.

MAIN FINDINGS

Effectiveness. The evaluation found that youth employment operations and use of the Youth Guarantee had supported ‘the sustainable integration into the labour market of young people not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities’. Overall, youth employment operations have had a positive impact in terms of integrating young people into the labour market, although in different ways and to different extents.

Operations were most effective in targeting and supporting young people not in employment, education or training, rather than those who are economically inactive. Operations that best help participants improve their employability are typically linked to work experience or vocational skills with a direct link to employers (e.g. paid traineeships, apprenticeships and internships, vocational education and training, basic skills training for the low-skilled). Operations tailored to individual needs tend to be more effective, especially for more disadvantaged groups and those furthest away from the labour market.

Efficiency. The average unit cost per participation is broadly in line with established benchmarks and appropriate to the operations implemented, with significant variations between Member States. There are no significant cost variations between YEI and ESF youth operations. The type of operation (its content, duration, the degree of personalised/tailored provision) is the main determinant of costs.

In this vein, vocational education and training combined with work experience has proven to be cost-effective despite its high cost. By contrast, the low cost of delivering general guidance that is not tailored to individual needs does not compensate for the low effectiveness of this type of support.

¹ This number denotes the number of participations in all operations. This is not the same as individual participants since an individual can participate in several operations over the programming period.

The evaluation confirmed that the organisational set-up of most operations is fit for purpose. Excessive national requirements — ‘gold plating’ — were rare. For example, these cases stemmed from national structures (such as the initial incompatibility of national databases for assessing the eligibility of young people for YEI/ESF support). Bringing in simplified cost options helped to reduce the administrative burden after initial delays and once capacity issues were tackled.

Coherence. The evaluation found the YEI and other ESF-funded youth operations to be coherent across the programmes, notably due to the way they were designed and programmed. It is also clear how they differ from other EU funds or national programmes. In addition, in some countries and regions, partnerships are set up to coordinate youth employment operations across EU and national programmes. No other EU programme targeting young people has the clear employment focus or the extensiveness of YEI or ESF youth employment operations.

Relevance. Overall, the funds targeted the groups most in need of youth employment operations and were in line with national, regional and local employment strategies. During the period of analysis, the composition of the group of young people not in employment, education or training changed, with an increase in the proportion of inactive young people. This reflected parallel changes to the socio-economic context in the Member States. As a response, innovative approaches were taken to identify and recruit participants from hard-to-reach groups, such as increasing the use of social media. The operations also demonstrated significant flexibility in terms of their content, which, together with the adjusted outreach, had a positive impact on effectiveness.

Sustainability. Participants in YEI/ESF youth operations improved their employment results over time, 6 months or more after participating in the schemes. In addition, the macroeconomic analysis suggests that over time, the operations had positive impacts (on GDP and indirect employment). There is evidence that the innovative measures brought in under the YEI and ESF youth operations are being brought into the mainstream of national programmes.

Added value. Overall, EU support has provided clear added value as it has increased the volume of youth employment operations and the number and range of young people receiving support. The specific focus on youth employment has raised and maintained the profile of youth employment issues across the EU. Particularly helpful in this regard has been the emphasis on the needs and problems of young people not in employment, education or training (and not just the unemployed), with a greater focus on the disadvantaged and the upper end of the age bracket (from 25 to 30 years old). Moreover, many youth employment operations would not have been funded without EU support.

Even though the aim of the YEI initiative was not to change systems, EU funds have helped to support delivery capacity, structural changes and the institutional capacity to respond to the specific needs of the target population through innovative approaches, such as early interventions with young people leaving school with limited skills.

YEI operations appear to have had a positive impact on employment results. Aggregate monitoring data for the Youth Guarantee and YEI covering 2014-2018 indicate that one in six (16%) participating young people aged 15-29 who received a Youth Guarantee offer (of employment, education, an apprenticeship or a traineeship) was supported by the YEI.

LESSONS LEARNT

The evaluation also yielded a number of conclusions on aspects where there are lessons to be learnt. These conclusions can feed into the work to implement the ESF Plus for 2021-2027.

The very precise definition of the target population, in particular for YEI operations, led both to opportunities and challenges. Focusing the support on the population of young people not in employment, education or training has had a number of positive outcomes in terms of public employment systems and the actual assistance provided. Identifying and recruiting young people not in employment, education or training to youth employment operations requires taking a range of innovative approaches, especially as the proportion of economically inactive people rises. Individuals furthest away from the labour market benefit most from tailored and intensive guidance and support. Many of these young people need to participate in a series of interventions to make the transition from inactivity to work or education.

Measuring the effectiveness of youth employment operations can be further improved by reporting results more often and by also tracking soft outcomes. The visibility of EU funding can be improved by increasing the use of social media and forging stronger partnerships with schools, community organisations and front-line services.

The efficiency of the schemes could be further improved by building additional capacity in programme authorities and social partners. The stakeholders involved in youth employment policies emphasised the importance of cooperation at local and regional level, both to identify young people not in employment, education or training and to implement programmes efficiently.