Who are the unemployed youth?

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Motivation

- Misinterpretation of youth unemployment rate
- In public discussion, and also in expert level debate, youth unemployment is equalized with marginalization
- What are we predicting, when we use unemployment as an dependent variable?

Nuorisotyöttömyyden aikapommi tikittää jo

Nuorisotyöttömyys on nousut hälyttävän korkealle tasolle Euroopassa. Espanjan ja Kreikan nuorista työttömänä on yli puolet, muuallakin luvut aiheuttavat päänsärkyä. Nuorten työttömien joukot ovat kuin aikapommi, joka voi räjähtää milloin tahansa. Jos pommi räjähtää, mitkä ovat seuraukset?
Data


- International (ILO, EU, OECD) definitions of employed and unemployed → international comparison
  
  * **Employed**: has done paid work at least for one hour during the reference week or has temporarily been absent from work (may also be a student)

  * **Unemployed**: has no job, has been searching for a job and could start working (may also be a student)

- Strength of a survey data: the youth can be asked how they themselves what do they consider as their main status
Unemployment rate refers to the share of unemployed from the labour force, not from all youth

- Labour force = employed + unemployed = less than 50% of 15-24 year olds in EU27 (2011)

Spain (2011):
- youth (-24) unemployment rate: 46.4%
- youth unemployment ratio: 19%
In Nordic countries over 50% of the young unemployed are students.
Students’ unemployment is temporary
(Finland, 2011)
The length of unemployment differs between countries (2011)
The unemployment rate **does not** measure youth marginalization!

- Reflects only the situation of those in labour force – excludes the inactive population (=57%, EU27)
- Does not differentiate on whether the unemployed person is also a student
- In some countries includes mainly people who are unemployed for only very short time
NEET (Not in employment, education or training)

Students and other youth (15-24) according to the official labour market status in Finland, 2011

NEETs main status according to the youth own opinion (Finland, 2011)

- Employed: 59%
- Unemployed: 14%
- Student: 7%
- Disabled or unfit for work: 17%
- Domestic tasks: 2%
- Other: 1%

Liisa Larja, 22.3.2013
Effect of COURATT on NEET rates

Not in employment, education, but yes in training

NEET (% of all youth)
Where is youth unemployment “most severe”? 

- Unemployment rate (% of labour force)
- NEET-rate (% of all youth)
- NEETs, who define themselves as unemployed (% of all youth)
The effect of economic crisis on youth unemployment

- Unemployment rate (% of labour force) EU27
- NEET-rate (% of all youth) EU27
- NEETs, who define themselves as unemployed (% of all youth) EU27

Graph showing the increase in unemployment rates and NEET rates from 2007 to 2011.