

Press Release

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KOF Youth Labour Market Index: Situation in Switzerland Remains Above EU Average

The KOF Youth Labour Market Index (KOF YLMI) describes the youth situation on the labour market with a multidimensional approach. Not only labour market status matter, but also working conditions, provided education and the ease of entry into the labour market is considered. Switzerland achieved in 2013 an index score of 5.66. That is a slight increase compared to the last publication of the KOF YLMI. The EU28 average was 4.60. However, while Switzerland still has the highest KOF YLMI, the labour market situation in Denmark, Germany and Austria has improved more than in Switzerland, thereby reducing the lead of Switzerland. Unfortunately, the change in the KOF YLMI shows that the youth labour market situation has deteriorated further in Cyprus, Greece, Portugal, Italy and Spain.

The KOF Youth Labour Market Index (KOF YLMI) is an adequate instrument to analyse the complex situation of young persons on the labour market. The unemployment rate alone is unable to provide a comprehensive account of the divergent aspects of the youth situation. The index allows to disentangle the different components of youth labour market outcomes. The KOF YLMI shows how complexly structured the situation of young persons on the labour market is. The set of 12 indicators allows a multidimensional perspective. Its spider web presentation allows comparisons across countries and over time. The KOF YLMI covers up to 178 countries. However, the number of indicators differs substantially across countries and time due to data availability.

The indicators are subdivided in the categories “Activity State”, “Working Conditions”, “Education” and “Transition Smoothness”. The various indicators are aggregated into one single numerical parameter. Regarding the indicator’s calculation, the definition of “Involuntary Part-time Worker Rate” was slightly modified (the OECD changed the definition of part-time from an international threshold of 35 hours per week to the national definitions). The definition of all other indicators as well as the weighting process remained unchanged. The index considers now values until 2013. Additionally, past values were revised in accordance to international institutions providing the data and, for some indicators, country coverage was enhanced.

In 2013, Switzerland achieved a high index score of 5.66 – on a scale ranging from 1 to 7. That is slightly higher than 2012 with a value 5.63 (revised up from 5.61). This score is the highest among the countries with a sufficiently high data coverage (i.e. with values for at least 9 indicators). Hence, Switzerland confirms positive general conditions for young persons on the labour market. In particular, the indicators referring to “Activity State” achieve high scores. Regarding the “Working Conditions”, the situation in Switzerland is better than the average of the European Union.

Among the countries for which at least nine indicators are available, Switzerland is followed by Denmark, Germany and Austria. The KOF YLMI improved in these countries between 2012

and 2013. Hence, the gap between Switzerland and these countries narrowed. The youth labour market situation in the Netherlands on the other hand deteriorated slightly.

The values for 2013 show enhancements in the incidences of the “Part-time Worker Rate”, “Atypical Working Hours” and “In Work at Risk of Poverty”. The last two indicators have, however, still margins of improvement. Worth mentioning is that Switzerland now offers the complete coverage of values, while it had “only” values for nine indicators in the first release. Also due to this enhanced indicator availability, index scores compared to 2012 may slightly differ.

The countries hit most severely in the European debt crisis display a heterogeneous picture. While the youth labour market situation improved in Ireland, the KOF YLMI further decreased for Cyprus, Greece, Portugal and Spain, mainly because the indicators referring to “Activity State” deteriorated even more. Furthermore, the youth labour market situation in Italy also worsened.

Web tool:

The updated values of the index are available via the web application (<http://kof.ethz.ch/en/indicators/ylm-index/>). This interactive tool allows time series as well as cross-country comparison of the youth labour market situation. Graphs and detailed scoreboard are free of access. Users can create their own custom selections and download the generated graphs. Additionally, the tool offers the possibility to adjust the weighting process according to own requirements.

Further information:

www.kof.ethz.ch/en/indicators/ylm-index

KOF Study (No. 67): How did the Youth Labour Market Situation Evolve between 2012 and 2013? Second Release of the KOF Youth Labour Market Index:

www.kof.ethz.ch/en/publications/p/kof-studies/

KOF Study (No. 51): On the Multiple Dimensions of Youth Labour Markets: A Guide to the KOF Youth Labour Market Index:

www.kof.ethz.ch/en/publications/p/kof-studies/

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— GEBERT RUF STIFTUNG —

The dual education system in Switzerland must position itself within the international context.

Next Steps

The next steps will be a periodic update of the indicator values and, where possible, an enlargement of the data coverage. Furthermore, the Research Division Education Systems aims to investigate and disentangle culture-bound components that link the education system of a country with labour market outcomes. A first step in this direction is a forthcoming research project based on KOF YLMI data that investigates the linkages between labour market integration and job quality with education programs (academic education, school-based VET and dual VET). A last topic, which the KOF aims to analyse in greater depth, is the connections between education attainments and the asymmetry between demanded and supplied skills identified by the indicators Skills Mismatch.