

Press Release

Zurich, 3rd December 2019, 9am

KOF Youth Labour Market Index: Switzerland Back at the Top

The situation of young people on the labour market has clearly improved between 2016 and 2017. According to the latest KOF Youth Labour Market Index, Switzerland reaches the highest index score across Europe. Denmark drops to the second rank, but still shows a highly satisfactory situation on the youth labour market. The Netherlands, Germany and Austria confirm a solid position. With respect to the previous year, large improvements stem from the Eastern European countries, especially Slovenia and the Czech Republic.

The KOF Youth Labour Market Index (KOF YLMI) uses a multi-dimensional approach to reflect the situation of young people on the labour market. The index comprises twelve indicators, which are divided into the four dimensions 'Activity State', 'Working Conditions', 'Education' and 'Transition Smoothness' and are then aggregated to form an index. The index scores range from one to seven; the higher the score, the better the situation.

The results in detail

The sixth release of the KOF YLMI extends its data coverage to 2017. The situation of young people on the European labour market clearly improved between 2016 and 2017. Switzerland overtakes Denmark in the index rank and is now leading with a score of 5.70. Denmark closely follows with a score of 5.69, while Latvia completes the top three positions (score of 5.62). The Netherlands (5.55), Germany (5.46) and Austria (5.43) confirm their positions in the ranking. Slovenia (5.41), Czech Republic (5.37), Lithuania (5.36) and Estonia (5.35) further complete the top ten ranking. Overall, large improvements occur in Eastern European countries. The EU28's average score is 5.07.

The performance of the individual dimensions

A brief analysis of the performance of the individual dimensions reveals the reason for the changes occurring between 2016 and 2017. In the Activity State dimension, the situation improved in 10 countries, suggesting that young people increasingly participate in the labour market. With respect to the Working Conditions, the differences between 2016 and 2017 are small. Only Estonia experienced a substantial drop in this dimension, whereas Croatia, Romania, Greece and Montenegro experienced a clear amelioration. However, there were large changes with regard to the Education dimension. In particular, substantial improvements in this dimension occurred in Latvia, Cyprus, Croatia and Montenegro, while large drops appeared in Denmark, Lithuania, Luxembourg, Turkey and Slovakia. Finally, the changes in the 'Transition Smoothness' dimensions were minor.

Heterogeneity in education and training

This year's release of the KOF YLMI focuses on the 'Formal Education and Training Rate'. This indicator reports the share of youth aged 15 to 24 taking part in formal education or training (i.e. general education as well as vocational education and training). It indicates of how much education and skills young people acquire. This indicator shows large differences across countries. In the Netherlands, Luxembourg and Slovenia, about three out of four young persons are in education or training. In Turkey, Malta and the UK, the share is only about 50%. Although these differences strongly correlate with other indicators like the youth unemployment rate, participation in education and training is not a sufficient predictor of the youth labour market situation. Moreover, the fact that several countries show opposing trends in their participation in education and training over the last decade is puzzling.

Opposing trends in the participation in education

Investigations show large differences across countries in the evolution of the participation in education and training. In Poland and Hungary, the participation decreased by about 10%-points between 2007 and 2017. Furthermore, smaller reductions can be observed in Lithuania, Finland, Estonia and Iceland. In contrast, some other countries experienced a clear expansion in the share of youth taking part in formal education and training. In Turkey for instance the share increased by about 20%-points (from approximately 32% to 52%), as well as in Ireland (from 45% to about 65%) and in Spain (from 52% to 70%). Whether these increases correspond to ameliorations on the youth labour market is not clear-cut, but rather depends on country specific situations.

Further information about the KOF YLMI:

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

The full report was published in:

Pusterla, F. & Oswald-Egg, M.E. (2019). Heterogeneity in Education and Training: Sixth Release of the KOF Youth Labour Market Index. KOF Studies, 143, KOF Swiss Economic Institute ETH Zurich: Zurich.

Web tool:

<http://viz.kof.ethz.ch/public/yunemp> →

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KOF Youth Labour Market Index

The KOF Youth Labour Market Index (KOF YLMI) uses a multi-dimensional approach to reflect the situation of young people on the labour market. This approach produces a broad-based analysis of the situation on the youth labour market. The index covers 193 countries over the period from 1991 to 2017, although the number of indicators available varies considerably according to the data available in the country concerned.

Adjustments of the KOF YLMI

The sixth release of the KOF YLMI includes some methodological refinements. First, the country list now includes all 193 countries recognised by the United Nations. Second, the country groups are revised slightly to include only stable groupings. Finally, a confirmatory factor analysis is performed to evaluate the current equal weighting scheme of the index. The analysis confirms the validity of the equal weights scheme among the four dimensions.

Web tool

The updated scores for the KOF Youth Labour Market Index covering the period from 1991 to 2017 are available via a web application (<http://viz.kof.ethz.ch/public/yunemp>). This interactive tool enables users to make time-series and cross-country comparisons of the situation on youth labour markets. Users can create their own customised selections and download the graphs generated. The tool also allows users to adjust the weighting process to suit their own requirements.

Further readings

Detailed descriptions of the index definition and analyses based on it can be found in:

Renold, et al. (2014). On the Multiple Dimensions of Youth Labour Markets: A Guide to the KOF Youth Labour Market Index. KOF Studies, 51, KOF Swiss Economic Institute ETH Zurich: Zurich.

Pusterla (2015). How did the Youth Labour Market Situation Evolve between 2012 and 2013? Second Release of the KOF Youth Labour Market Index. KOF Studies, 67, KOF Swiss Economic Institute ETH Zurich: Zurich.

Pusterla (2016). The Great Recession and the Working Conditions of Youth: A Descriptive Analysis of the European Labour Market. KOF Studies, 83, KOF Swiss Economic Institute ETH Zurich: Zurich.

Pusterla (2017). How Active are Youth? The Interplay between Education, Youth Unemployment, and Inactivity. KOF Studies, 97, KOF Swiss Economic Institute ETH Zurich: Zurich.

Pusterla, et al. (2018). Disentangling Skills Mismatch: Fifth Release of the KOF Youth Labour Market Index. KOF Studies, 123, KOF Swiss Economic Institute ETH Zurich: Zurich.

Ranking KOF YLMI 2017

Table: Evolution between 2016 and 2017 of the KOF YLMI
(for countries with values for at least nine indicators)

Rank 2017	Country	Index 2017	Index 2016	Rank 2016	Change in Rank
1	Switzerland	5.70	5.67	2	1
2	Denmark	5.69	5.72	1	-1
3	Latvia	5.62	5.29	9	6
4	Netherlands	5.55	5.48	4	=
5	Germany	5.46	5.45	5	=
6	Austria	5.43	5.38	6	=
7	Slovenia	5.41	5.15	13	6
8	Czech Republic	5.37	5.23	12	4
9	Lithuania	5.36	5.49	3	-6
10	Estonia	5.35	5.36	7	-3
11	Norway	5.32	5.35	8	-3
12	Iceland	5.26	5.24	11	-1
13	Hungary	5.25	5.13	14	1
14	Luxembourg	5.16	5.27	10	-4
15	Belgium	5.10	5.09	15	=
16	UK	5.09	5.04	17	1
17	Poland	5.09	5.02	18	1
18	Finland	5.08	5.07	16	-2
19	Cyprus	5.06	4.89	22	3
20	Portugal	5.03	4.89	23	3
21	Ireland	5.02	4.91	21	=
22	Bulgaria	5.00	4.77	25	3
23	Malta	4.94	4.98	19	-4
24	Croatia	4.92	4.54	28	4
25	France	4.88	4.84	24	-1
26	Turkey	4.85	4.91	20	-6
27	Sweden	4.79	4.72	27	=
28	Slovakia	4.76	4.74	26	-2
29	Romania	4.59	4.47	29	=
30	Greece	4.51	4.36	31	1
31	Spain	4.46	4.37	30	-1
32	Serbia	4.42	4.23	32	=
33	North Macedonia	4.10	4.20	33	=
34	Montenegro	4.06	3.95	35	1
35	Italy	4.00	4.03	34	-1
EU 28		5.07	4.98		

Opposing Trends in the Participation in Education

Graph: Change in the Share of Youth in Formal Education or Training between 2007 and 2017

