Short-term labour market outlook and key challenges in G20 countries

Statistical update for the Meeting of G20 Labour and Employment Ministers

Moscow, 18–19 July 2013

Prepared by the ILO and the OECD

INTERNATIONAL LABOUR OFFICE, GENEVA
ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, PARIS
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Executive overview

The employment challenges across G20 countries remain deep…

The latest available forecasts from the IMF and the OECD point to a weak uptick in economic activity in 2013 and 2014. This will continue to hold back short-term employment growth and hinder progress towards the medium-term objective of restoring the employment to working-age population ratio prevailing before the crisis.

Persistently high and mainly cyclical unemployment in several G20 countries is heightening the risks of labour market exclusion and structural unemployment. In over half of countries, the share of long-term unemployment in total unemployment remains above its pre-crisis level. Overall slower economic growth in emerging economies in the last 12 months is weighing on the growth of rewarding and productive formal employment and on the pace of decline in working poverty and underemployment.

The situation calls for strong and well-designed employment, labour and social protection policies applied in conjunction with supportive macroeconomic policy mixes to address the underlying demand and supply conditions of each economy.

Only a few emerging and advanced countries, applying different policy mixes, have sustained or raised employment levels and seen a decline in unemployment and underemployment. In a majority of G20 countries labour market conditions have either improved only marginally or not improved and deteriorated, at times significantly so. This bears heavily on the underlying strength of the recovery.

… especially for youth…

Youth unemployment rates remain at high levels in many G20 countries. In all of them, except Germany and Japan, the youth unemployment rate is more than twice as high as that for adults. Moreover, a substantial proportion of youth in G20 countries are neither in employment nor in education or training.

… combined with lasting changes in the sectoral distribution of employment…

Weak aggregate employment growth hides considerable churning in the labour market, with significant changes taking place in the sectoral composition of employment. Many manufacturing and construction jobs have been lost in advanced countries whereas construction is the leading job-creating sector in some of the emerging economies. The new jobs being created and the skills required do not always match those that have been lost.

… and rapid demographic change…

Demographic change in the next decades will bear heavily on all countries, with a notable decline in the rate of growth of the economically active population except in few countries.

… is fuelling divergent trends in the quality of employment

In emerging economies, several indicators, from rising real wages to declining poverty rates and coverage of social protection, point to a rising trend in the quality of employment, albeit from a low base. Nevertheless, high levels of informal employment remain a major concern. In advanced economies, some of the indicators of job quality have moved in the opposite direction. The G20 objective of enhancing quality employment growth remains as relevant as ever.

Introduction

This note provides an update on recent trends in the labour markets of G20 countries and key challenges based on the latest data available. It is intended to inform the meeting of G20 Labour and Employment Ministers and the Joint Meeting of Finance and Labour Ministers convened in Moscow on 18–19 July 2013 under the Russian Presidency of the G20.

1. Recent labour market developments

In many countries, economic growth has been insufficient to make a serious dent in high rates of unemployment and underemployment

In the last 12 months somewhat stronger economic growth than in 2011 was recorded in Japan and the United States while the Eurozone fell back into recession and growth slowed in many of the G20 emerging economies.

Table 1. Recent labour market changes

Year-on-year change

		Unemployment rate		Labour force participation rate		Total employment		Total unemployment		Economically active population	
	Latest values[1]	Latest	%-points change	Latest	%-points change	Latest (000s)	% change	Latest (000s)	% change	Latest (000s)	% change
Argentina*	2012 Q4	6.9	0.1	60.5	0.1	10,937	1.1	806	3.0	11,743	1.2
Australia	April 2013	5.5	0.6	65.3	0.2	11,663	1.4	685	14.0	12,349	2.1
Brazil*	April 2013	5.8	–0.3	61.7	–0.4	22,882	0.9	1,404	–3.6	24,286	0.6
Canada	May 2013	7.1	–0.2	66.7	–0.1	17,749	1.4	1,348	–2.4	19,097	1.2
European Union	April 2013/2012 Q4	11.0	0.7	57.8	0.2	215,953	–0.5	25,792	8.5	241,746	0.4
France	April 2013/2012 Q4	11.0	0.9	56.9	0.4	25,855	0.3	2,945	10.0	28,800	1.2
Germany	April 2013/2012 Q4	5.4	–0.1	60.0	–0.1	40,067	0.3	2,335	–2.6	42,402	0.1
Indonesia	2013 Q1	5.9	–0.4	69.2	–0.5	114,021	1.1	7,171	–5.8	121,192	0.6
Italy	April 2013/2012 Q4	12.0	1.4	49.4	0.7	22,822	–0.6	2,876	24.4	25,698	1.7
Japan	April 2013	4.1	–0.4	59.3	0.2	63,010	0.6	2,710	–7.8	65,680	0.2
Korea, Republic of	April 2013	3.1	–0.3	61.3	–0.2	24,973	1.4	792	–7.8	25,765	1.1
Mexico	April 2013/2013 Q1	5.2	0.2	59.9	–0.3	47,942	1.4	2,533	1.7	50,475	1.4
Russian Federation	March 2013/ December 2012	5.7	–0.8	68.4	0.2	70,967	1.7	4,252	–12.8	75,219	0.7
South Africa	2013 Q1	25.2	0.0	54.9	0.3	13,744	2.2	4,589	2.4	18,333	2.3
Spain	April 2013/2013 Q1	26.8	2.4	59.0	–0.3	16,762	–4.5	6,010	9.9	22,773	–1.1
Turkey	February 2013/ 2012 Q4	8.3	0.1	50.4	1.1	25,422	4.2	2,316	6.9	27,737	4.4
United Kingdom	February 2013/ 2012 Q4	7.7	–0.5	62.9	0.4	29,665	2.1	2,466	–6.0	32,131	1.4
United States	May 2013	7.6	–0.6	63.4	–0.4	143,898	1.1	11,760	–7.4	155,658	0.4
China[2]	2011	4.1	0.0	69.8	–0.3	764,200	0.4	21,590	–5.4	785,790	0.2
India[3]	December 2011/ October 2009	4.6	0.5	55.6	0.4	–	–	–	–	–	–
Saudi Arabia	2013 Q1	5.8	0.1	54.1	1.0	10,390	4.6	608	–0.2	10,998	4.3

* Selected urban areas.

[1] For France, Germany, Italy, Spain, Turkey and the United Kingdom, unemployment rates refer to the harmonized unemployment data (Eurostat estimation based on labour force survey and registered unemployment figures) from the Short-term Indicators published by Eurostat and available on a monthly basis, while the other indicators are based on the European Union Labour Force Survey (EULFS) and are available only on a quarterly basis. For Mexico, the unemployment rate *(Tasa de desocupación, serie unificada)* is based on the monthly results of the ENOE *(Encuesta National de Ocupación y Empleo)*, while the other indicators are based on the quarterly results of the ENOE. For the Russian Federation, the labour force participation rate refers to 2012 Q4.

[2] Unemployment data refer to registered unemployment in urban areas only. The labour force particpation rate is an estimate based on the Statistical Yearbook 2012 (Economically active population and population aged 15 and over).

[3] Estimated persons/person-days (in millions) based on the current weekly activity status. The labour force participation rate and the unemployment rate refer to the annual average change between 2009–10 and 2011–12.

Note: All indicators refer to persons aged 15/16 and over except for the Russian Federation (aged 15–72) and South Africa (aged 15–64).

Sources: ILO Short-term Indicators of the Labour Market Database; OECD Main Economic Indicators Database and national labour force surveys. Cut-off date: 11 June 2013.

In the absence of widespread and sustained economic growth, unemployment remains at an unacceptably high level in many G20 countries (table 1). The unemployment rate exceeds 7 per cent in eight countries and is above 25 per cent in Spain and South Africa. In contrast, it is below 5 per cent in only four countries (China, India, Japan and the Republic of Korea). Over the year to the first quarter of 2013, the unemployment rate rose further in a number of countries where it was already high, notably in the European Union overall, and in France, Italy and Spain in particular. However, significant declines of at least half a percentage point in the unemployment rate occurred in the Russian Federation, the United Kingdom and the United States.

More generally, labour force participation rates have dropped in nine countries and increased in 11 others. The median labour force participation rate stands at 60 per cent, ranging from a low of 49.4 per cent in Italy to a high of 69.8 per cent in China.

Economic output and employment are expanding at different rates

Economic growth has led to strikingly different employment outcomes depending on countries (figure 1). Brazil, South Africa and Turkey have had broadly similar GDP growth rates since the last quarter of 2007, yet their employment outcomes have been very different. Argentina, Canada, Germany and the Republic of Korea share similar employment outcomes, yet this has been achieved with very different levels of economic growth. In both China and India the rate of employment generation has been low, in spite of very different rates of growth. These contrasting results stem from different policy mixes and structural features.

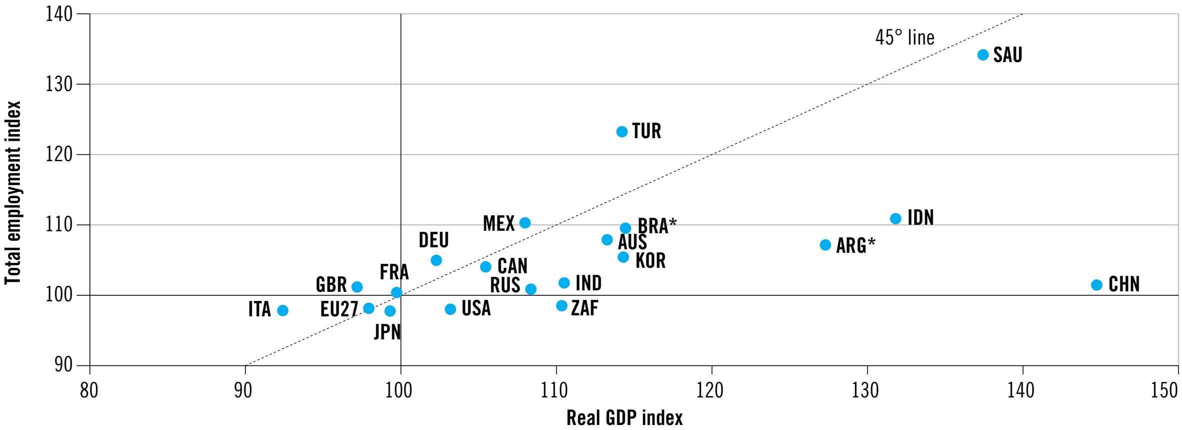
Boosting employment and tackling high unemployment remain priorities

In a number of countries, the impact of the crisis on the labour market has been long-lasting. In 13 G20 countries, employment to working-age population ratios are below their corresponding pre-crisis levels – by more than 4 percentage points in the United States and 10 percentage points in Spain (figure 2, panel A). Weak or negative employment growth has meant that the unemployment rate remains above its pre-crisis levels in 13 countries (figure 2, panel B). In early 2013, it was almost 18 percentage points higher in Spain, whereas it was lower by 3 percentage points or more in Brazil, Indonesia and Germany.

The ratio of the employment rate for women over the rate for men has changed little since the start of the crisis, reflecting a relatively gender-neutral impact of the crisis on job loss (figure 2, panel C). However, this ratio did rise in Spain and Turkey.

In half of the G20 countries, unemployment rates are higher for women than for men and substantially so in Argentina, Brazil, India and Saudi Arabia. This gap has declined since the start of the crisis in more than half of the G20 countries, most notably in Italy and Spain, but it has risen substantially in India and Saudi Arabia.

Figure 1. Real GDP growth and total employment
Base 100 in 2007 Q4, latest available data

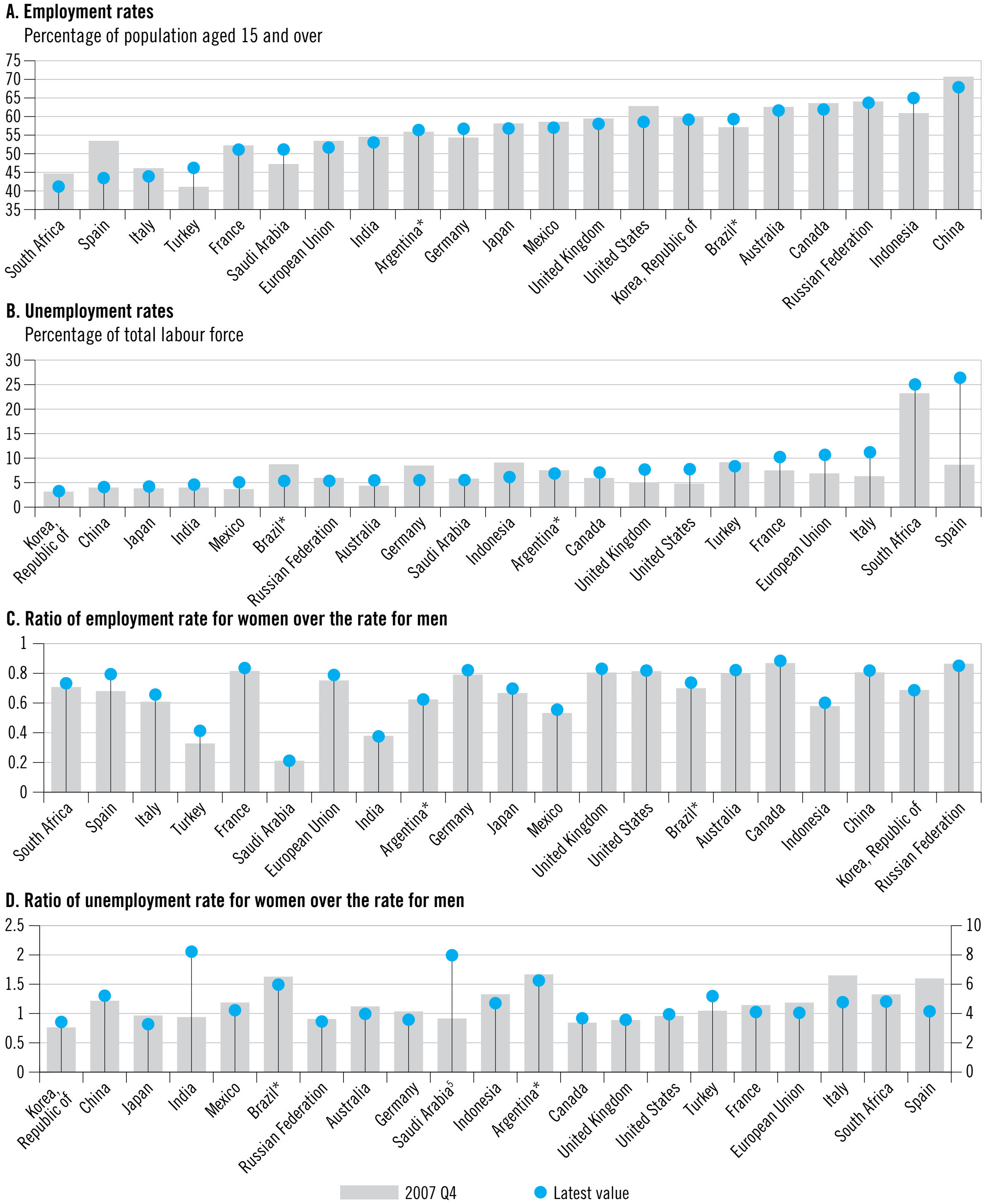


* Selected urban areas for Argentina and Brazil.

Sources: ILO Short-Term Indicators Database, OECD Main Economic Indicators Database and national labour force surveys.

Figure 2. Labour market outcomes during the past five years

Persons aged 15 years old and over,[1] 2007 Q4[2] and latest values,[3] seasonally adjusted data[4]



Countries shown in ascending order of the employment rate in panels A and C, and in ascending order of the unemployment rate in panels B and D.

* Selected urban areas.

[1] 15–64 for South Africa, 15–72 for the Russian Federation and 16 and over for China (panels C and D), Spain and the United States.

[2] 2007 (2005 by gender) for China; 2007–08 for India; 2007 Q3 for Indonesia; and 2008 Q1 for South Africa.

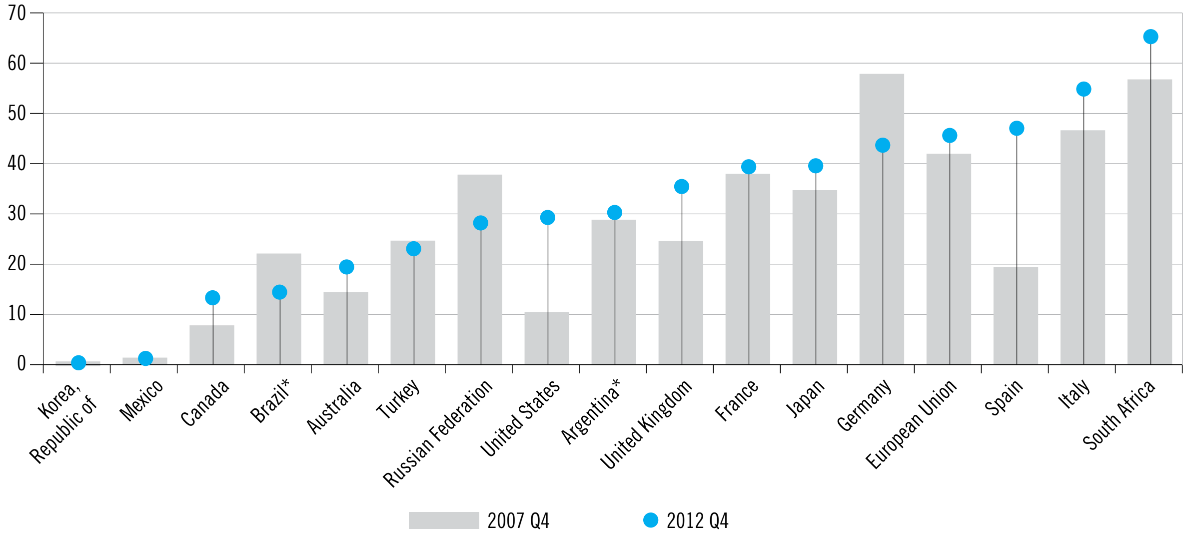
[3] 2011 (2010 by gender) for China; 2011/12 for India; 2012 Q4 for Argentina, Brazil, the European Union, France, Germany, Italy, Mexico, the Russian Federation, Saudi Arabia, Turkey and the United Kingdom; 2013 Q1 (2012 Q3 by gender) for Indonesia; 2013 Q1 for Australia, Canada, Japan, the Republic of Korea, South Africa, Spain and the United States.

[4] Not seasonally adjusted data for Argentina, Brazil (data by gender), Indonesia, the Russian Federation and Saudi Arabia.

[5] Right-hand scale.

Sources: ILO Short-Term Indicators Database, OECD Main Economic Indicators Database and national labour force surveys.

Figure 3. Evolution of the incidence of long-term unemployment[1] in G20 countries
Percentage of total unemployment, 2007 Q4–2012 Q4[2]



Countries shown in ascending order of the proportion of the incidence of long-term unemployment in 2012 Q4.
* Selected urban areas.
[1] Persons unemployed for 12 months or more.
[2] 2007–12 for the Republic of Korea (annual data); 2007 Q3–2012 Q3 for the Russian Federation; and 2008 Q1–2013 Q1 for South Africa.
Sources: OECD estimates based on various national surveys and ILO Statistics, Short-Term Indicators Database.

The share of long-term unemployment is rising

With unemployment stuck at persistently high levels in some countries, the incidence of long-term unemployment has increased (figure 3). Since the start of the crisis, particularly sharp increases have taken place in Italy, Spain, South Africa, the United Kingdom and the United States. However, significant declines were recorded in Brazil and, from a high base, in Germany and the Russian Federation. The median share of long-term unemployed as a share of total unemployed has risen to 30.2 per cent in the last quarter of 2012, up from 24.6 end 2007.

Advanced economies have shed jobs in manufacturing and in construction whereas emerging economies have gained jobs mostly in construction

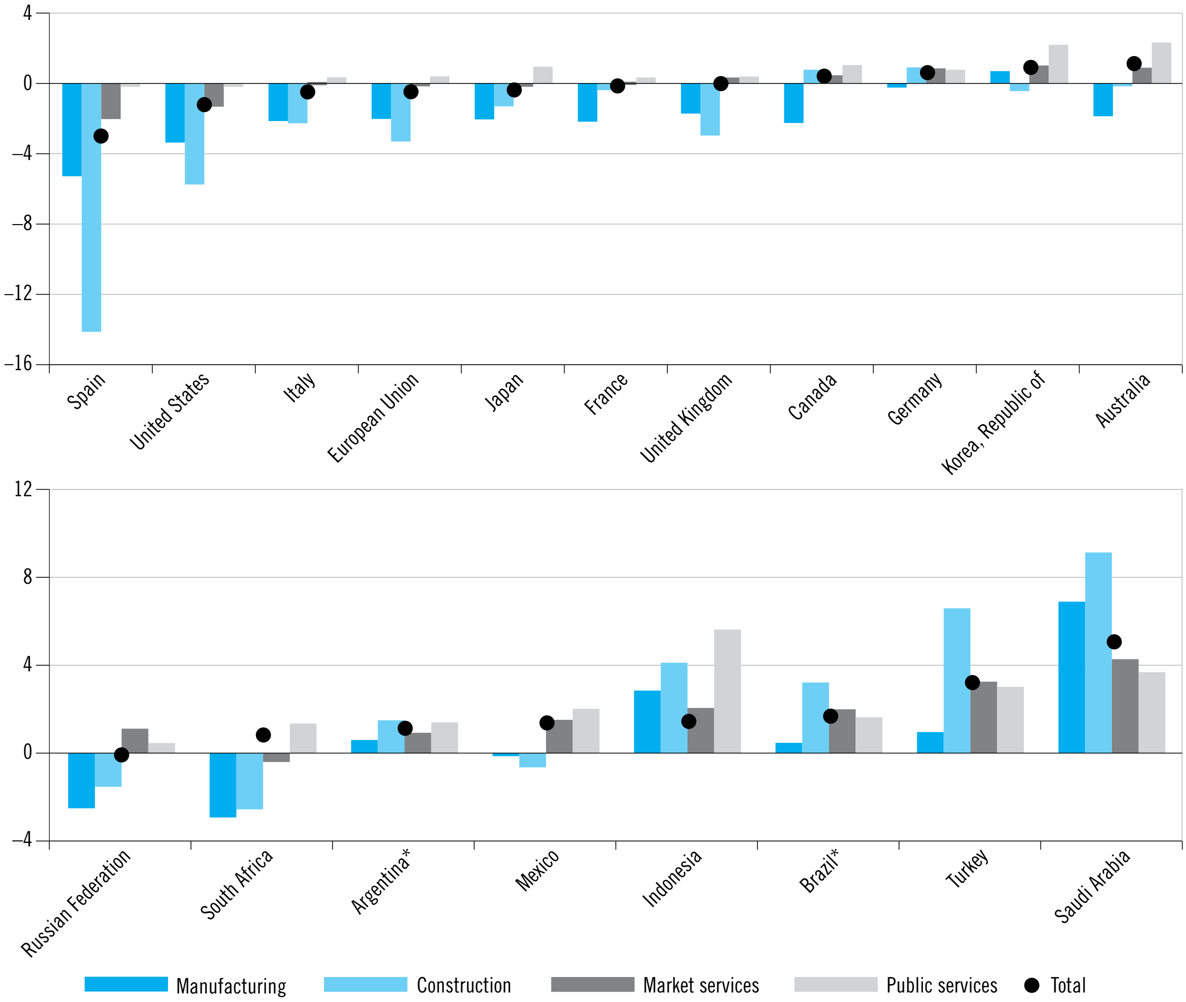
Both advanced and emerging countries have seen major changes in the sectoral composition of employment over the period 2008–12 (figure 4). Among advanced countries, nine have seen declines in manufacturing and eight in construction employment of a total of 11, whereas nine have seen increases in public service employment, often the only source of employment growth. Among eight emerging countries with available data, five have seen strong increases in employment in construction, and only two in manufacturing. Only a few countries have achieved balanced employment growth across tradable and non-tradable sectors.

Longer-term trends are at work here, but the crisis has accelerated these ongoing structural shifts. This implies that labour market policies must address the adjustment implications for re-skilling and mobility of workers.

Slower to no growth in real average wages

Among advanced economies, negative real wage growth in 2012 was recorded in Japan, the United Kingdom and the United States (figure 5). In France, Italy and Spain, real wage growth has slowed considerably or even turned negative in 2011 and 2012. In Germany the increase was less than 1 per cent, lower than in earlier years. In contrast, reasonably strong growth was recorded in Australia, Canada and the Republic of Korea. In emerging economies, the more recent data point to a decline in the pace of real wage growth except in South Africa. In Brazil and in Indonesia, real wage growth was negative.

Figure 4. Sectoral employment variation, 2008–12[1,2]
Annual average percentage change



Countries shown in ascending order of the annual average change in total employment.
* Urban areas only.
[1] 2008–11 for Argentina, Canada, the Russian Federation and the United States.
[2] "Market services" corresponds to the following ISIC industries: wholesale and retail trades; hotels and restaurants; transport, storage and communications; financial intermediation; and real estate and business activities. "Public services" corresponds to the following ISIC industries: public administration and defence, compulsory social security; education; health and social work; other community, social and personal service activities; and private households with employed persons.

Sources: ILO Statistics, Short-Term Indicators Database and national annual national accounts.

2. Key structural challenges in G20 labour markets

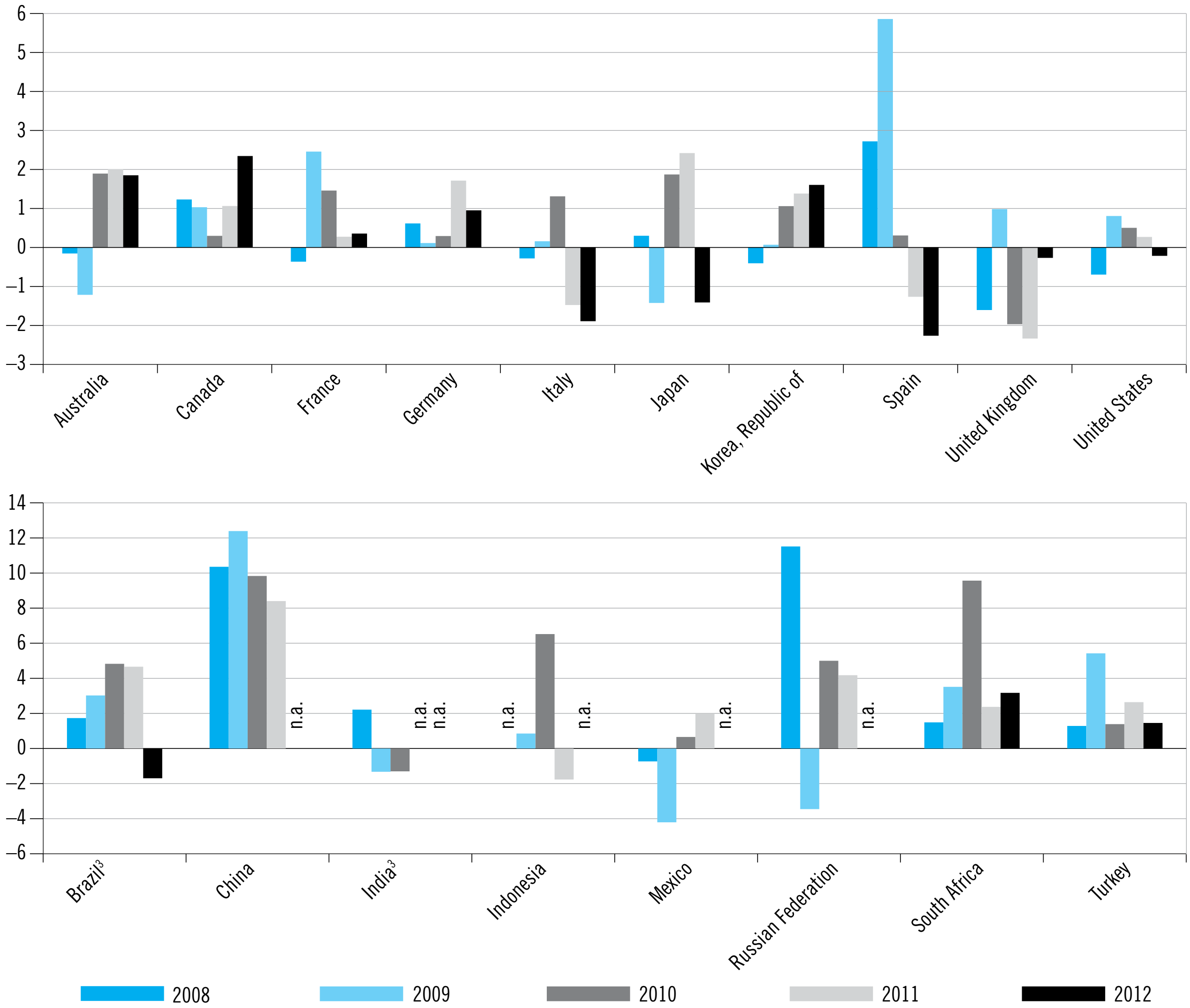
Two key challenges are better utilization of labour resources and better quality jobs

Even before 2008, G20 countries were grappling with a number of underlying challenges in the labour market which, in some cases, have been exacerbated by the crisis. This includes better integration of women, youth, and migrants into the labour market as well as improving labour market prospects for the low skilled. Encouraging and facilitating work at an older age has also been a key policy aim in order to cope with rapid population ageing.

Concerns around job quality range from rising wage inequality and low or negative real wage growth for some groups of workers to increases in temporary work, insufficient hours of work and persistence of high levels of informal employment.

Figure 5. Trends in average wages in G20 economies

Annual average wage[1,2] growth (percentage change)



n.a.: not available.

[1] Average earnings per full-time and full-year equivalent employee in the total economy in 2012 USD PPPs and 2012 constant prices for all countries except China and Indonesia (see note 2 below).

[2] Wage refer to the annual average wage of employed persons in urban units (in 2012 USD PPPs and 2012 constant prices) for China, and to the monthly average wage of production workers below supervisory level (in 2012 USD PPPs and 2012 constant prices) for Indonesia.

[3] Manufacturing sector only.

Sources: OECD Earnings Database, ILO Global Wage Database and national earnings surveys.

More can be done to better utilize labour resources despite some progress

Over the last five years, the impact of the crisis and recovery on labour force participation rates has varied considerably across the different socio-demographic groups (figure 6). Young people have seen their participation rates drop significantly in almost all countries. Older workers as well as women have generally seen rising rates which reflect longer-term trends only partly dampened by the crisis.

Improvements in job quality are required

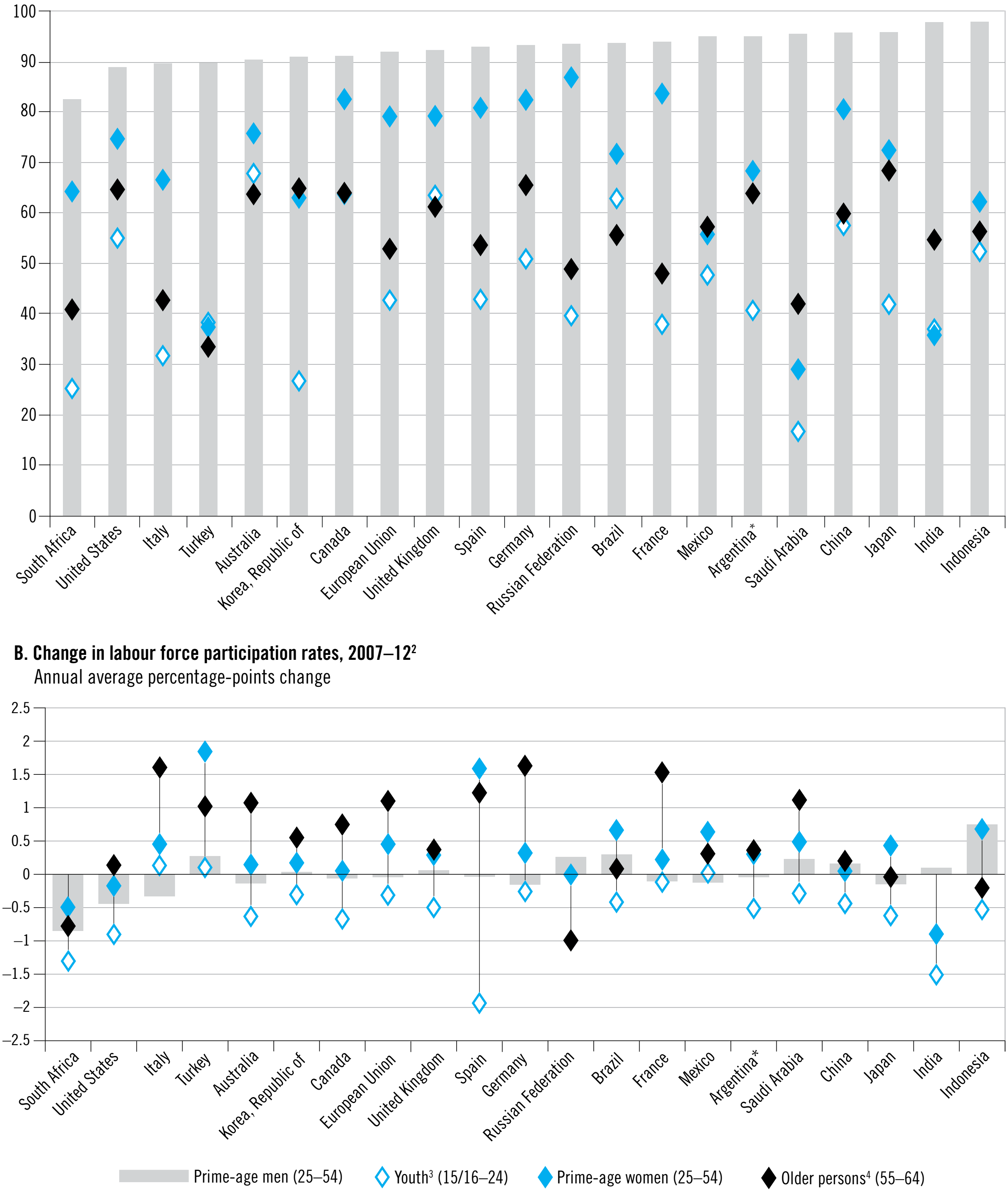
The share of informal employment in non-agricultural employment remains substantial in several countries, reaching more than 70 per cent in the case of Indonesia and India (figure 7, panel A). This high share has declined recently in only few countries, notably Argentina and Brazil.

In many of the advanced G20 economies, a significant and often growing share of the workforce is

Figure 6. Labour force participation rates by socio-demographic characteristics, G20 countries

A. Labour force participation rates in 2012[1]
Percentage of the population of the indicated group

B. Change in labour force participation rates, 2007–12[2]
Annual average percentage-points change



Countries shown in ascending order of the prime-age male labour force participation rates in 2012 (panel A).

* Selected urban areas.

[1] 2009 for Brazil; 2009–10 for India; 2010 for China; 2012 Q3 for Indonesia and first half of 2012 for Saudi Arabia.

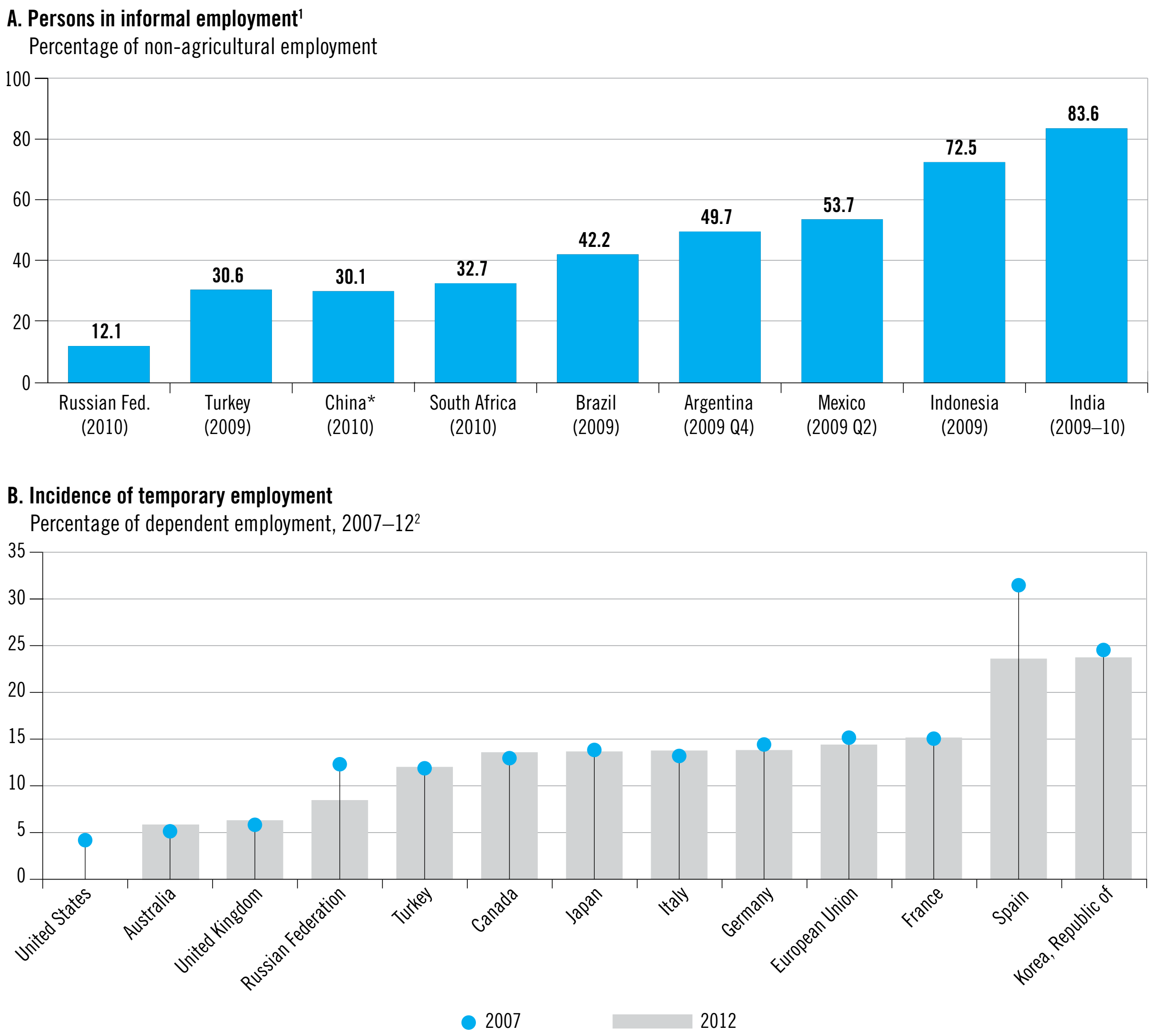
[2] 2005–10 for China; 2007–08–2009–10 for India; 2007–09 for Brazil; and 2008–12 for Argentina and South Africa.

[3] Youth refers to persons aged 16–24 for China, Spain and the United States.

[4] Older persons refers to persons aged 55 and over for Indonesia.

Sources: OECD Labour Force Statistics Database and national labour force surveys.

Figure 7. Informal and temporary work in G20 economies



Countries shown in ascending order of the proportion of women in informal employment in panel A and of the incidence of temporary employment in panel B.

* Six cities only.

[1] Data for the Russian Federation correspond only to persons employed in the informal sector.

[2] 2005 for the United States; and 2007–11 for the Republic of Korea.

Sources: ILO/WIEGO Informal Employment Database, ILO Short-Term Indicators of the Labour Market Database and OECD labour Force Statistics Database.

employed on temporary contracts. In ten countries the incidence of temporary employment lies between 10 and 25 per cent (figure 7, panel B), with a high share of women and youth.

Minimum wages rise in several G20 countries

The median ratio of the minimum wage to the average wage in 2011 is 35 per cent across 17 countries (figure 8). Nine countries show a ratio between 31 and 41 per cent, whereas another four are below that range and four above. Seven countries have seen a significant increase in the ratio of the minimum wage relative to the average wage, of which four with a ratio below the median. Six countries show no change and four show a decline in the ratio.

Income and earnings inequality on the rise or high across G20 countries

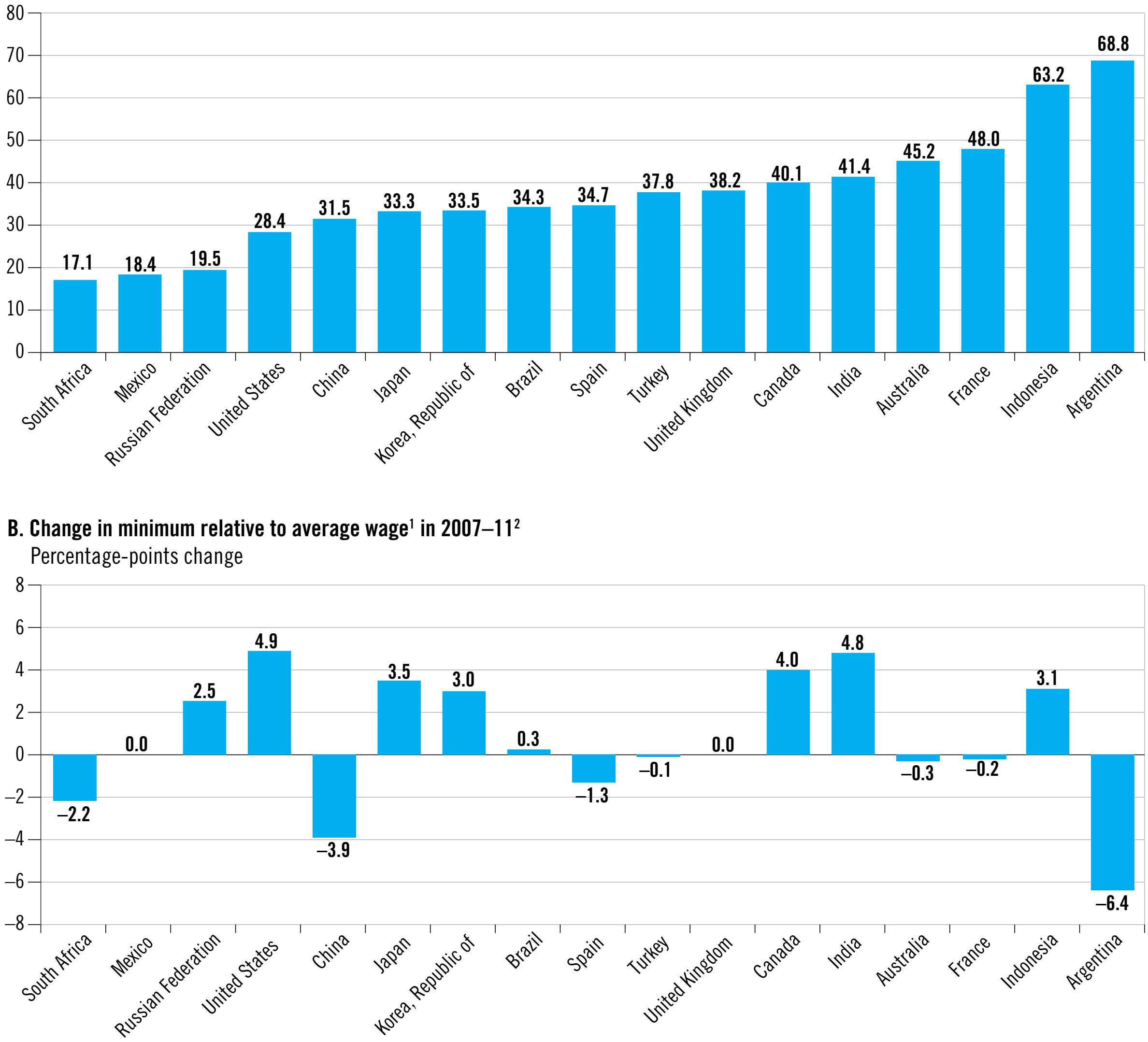
Earnings inequality measured by the ninth to first decile (D9/D1) ratio has risen considerably in many

Figure 8. Minimum relative to average wages in G20 countries

A. Minimum relative to average wage[1] in 2011[2]

B. Change in minimum relative to average wage[1] in 2007–11[2]

Percentage-points change



[1] Average wage of full-time workers for Australia, Canada, France, Japan, Republic of Korea, Mexico, Spain, Turkey, the United Kingdom and the United States; average wage of all employees for the Russian Federation; average wage of employees in the business sector for South Africa; average wage of all employees in urban areas for Argentina and Brazil; average wage of employees of the manufacturing sector for India (firms with 10 employees or more) and Indonesia (firms with 20 employees or more); and average wage of employed persons of the state-owned, urban collective, and other ownership units in urban units for China.

[2] (2007–)2010 for Argentina, China, India and Indonesia in Panel A (B).

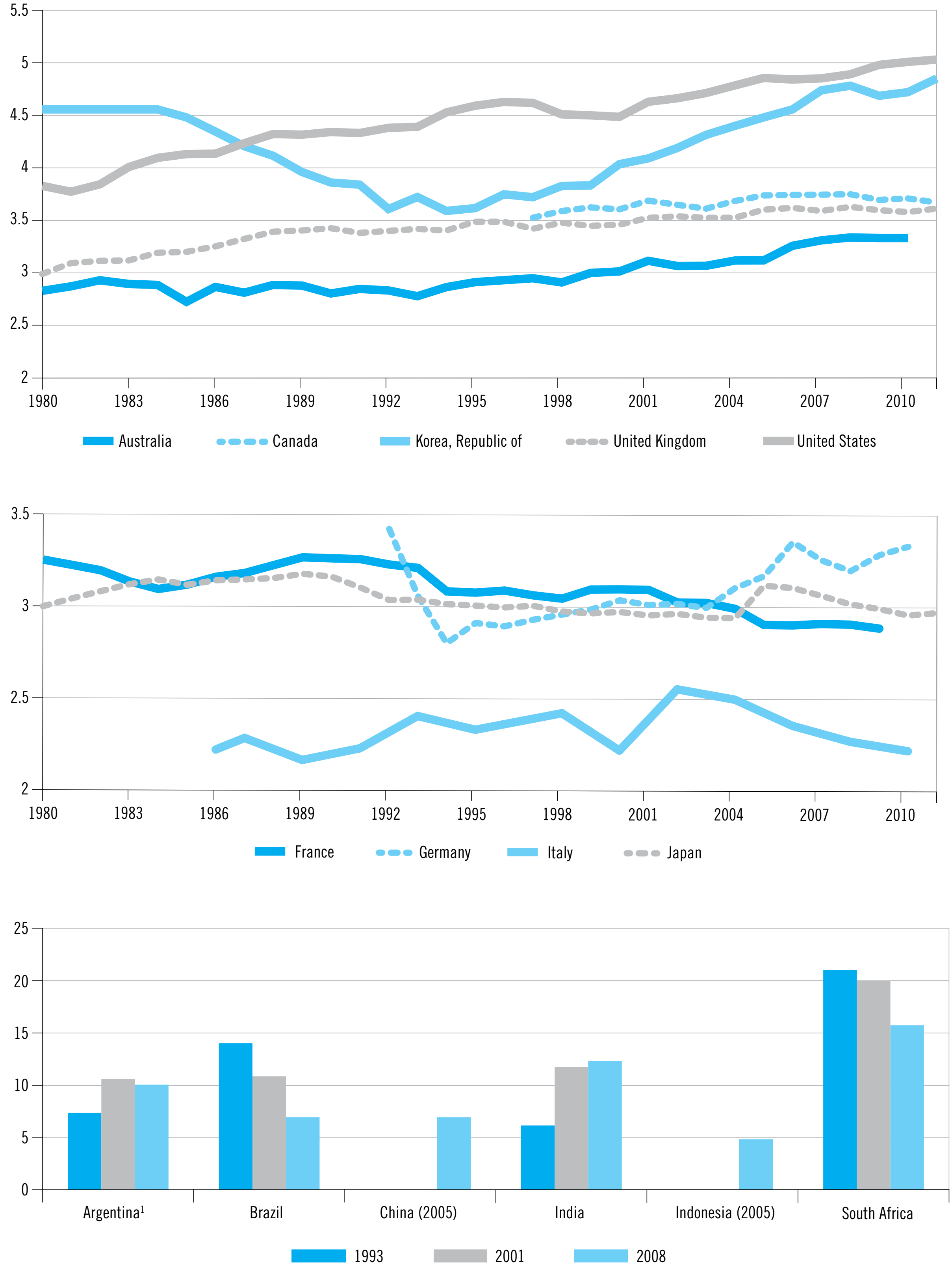
Sources: OECD Earnings Database and ILO Global Wage Database 2012.

of the advanced economies over the past two decades (figure 9). In contrast, earning inequality has remained remarkably stable in Japan and has even declined over the long run in France.

For emerging economies, earnings inequality remains high, although some significant declines have occurred in Brazil and South Africa.

High earnings inequality and differences across households in work intensity are reflected in both a high level of household income inequality and a high incidence of poverty (figure 10, panel A). As measured by the Gini coefficient, inequality in market incomes of households (before taxes and transfers) rose substantially in many economies over the period 2007–10 (figure 10, panel B). In contrast, substantial declines occurred in Argentina, Brazil and Mexico. The relative poverty rate (households receiving less than 50 per cent of median household income) has increased slightly in advanced economies, with the exception of the United Kingdom.

Figure 9. Trends in earnings inequality, 1980–2011
Ratio D9/D1

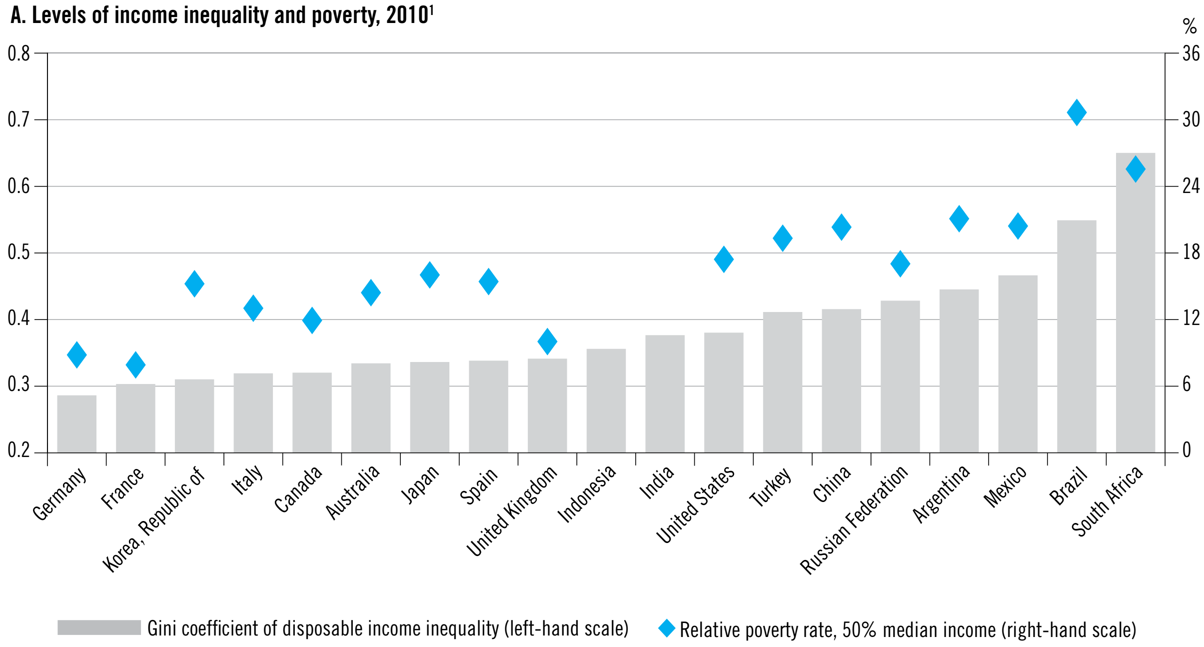


[1] 1996 instead of 1993.

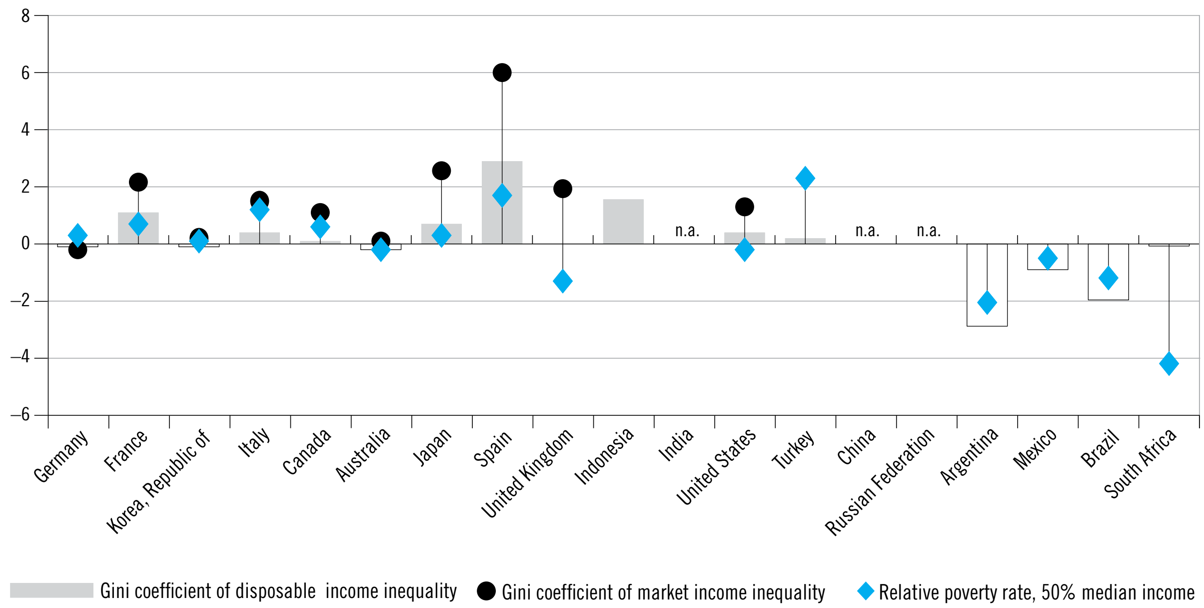
Sources: OECD Earnings Database, ILO Global Wage Database and OECD-EU Database on Emerging Economies.

Figure 10. Income inequality in G20 countries
Gini coefficient, most recent year

A. Levels of income inequality and poverty, 2010[1]



B. Percentage-points change in income inequality (market and disposable income) and poverty, 2007–10[2]



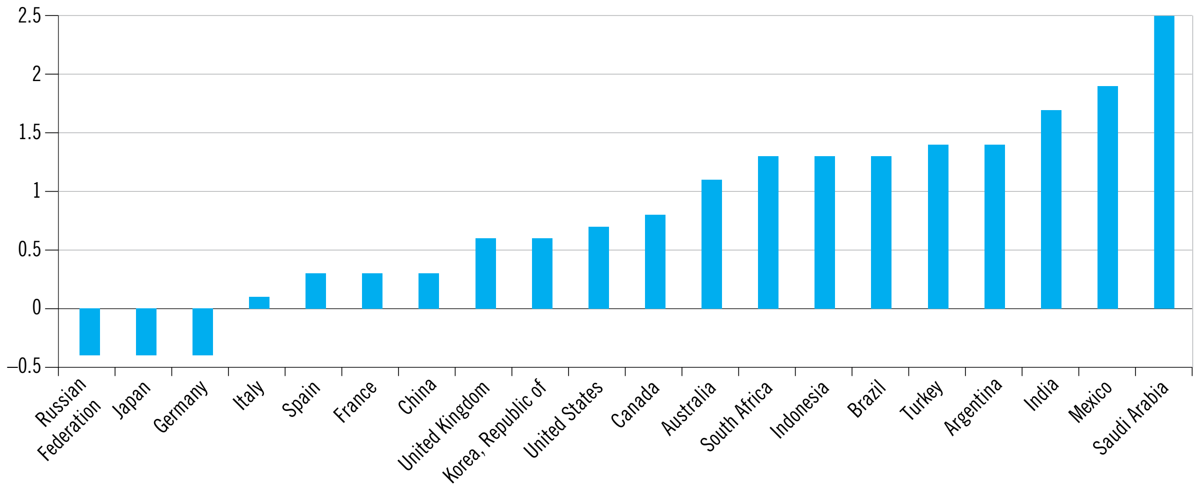
Countries ranked in increasing order of the Gini coefficient of income inequality.
n.a.: not available.

[1] 2005 for China and India; 2008 for Brazil, the Russian Federation and South Africa; 2009 for Japan and Turkey; and 2011 for the Republic of Korea. No data available on poverty rate for India and Indonesia.
[2] 2005–08 for Brazil and South Africa; 2005–10 for Indonesia; 2006–09 for Japan; 2007–09 for Turkey; 2007–11 for the Republic of Korea; and 2008–10 for Australia, Germany, Italy and Mexico.

Note: Data refer to the distribution of household disposable income in cash across people, with each person being attributed the income of the household where they live adjusted for household size. Gini coefficients are based on equivalized incomes for OECD countries and per capita incomes for all emerging economies except India and Indonesia for which per capita consumption was used.

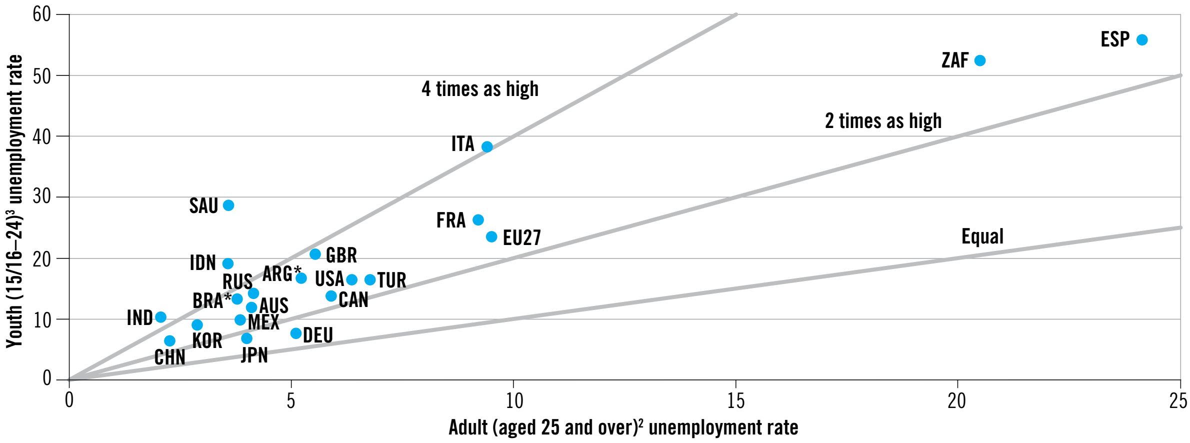
Sources: Computations based on OECD Income Distribution Database (www.oecd.org/social/income-distribution-database.htm), OECD-EU Database on Emerging Economies, World Bank Development Indicators Database and Socio-Economic Database for Latin America and the Caribbean (CEDLAS and the World Bank).

Figure 11. Economically active population, average annual percentage change, 2010–20



Source: ILO: Economically Active Population 1990–2020, Estimates and Projections, October 2011 update.

Figure 12. Youth and adult unemployment rate in G20 countries
Percentages of the labour force of the indicated group, 2013 Q1[1]



*Selected urban areas for Argentina and Brazil.

[1] 2009/10 for India; 2010 for China; 2012 Q3 for Indonesia; 2012 Q4 for Argentina, Brazil, the Russian Federation, Saudi Arabia, Turkey and the United Kingdom.

[2] Persons aged 25–72 for the Russian Federation; 25–74 for the European countries; and 25–64 for South Africa.

[3] Persons aged 16–24 for China, Spain and the United States.

Note: Harmonized quarterly unemployment rates (seasonally adjusted) for all OECD countries, Brazil and South Africa; LFS-based unemployment rates (not seasonally adjusted) for Argentina, Indonesia, the Russian Federation and Saudi Arabia; annual unemployment rates for China and India; for India, annual estimated persons/person-days (in million) based on the current weekly activity status.

Sources: OECD Short-Term Labour Market Statistics Database; ILO, Short-term Indicators of the Labour Market; Census data for China and National Sample Survey for India.

Demographic changes will affect labour markets

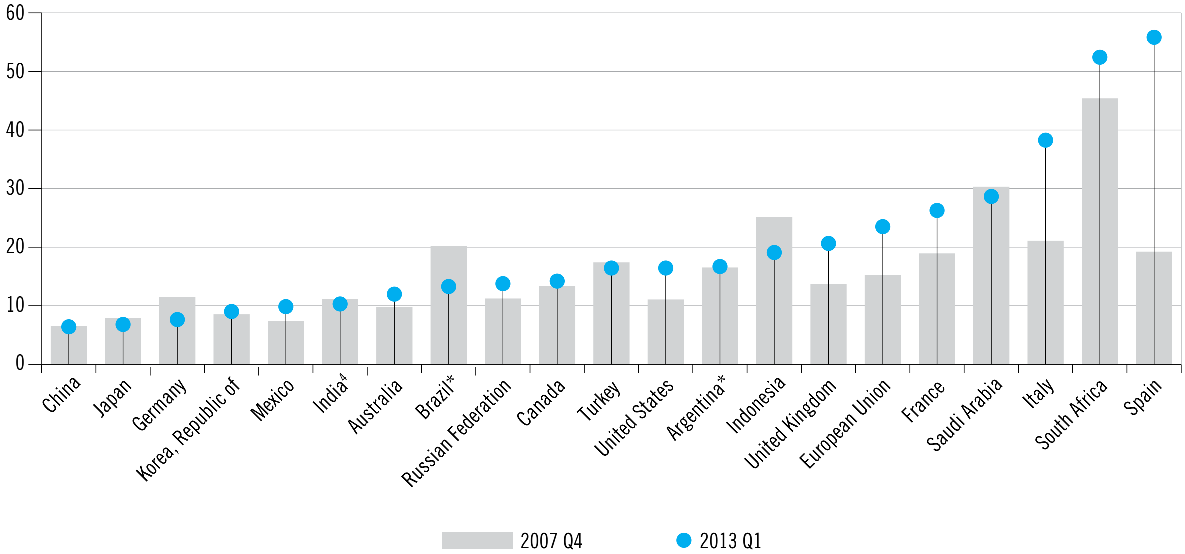
Demography will exercise its full weight on future labour markets through a marked decline in the rate of growth of the economically active population in all countries save India, Mexico and Saudi Arabia (figure 11). Three countries will see absolute declines by 2020, and China and Europe will grow at rates below 0.5 per cent.

3. Youth labour market conditions

Little improvement in youth labour market conditions

Youth unemployment rates remain at high levels in many G20 countries and, in all of them except Germany and Japan, are more than twice as high as the rates for adults (figure 12). The absolute difference

Figure 13. Youth[1] unemployment since the onset of the crisis in G20 countries
Percentage of youth (aged 15/16–24) labour force, 2007 Q4[2]–2013 Q1[3]



Countries shown in ascending order of the youth unemployment rates in 2013 Q1.
* Selected urban areas.
[1] Persons aged 16-24 for China, Spain and the United States.
[2] 2005 for China; 2007/08 for India and 2008 Q1 for South Africa.
[3] 2009/10 for India; 2010 for China; 2012 Q1 for Indonesia; 2012 Q4 for Argentina, Brazil, the Russian Federation, Saudi Arabia, Turkey and the United Kingdom.
[4] Annual estimated persons/person-days (in million) based on the current weekly activity status.

Notes: Harmonized quarterly unemployment rates (seasonally adjusted) for all OECD countries, Brazil and South Africa; LFS-based unemployment rates (not seasonally adjusted) for Argentina, Indonesia, the Russian Federation and Saudi Arabia; annual unemployment rates for China and India.

Sources: OECD Short-Term Labour Market Statistics Database; ILO, Short-term Indicators of the labour Market; Census data for China and National Sample Survey for India.

between the youth and adult unemployment rates is particularly large (over 25 percentage points) in Italy, South Africa, Spain and Saudi Arabia.

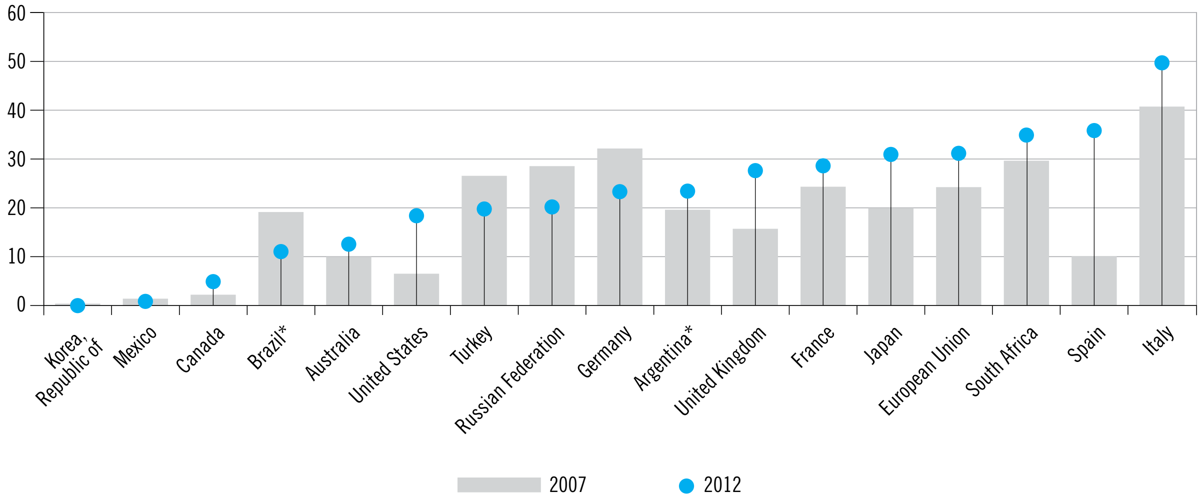
Relative to their pre-crisis levels, youth unemployment rates have risen in 12 countries, most notably in Italy and Spain, and remained little changed elsewhere except for significant declines in Brazil, Germany and Indonesia (figure 13). The youth unemployment rate has risen to 20 per cent or more in six countries and reached more than 50 per cent in South Africa and Spain.

Of particular concern is the share of unemployed youth who have been unemployed for 12 months or more (i.e. the long-term unemployed) (figure 14). This reached 23.3 per cent on average, with increases in 10 countries and a decline in four.

In a majority of countries, the youth employment rate has declined since the start of the crisis, reflecting in some cases a lack of jobs but also a trend increase in enrolment rates in education and training (figure 15).

One indicator that takes account of school enrolment is the share of youth who are neither employed nor in education or training (the so-called NEET rate). This share ranges from below 10 per cent in four countries to highs of above 25 per cent in three countries (figure 16). For many young people inactivity is the result of discouragement and marginalization, which may reflect the accumulation of multiple disadvantages such as the lack of qualifications, health issues and poverty, and other forms of social exclusion.

Figure 14. Incidence of long-term unemployment[1] among youth
Percentage of youth (aged 15/16–24[2]) unemployed, 2007–12[3]



Countries shown in ascending order of the incidence of long-term unemployment among youth in 2012.

* Selected urban areas.

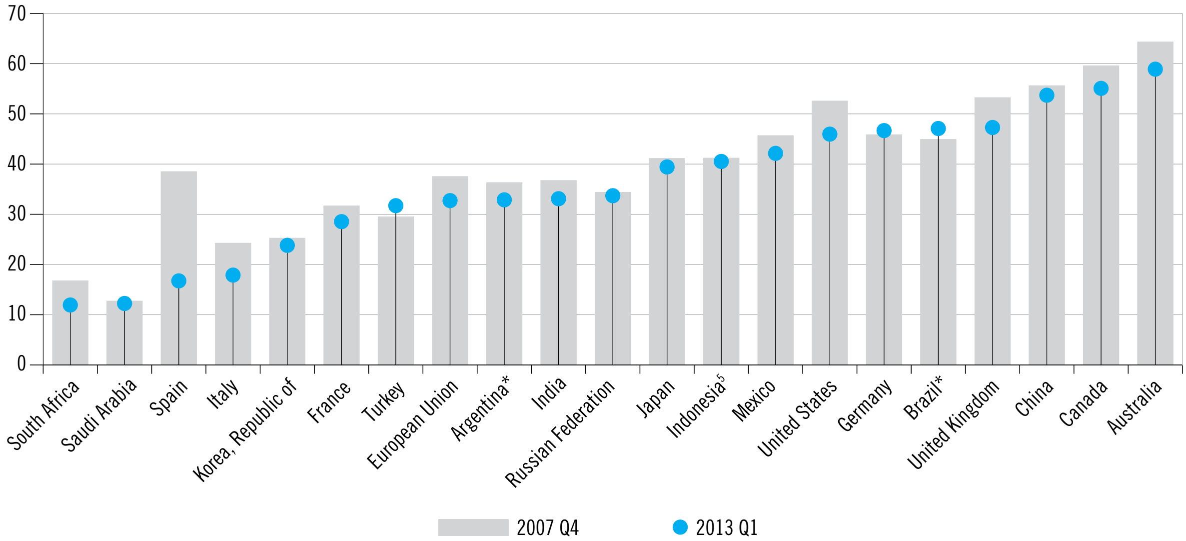
[1] Persons unemployed for 12 months or more.

[2] Persons aged 16–24 for Spain and the United States.

[3] 2008–12 for Argentina and South Africa; 2007–11 for Australia.

Sources: OECD Labour Force Statistics Database and national labour force surveys for Argentina and Brazil.

Figure 15. Youth[1] employment since the onset of the crisis in G20 countries
Percentage of population aged 15/16–24, 2007 Q4[2]-2013 Q1,[3] seasonally adjusted data[4]



Countries shown in ascending order of the youth employment rates in 2013 Q1.

* Selected urban areas.

[1] Persons aged 16–24 for China, Spain and the United States.

[2] 2005 for China, 2007/08 for India, and 2008 Q1 for Indonesia and South Africa.

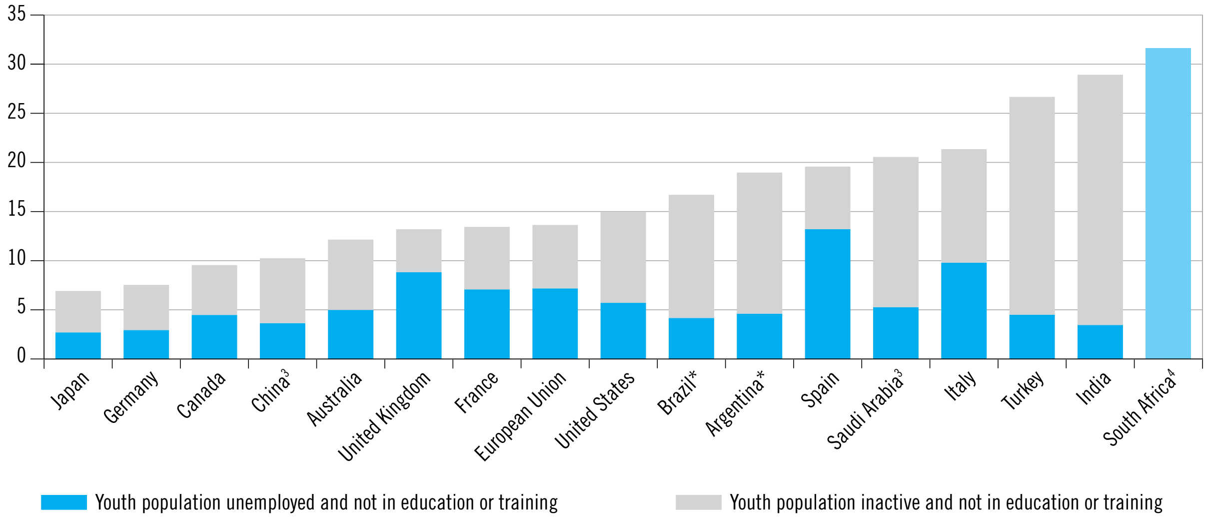
[3] 2009/10 for India; 2010 for China, 2012 for the Russian Federation and Saudi Arabia (annual averages); 2012 Q1 for Indonesia; 2012 Q4 for Argentina, Brazil, European Union, France, Germany, Italy, Mexico, Turkey and the United Kingdom.

[4] Not seasonally adjusted data for Argentina, Indonesia, the Russian Federation and Saudi Arabia.

[5] Youth population has been estimated using the UN population estimates.

Sources: OECD Short-Term Labour Market Statistics Database; ILO, Short-term Indicators of the Labour Market; and National Sample Survey for India.

Figure 16. Youth neither in employment nor in education or training (NEET)
Percentage of population aged 15/16–24[1], latest available value[2]



Countries shown in ascending order of the NEET rate.

* Selected urban areas only.

[1] 16-24 for China, Spain and the United States.

[2] 2012 Q4 for all countries except 2009/10 for India, 2010 for China, 2011 Q4 for Saudi Arabia, March 2013 for Australia and 2013 Q1 for Canada and the United States.

[3] NEET rate may include some unemployed people who are in education.

[4] No breakdowns by activity status available.

Source: OECD estimates based on national labour force surveys.