

Press Release

Zurich, 18 October 2016, 9:00 a.m.

KOF Youth Labour Market Index: Working Conditions for Young People Strongly Affected by the Great Recession

The Great Recession left strong traces on the European youth labour market. And this regarding different aspects according to the latest KOF Youth Labour Market Index (KOF YLMI) for 2014. Denmark reaches the highest scores in the overall indicator, followed by Switzerland. With 5.70 points, Switzerland reached a slightly lower index score than in 2013. The EU28 average was 4.78.

After the beginning of the Great Recession, high levels of youth unemployment rates across Europe were often reported in the media. However, the crisis also strongly affected the working conditions that young people face on the labour market. The latest KOF Youth Labour Market Index (KOF YLMI) shows that in almost all European countries, the working conditions for youth deteriorate during the period 2008-2014. Countries such as Cyprus, Ireland, Italy, Greece and Spain exhibit marked decreases. The only exceptions in this regard are Norway and Switzerland, which show small ameliorations.

The KOF YLMI describes the youth situation on the labour market with a multidimensional approach. Twelve indicators, subdivided into four categories, offer a broader picture than solely looking at the youth unemployment rate. The third release of the KOF YLMI expands the time coverage to the year 2014.

One of the major concerns is the heterogeneity by which this crisis affected the working conditions in the European countries. The KOF YLMI's multidimensional approach allows it to detect all country-specific trends. For instance, the indicator "Involuntary Part-time Worker Rate" in Italy deteriorate the most, while the "Temporary Worker Rate" in Spain reached an alarming level. Ireland exhibits a negative trend in respect to the "Atypical Working Hours," while major concerns in Greece are in regards to "Vulnerable Employment". Findings in Cyprus indicate mixed results across the indicators.

Results for Switzerland

As the latest KOF YLMI shows, Switzerland kept its position in the Top Ten. In 2014, Switzerland was overtaken by Denmark, which achieved an index of 5.74 (on a scale ranging from 1 to 7). The index score of 5.70 for Switzerland is slightly lower than in 2013. Nevertheless, Switzerland still maintains very positive general conditions with the second highest score among the countries with a sufficiently high data coverage (i.e. with values for at least nine indicators) and nearly one point above the EU28 average of 4.78. The indicators referring to the category "Activity State" for Switzerland achieved particularly high scores. In contrast, negative trends for Switzerland can be observed in the category "Transition Smoothness", in particular in the "Long-term Unemployment Rate" and in the "Temporary Worker Rate". This last aspect could be related to an increase in the number of internships that young people have to accomplish before signing a permanent contract.

Adjustments of the KOF YLMI

During recent years, the values of some indicators of the KOF YLMI strongly deteriorated — in particular in the field of "Working Conditions". A prime example in this regard is the share of youth working involuntarily part-time, which increased massively since 2008. The comparison between countries with very high values would have no longer been possible without any change in the index calculation methods. Therefore, the severe evolution of

five indicators induced a modification of the scores' standardization procedure. These adjustments are symptomatic of the negative impact the Great Recession had, and in the case of some European countries still has, on the youth labour market situation. In the third release of the KOF YLMI past values have also been revised in accordance to international institutions that provide the data and, for some indicators, the country coverage was enhanced.

Web tool:

The updated values of the index are available via the web application (<http://viz.kof.ethz.ch/public/yunemp>)

This interactive tool allows time series as well as cross-country comparison of the youth labour market situation. Graphs and detailed scoreboards 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 one's own requirements.

About the index:

The KOF Youth Labour Market Index (KOF YLMI) is an instrument to analyse the complex situation of young persons on the labour market. The index offers a multidimensional approach for the comparison of the youth labour market situation across countries and over time. Beside widely used indicators such as the youth unemployment rate, the KOF YLMI also considers the working conditions, the provided education, and the ease of entry into the labour market. Twelve indicators are subdivided into the categories "Activity State", "Working Conditions", "Education", and "Transition Smoothness" and are aggregated into one single numerical parameter: the KOF YLM Index.

The third release of the index expands the time coverage to year 2014. The dataset now covers up to 178 countries for the period 1991–2014 and contains some small adjustments to the calculation methods. In particular, the tremendous deterioration at international level of some indicators describing the working conditions induced a modification to the scores' standardization procedure.

Detailed explanations about the modifications can be found in the KOF Study No. 83. This study also contains a deepened analysis of the recent evolution of the working conditions of the youth in Europe.

Further information about the KOF YLMI:

<http://www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-youth-labour-market-index.html> →

Table: Evolution between 2013 and 2014 of the KOF YLMI (for countries with values for at least nine indicators).

Graph 1: Evolution of the Working Conditions in the EU28, Cyprus, Greece, Ireland, Italy, and Spain.

Graph 2: Evolution of the distribution of the Involuntary Part-time Worker Rate.

Literature:

KOF Study (No. 83): The Great Recession and the Working Conditions of Youth: A Descriptive Analysis of the European Labour Market. Third Release of the KOF Youth Labour Market 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.

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

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— GEBERT RŮF STIFTUNG —

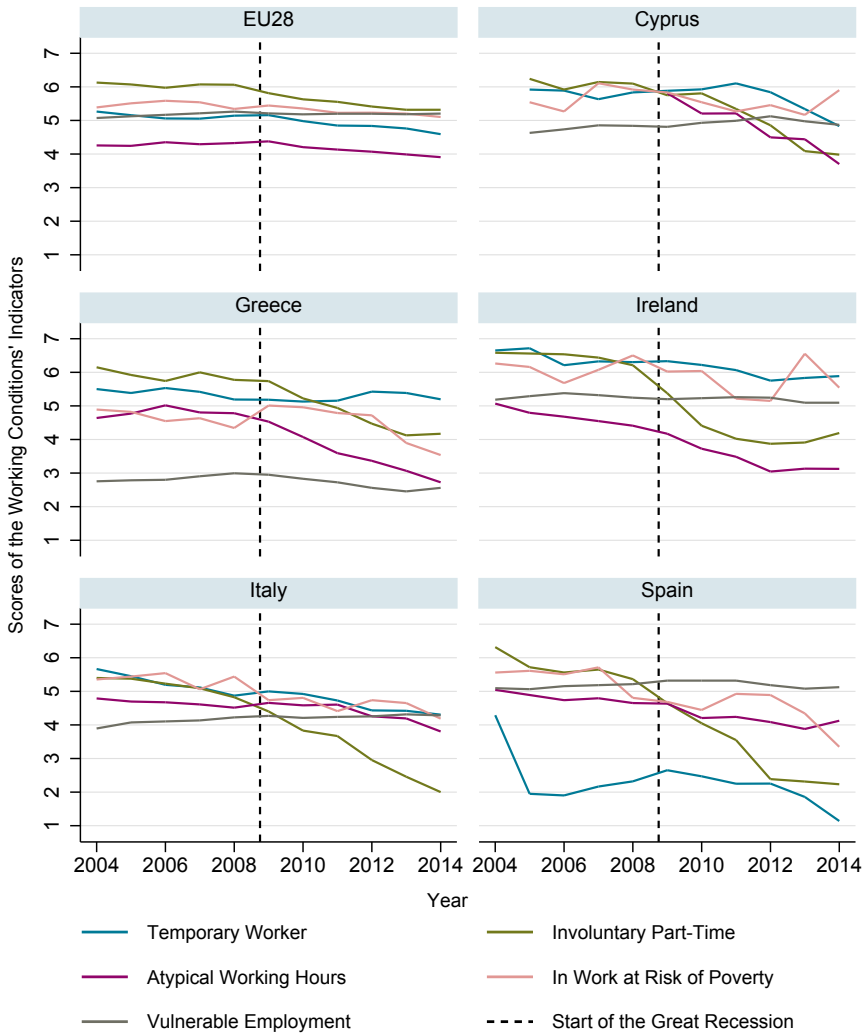
The dual education system in Switzerland must position itself within the international context.

Table and Graphs

Table: Evolution between 2013 and 2014 of the KOF YLMI
(for countries with values for at least nine indicators)

Rank 2014	Country	KOF YLMI 2014	KOF YLMI 2013	Rank 2013	Change in rank
1	Denmark	5.74	5.66	2	↑
2	Switzerland	5.70	5.76	1	↓
3	Austria	5.51	5.50	5	↑↑
4	Germany	5.47	5.52	3	↓
5	Netherlands	5.44	5.51	4	↓
6	Norway	5.41	5.28	6	=
7	Iceland	5.31	5.12	9	↑↑
8	Estonia	5.24	5.23	7	↓
9	Lithuania	5.15	5.21	8	↓
10	Latvia	5.14	4.91	14	↑↑↑↑
11	Finland	5.09	5.08	10	↓
12	Czech Republic	5.06	4.96	13	↑
13	Slovenia	5.02	5.03	10	↓↓
14	Poland	4.93	4.91	15	↑
15	Luxembourg	4.90	5.02	12	↓↓↓
16	France	4.86	4.91	16	=
17	Hungary	4.81	4.69	21	↑↑↑↑
18	United Kingdom	4.79	4.72	19	↑
19	Belgium	4.75	4.82	17	↓↓
20	Turkey	4.74	4.78	18	↓↓
21	Malta	4.65	4.72	20	↓
22	Cyprus	4.58	4.54	22	=
23	Ireland	4.57	4.50	23	=
24	Portugal	4.52	4.45	25	↑
25	Sweden	4.50	4.41	27	↑↑
26	Romania	4.49	4.39	28	↑↑
27	Bulgaria	4.48	4.48	24	↓↓↓
28	Slovakia	4.45	4.43	26	↓↓
29	Croatia	4.10	4.10	29	=
30	Greece	3.96	3.96	31	↑
31	Macedonia	3.95	3.96	32	↑
32	Spain	3.80	3.82	33	↑
33	Italy	3.79	3.98	30	↓↓↓
	EU 28	4.78	4.76		

Graph 1:
Evolution of the Working Conditions in the EU28, Cyprus, Greece, Ireland, Italy and Spain



Graph 2:
Evolution of the distribution of the Involuntary Part-time Worker Rate

