# Options for monitoring the Antalya youth target

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**Summary**

At the G20 Summit in Antalya in 2015, G20 Leaders agreed to reduce the share of young people who are most at risk of being permanently left behind in the labour market by 15% by 2025. However, the 2015 Leaders' declaration did not specify how to identify young people at risk. This paper proposes several options for a "headline" indicator that is relevant, widely available and easily monitored over time.

On balance, the NEET rate (the share of young people who are neither in employment, nor in education or training) is recommended as the most appropriate candidate for the headline indicator. This was also the conclusion of the EWG discussions in 2015 under the Turkey's G20 presidency. However, the exact definition of the NEET rate would need to be decided in terms of its coverage by age group (15-24 or 15-29) and level of skill (low-skilled or all youth). The age group 15-29 would take into account that transitions into the labour market for youth are taking place at an increasingly older age in many G20 countries as youth stay on longer in initial education. Monitoring developments in the NEET rate for low-skilled youth would provide a sharper focus on the group of youth that are at greatest risk of labour market exclusion. This would have to be traded off against the greater difficulty in obtaining data for this group as well as the exclusion of some better-educated youth who may also face labour market difficulties. There is also a case for tailoring the definition of low-skilled youth to the different situations across countries by defining youth without a high school diploma as low skilled in the emerging economies (except Russia) and youth without tertiary-level qualifications as low skilled in the other G20 economies. Delegates' views are sought on the use of the NEET rate as the headline indicator for monitoring the Antalya youth goal as well as on the possible options for this indicator in terms of the age group and skill levels that it would cover.

Of course, a single headline indicator cannot fully capture the multi-dimensionality of the problems and obstacles that young people face in gaining access to good quality jobs as well as the diversity of youth labour market challenges across G20 economies. Therefore, a set of auxiliary youth indicators are put forward in the paper. These indicators have been chosen to match up with the policy principles put forward by the G20 Leaders in their Antalya declaration to increase skills of young people and provide them with better access to quality jobs. Delegates views would be welcome on whether these indicators are the most appropriate ones, taking into account both availability and comparability.

**Introduction**

1.      At the G20 Summit in Antalya in 2015, G20 Leaders agreed to reduce the share of young people in their countries who are most at risk of being permanently left behind in the labour market by 15% by 2025. Yet, the 2015 Leader's Communiqué did not specify how to identify young people at risk for the purpose to assess G20 progress towards this joint commitment. This paper proposes some options for a "headline" indicator that could be used to measure the progress that has been made in achieving this goal. A set of additional indicators is also proposed that would be useful to complement this headline indicator for a more complete picture of developments over time in the labour market situation of youth.

**Monitoring youth at risk**

2.      The group of young people who are most at risk of being permanently left behind in the labour market can be defined in various ways. The purpose of this paper is to put forward options for a "headline" indicator to measure progress in achieving the Antalya youth goal. In order to serve this purpose, there are a number of desirable (SMART) features that such an indicator should have. These include:

- *Specific.* The indicator should refer to a well-defined concept.

- *Measurable and comparable*. The indicator should be internationally comparable and based on a well-accepted methodology.

- *Achievable.* It should be possible to construct the indicator for most G20 economies from existing data sources at little additional cost.

- *Relevant.* The indicator should be clearly related to the underlying phenomenon that is being measured, i.e. youth at risk, and meaningful for policy purposes.

- *Timely.* The indicator should be available on a timely and continuous basis to monitor progress.

*Possible indicators*

3.      Bearing in mind these SMART features for the choice of indicator, there are two key decisions that G20 delegates will need to reflect on. The first is the choice of the indicator itself to capture the group of youth at risk and the second is the definition of youth.

*Options for the definition of youth at risk*

4.      There are several recognised indicators that capture different aspects of poor labour market outcomes for youth, and which were considered by the EWG during Turkey's G20 Presidency when the youth target was being discussed. These include:

- *Unemployed youth:* A common measure of young people at risk of being left behind in the labour market is the youth unemployment rate. This rate measures the share of young people who are currently without work, but are available for work and actively looking for a job. While widely available and easily monitored, this indicator does not tell us anything about whether or not a young person is still in education while looking for a (part-time) job and it also excludes disengaged and inactive youth who may face even larger or more permanent obstacles to (re-)enter the labour market than unemployed youth. Therefore, this indicator may be better suited as an auxiliary measure of the labour market situation of youth (see the discussion below) rather than as the headline measure for monitoring the Antalya youth target.

- *Youth who are neither in employment nor in education and training (NEETs):* This indicator covers all young people who are not in employment, education or training. Therefore, in addition to unemployed youth who are not studying, it also includes non-student youth who are outside of the labour force non-student youth. The NEET rate can be calculated for all G20 countries over a relatively long period and is also used by other institutions to monitor youth outcomes (e.g. it was selected as the indicator to monitor SDG 8.6). While not all NEET youth risk being permanently excluded from the labour market (see Box 1 for a discussion on NEET duration), this group faces a higher risk on average than other groups such as youth who are in jobs.

- *Low-skilled NEETs or all NEETs:* One question is whether to focus on all NEETs or only on low-skilled NEET. With increasing skill requirements, it could be argued that low-skilled youth face bigger obstacles to enter the labour market than high-skilled youth. That said, in many G20 countries, not all high-skilled youth are shielded from the risk of being permanently left behind in the labour market. For instance, their skills may be poorly matched with those most in demand in the labour market. There is also an issue of whether low-skilled youth should be identified in the same way for both advanced and emerging economies. Increasingly in advanced economies, having just a high-school diploma may not be sufficient for young people to obtain good quality jobs. Therefore, two options for measuring low-skilled are put forward: a *common definition* where low skill is equated in all G20 economies with not having completed high school; or a *tailored definition* where low skill is equated with not having completed high school in the emerging economies (except Russia) and not having tertiary-level qualifications in the other G20 economies.

- *Youth informality:* Labour market exclusion can also affect youth with a job and not just those without a job if the quality of those jobs is poor and prospects for long-term career advancement are weak. Therefore, another measure of young people at risk of being permanently left behind in the labour market is the youth informality rate. Especially in countries with a large informal economy, informal employment is strongly associated with poor quality jobs in terms of limited job security, low pay and poor working conditions as well as little or no social protection. It is often the only choice for young people who cannot afford to be unemployed. While relevant as a measure for youth at risk in emerging economies, youth informality is less relevant as a target indicator for advanced G20 countries since informal work is much less widespread. It also excludes disengaged and inactive youth. Recent estimates of informal work by age are also not readily available and would have to be specially constructed to obtain up-to-date estimates. There are also issues of international comparability. This suggests including this indicator as an auxiliary measure of the labour market situation of youth (see the discussion below) rather than as the headline measure for monitoring the Antalya youth target.

*Options for the definition of youth*

5.        The conventional definition of youth is all young people aged 15-24. Indeed, the indicator chosen to measure progress against SDG 8.6 (*By 2020, substantially reduce the proportion of youth not in employment, education or training*) refers to the age group 15-24. However, since young people are studying longer and entering the labour market later, the age category is frequently expanded to include 25-29 year olds. As young people delay their school-to-work transition, 25-29 year olds can still face considerable difficulties in finding and/or maintaining a job. Therefore, Delegates may wish to consider whether to cover the 15-24 year-old age group or the 15-29 year-old age group. The former has the advantage of being consistent with existing international collections of indicators of youth labour market outcomes, such as those included in ILOSTAT and OECD.Stat. At the same time, however, the latter has the advantage of being more inclusive and recognises the fact that the transition period between initial education and the world

of work is taking place at an increasingly older age in many countries. In any case, indicators for the 15-29 age group can also be calculated for most G20 countries using both ILO and OECD data.

6.        Table 1 provides an overview of the shares of young people who are most at risk of being permanently left behind in the labour market according to the different definitions. In all cases, the data are expressed a percentage of all young people (either aged 15-24 or 15-29). The data generally refer to 2018, except for the informality rates, which refer to 2014. The size of the potential group of youth at risk varies considerably across countries and according to the indicator. The highest shares are found for all NEETs aged 15-29, ranging from under 8% in Japan to 35% in South Africa. Focusing on low skilled NEETs amongst this group who have not completed high school (i.e. using the common definition of low skill) results in unrealistically low shares for the group of youth at risk (aged 15-29) of just one percent in Japan and Korea. More realistic estimates are obtained by using a more tailored definition of low skill which covers all youth without tertiary education qualifications in advanced G20 economies and Russia. This results in a range of 6% in Japan to 23% in Turkey for the share of youth at risk aged 15-29. The unemployment indicator also results in very low shares of the group of youth at risk in countries like China, Germany, Japan, Korea and Mexico. Finally, relatively few countries are covered by the informality indicator.

**Table 1.   Overview of indicators of young people at risk of being permanently left behind in the labour market**

As a percent of all young people aged either 15-24 or 15-29, 2018

| | Unemployed | NEETs | | Low-skilled NEETs (common definition) | | Low-skilled NEETs (tailored definition) | | Informality (2014) |
|---|---|---|---|---|---|---|---|---|
| Age group | 15-24 | 15-24 | 15-29 | 15-24 | 15-29 | 15-24 | 15-29 | 15-24 |
| Argentina | 9.4 | 18.5 | 19.3 | 9.4 | 9.4 | 9.4 | 9.4 | .. |
| Australia | 8.0 | 8.8 | 10.8 | 3.3 | 3.4 | 7.8 | 8.4 | .. |
| Brazil | 15.4 | 24.1 | 24.8 | 9.1 | 9.6 | 9.1 | 9.6 | 18.3 |
| Canada | 7.0 | 10.0 | 11.9 | 2.7 | 2.6 | 8.5 | 8.8 | .. |
| China | 3.4 | 10.3 | 11.2 | 7.2 | 7.5 | 7.2 | 7.5 | .. |
| EU28 | 6.3 | 10.5 | 12.9 | 4.4 | 5.0 | 9.3 | 10.7 | .. |
| France | 7.8 | 11.1 | 13.6 | 4.5 | 5.0 | 9.9 | 11.3 | .. |
| Germany | 3.1 | 5.9 | 7.9 | 3.7 | 4.1 | 5.6 | 7.1 | .. |
| India | 8.0 | 30.0 | 34.3 | 17.7 | 19.9 | 17.7 | 19.9 | 22.8 |
| Indonesia | 8.6 | 21.7 | 23.9 | 10.9 | 12.3 | 10.9 | 12.3 | 17.9 |
| Italy | 8.4 | 19.2 | 23.4 | 8.4 | 9.2 | 18.4 | 20.7 | .. |
| Japan | 1.8 | 5.2 | 7.5 | 0.9 | 1.1 | 4.5 | 5.8 | .. |
| Korea | 3.1 | 15.4 | 19.3 | 1.3 | 1.1 | 11.5 | 10.6 | .. |
| Mexico | 3.0 | 18.2 | 20.9 | 13.2 | 14.2 | 13.2 | 14.2 | 28.2 |
| Russian Fed. | 5.6 | 3.7 | 12.2 | 1.9 | 1.9 | 6.5 | 6.9 | 10.1 |
| Saudi Arabia | 5.6 | 17.0 | 24.7 | .. | .. | .. | .. | .. |
| South Africa | 13.6 | 31.6 | 35.4 | 17.8 | 20.1 | 17.8 | 20.1 | 5.4 |
| Spain | 11.3 | 12.4 | 15.3 | 6.2 | 7.4 | 9.4 | 11.1 | |
| Turkey | 8.8 | 24.4 | 22.9 | 14.3 | 15.8 | 14.3 | 15.8 | 16.0 |
| United Kingdom | 6.4 | 10.4 | 11.7 | 2.5 | 3.2 | 7.4 | 8.3 | .. |
| United States | 4.8 | 11.0 | 12.7 | 2.7 | 2.7 | 9.7 | 10.3 | .. |

*Notes:* The unemployment rates are not the traditional measures as the denominator is the entire youth population and not the labour force. Similarly, the rate of informality is measured as youth in informal work as a percentage of the total youth population and not as a percentage of youth employment. The data refer to 2010 for China and to 2016 for the NEET rates for Saudi Arabia. The data for the NEET rates by skill level have been estimated for Korea for 2018.
*Source:* OECD calculations based on national labour force surveys (census for China).

7. The total size of the group of youth at risk according to the different indicators is shown in Table 2. In 2018, the largest group was the group of young people aged 15 to 29 who are neither in employment nor in education or training, totalling 218 million. Reducing the number of NEETs aged 15-29 by 15% from the 2014 level (211 million at that time) would benefit 32 million young people. Unemployed youth is the smallest group in numbers, amounting to 42 million in 2018, followed by low-skilled NEETs aged 15-24 with 70 million in number. Taking the preferred indicator of low-skilled NEETs according to the tailored definition of low skill and age 15-29, their number was 137 million in 2018 and a 15% reduction from their number in 2014 would benefit around 24 million.

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**Box 1. NEET duration**

Being NEET for a short time may not always represent a negative labour market outcome – a young person may take time out to travel or take care for children, for example. Many young people also go through short bouts of inactivity or unemployment after completing their education, as it takes time to find work and jobs tend to be more unstable at the outset of a career. Longer stretches out of employment or education are, however, more problematic and may have scarring effects, negatively affecting future employment opportunities and income. Indeed, as shown in the OECD publication *Society at a Glance* (OECD, 2016), on average in Australia and a number of EU countries, about half of all young people experience some time outside of employment, education and training over a four-year period. However, only one-fifth spent more than one year in this state. While focusing on long-term NEET may be a better indicator to capture at-risk youth, the longitudinal data needed to measure long-term NEET status is only available for very few G20 countries.

*Source:* OECD (2016), *Society at a Glance 2016: A spotlight on youth*, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264261488-en

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Table 2. **Size of the G20 target group for different definitions of youth at risk**

Millions, 2014 and 2018

| | Overall size of the target group in: | | 15% reduction in the target group with respect to 2014 |
|---|---|---|---|
| | 2014 | 2018 | |
| Unemployed aged 15-24 | 35 | 42 | 5 |
| NEETs | | | |
| aged 15-24 | 120 | 125 | 18 |
| aged 15-29 | 211 | 218 | 32 |
| Low-skilled NEETs (common definition) | | | |
| aged 15-24 | 83 | 70 | 12 |
| aged 15-29 | 142 | 123 | 21 |
| Low-skilled NEETs (tailored definition) | | | |
| aged 15-24 | 92 | 78 | 14 |
| aged 15-29 | 158 | 135 | 24 |
| Informal workers aged 15-24 | 71 | .. | 11 |

*Notes:* The numbers of NEETs should only be taken as indicative rather than as precise estimates as they involve some estimation to obtain data for all countries according for the same year. Where estimated, this has been done by applying an estimate of the NEET (unemployment) rate to an estimate of the youth population in either 2014 or 2018. These estimates of the NEET (unemployment) rate are in turn obtained by either holding the rate constant at an earlier value or by applying the same increase since the last observed value as in another indicator (e.g. the youth or total unemployment rate).
*Source:* OECD calculations based on national labour force surveys (census for China).

8. Taking into account the need to come up with an indicator that is relevant, widely available and easily monitored over time, it is recommended to use the NEET rate for the headline indicator to monitor progress towards the Antalya target. This was also the conclusion reached previously by the EWG under Turkey's G20 Presidency. However, a decision is still required on the coverage of the NEET rate by age group and skill level so that a single headline indicator can be used to monitor progress in reaching the Antalya youth goal. It is recommended to take the rate for 15-29 year olds as this would take into account the lengthening transition from school to work. It is also recommended to restrict the NEET rate to low-

skilled youth (but using the tailored definition of low skill) as this would focus more narrowly on the potential population of youth most at risk of being left permanently behind in the labour market.

9.      In addition, the NEET rate can be calculated by gender to monitor trends separately for young women and men, and could be further disaggregated by the principal reason for not being employed or in education and training (e.g. unemployed or inactive because of home duties, disability, sickness, etc.). Indeed, the required policy responses may differ for each type of NEET category.

**Auxiliary measures of youth at risk**

10.      While some variant of the NEET rate seems to be the most appropriate option for the headline indicator to monitor progress in achieving the Antalya goal, it is clear that it does not fully capture the labour market situation of young people. Therefore, to complement the NEET rate, it may be useful to consider developments in a wider range of indicators to capture the multi-dimensionality of the problems and obstacles that young people face in gaining access to good quality jobs as well as the diversity of youth labour market challenges across G20 economies. Indeed, in the Ankara 2015 Declaration by G20 Labour and Employment Ministers (Annex 3), they agreed to the following policy principles to both increase skills of young people and provide them with better access to quality jobs:

*Improving education and skills of youth*

1.   Ensuring basic skills for all

2.   Ensuring school completion

3.   Providing greater choice in educational pathways

4.   Promoting access to higher education

5.   Bringing closer together the worlds of education and work

*Improving youth employment*

6.   Strengthening job opportunities

7.   Tackling unemployment

8.   Avoiding prolonged periods out of work

9.   Improving job quality

11.      Ministers also called upon the ILO and the OECD to assist in monitoring progress towards these policy objectives. This could be achieved by developing a set of youth indicators as indicated in Table 3 to complement the headline NEET rate.

Table 3. **Auxiliary G20 youth labour market indicators**

| Policy objective | Indicator and definition |
|---|---|
| *Improving education and skills of youth* | |
| 1. Ensuring basic skills for all | *Youth lacking basic skills.* Share of youth with a low level of proficiency in numeracy or literacy. |
| 2. Ensuring school completion | *Youth obtaining basic qualifications.* Share of youth aged 20-24 years with at least an upper-secondary level of education. |
| 3. Providing greater choice in educational pathways | *Youth participating in TVET.* Share of upper-secondary students participating in Technical Vocational Education and Training (TVET). |
| 4. Promoting access to higher education | *Youth achieving high-level qualifications.* Share of youth aged 25-29 years with a tertiary level of education. |
| 5. Bringing closer together the worlds of education and work | *Incidence of skills mismatch*: <br><br> a) *Overqualified:* Share of young workers with education levels higher than those required for the occupation. <br><br> b) *Underqualified:* Share of young workers with education levels lower than those required for the occupation. |
| *Improving youth employment* | |
| 6. Strengthening job opportunities | *Youth employment rate:* Share of youth in employment. |
| 7. Tackling unemployment | *Youth unemployment rate.* Share of all youth in the labour force who are unemployed (did not work in the reference week and are actively seeking work and available). <br><br> *Broader youth unemployment rate.* Unemployed youth plus those who are potential job seekers (who wish to work but are not actively seeking employment or who were temporarily unavailable to work) as a share of the youth potential labour force (labour force plus potential job seekers). |
| 8. Avoiding prolonged periods out of work | *Incidence of long-term unemployment for youth.* Share of unemployed youth who have been out of work and looking for a job for one year or more. |
| 9. Improving job quality | a) *Incidence of youth temporary employment.* Share of employed youth in temporary employment. <br> b) *Incidence of time-related under-employment.* Share of employed youth who, during a short reference period, wanted to work additional hours, whose working time in all their jobs was below a specified threshold of hours, and who were available to work additional hours if they had been given the opportunity to do so. <br> c) *Incidence of youth informal work.* Share of employed youth in informal employment. <br> d) *Incidence of low-paid work for youth.* Share of young workers earning less than 2/3 of median earnings. |

12.     The list of indicators has been kept short in order to limit it to those that could be feasibly collected on a regular and comparable basis for most if not all G20 economies. Most of the indicators could be updated on an annual basis. The indicators could be collected separately by gender, age groups (15-24, 15-29) as well as by level of education for some of the key indicators. Some of these indicators could be combined, for example, to create a broad indicator of youth labour underutilisation (unemployed + potential job seekers + time-related underemployment as a share of the potential labour force). In addition, some information could

be collected regularly for key policy variables such as the statutory minimum wage, which is a key determinant of wages for many young people.

**Conclusions**

13.     Taking into account the desirable (SMART) features that a headline indicator should have for monitoring the Antalya youth target, some variant of the NEET rate would seem to be most appropriate. Nevertheless, delegates will need to decide on which age group to cover (15-24 or 15-29) and whether to cover all NEETs or just the low skilled. It is also clear that the NEET rate provides only a partial picture of the labour market situation of youth and should be complemented by other indicators. A set of indicators is proposed in Table 3, and Delegates views would be welcome on whether these are the most appropriate ones and whether additional indicators should also be considered, taking into account both availability and comparability.