Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training

Indicator 8.6.1: Proportion of youth (aged 15-24 years) not in education, employment or training

Institutional information

Organization(s):

ILO

Concepts and definitions

Definition:

This indicator conveys the proportion of youth (aged 15-24 years) not in education, employment or training (also known as "the youth NEET rate").

Concepts:

For the purposes of this indicator, youth is defined as all persons between the ages of 15 and 24 (inclusive).

According to the International Standard Classification of Education (ISCED), education is defined as organized and sustained communication designed to bring about learning. Formal education is defined in ISCED as education that is institutionalized, intentional, and planned through public organizations and recognized private bodies and, in their totality, make up the formal education system of a country. Non-formal education, like formal education is defined in ISCED as education that is institutionalized, intentional and planned by an education provider but is considered an addition, alternative and/or a complement to formal education. It may be short in duration and/or low in intensity and it is typically provided in the form of short courses, workshops or seminars. Informal learning is defined in ISCED as forms of learning that are intentional or deliberate, but not institutionalized. It is thus less organized and less structured than either formal or non-formal education. Informal learning may include learning activities that occur in the family, in the work place, in the local community, and in daily life, on a self-directed, family-directed or socially-directed basis. For the purposes of this indicator, persons will be considered in education if they are in formal or non-formal education, as described above, but excluding informal learning.

Employment is defined as all persons of working age who, during a short reference period (one week), were engaged in any activity to produce goods or provide services for pay or profit.

For the purposes of this indicator, persons are considered to be in training if they are in a non-academic learning activity through which they acquire specific skills intended for vocational or technical jobs. Vocational training prepares trainees for jobs that are based on manual or practical activities, and for skilled operative jobs, both blue and white collar related to a specific trade,

occupation or vocation. Technical training on the other hand imparts learning that can be applied in intermediate-level jobs, in particular those of technicians and middle managers.

Rationale:

The share of youth not in employment, education or training (youth NEET rate) provides a measure of youth who are outside the educational system, not in training and not in employment, and thus serves as a broader measure of potential youth labour market entrants than youth unemployment. It includes discouraged worker youth as well as those who are outside the labour force due to disability or engagement in household chores, among other reasons. Youth NEET is also a better measure of the current universe of potential youth labour market entrants as compared with the youth inactivity rate, as the latter includes those youth who are outside the labour force and are in education, and thus are furthering their skills and qualifications.

Comments and limitations:

The calculation of this indicator requires to have reliable information on both the labour market status and the participation in education or training of young persons. The quality of such information is heavily dependent on the questionnaire design, the sample size and design and the accuracy of respondents' answers.

In terms of the analysis of the indicator, in order to avoid misinterpreting it, it is important to bear in mind that it is composed of two different sub-groups (unemployed youth not in education or training and youth outside the labour force not in education or training). The prevalence and composition of each sub-group would have policy implications, and thus, should also be considered when analysing the NEET rate.

Methodology

Computation method:

Youth NEET rate =

(Youth – (Youth in employment + Youth not in employment but in education or training))/Youth) x 100

It is important to note here that youth simultaneously in employment and education or training should not be double counted when subtracted from the total number of youth.

The formula can also be expressed as:

Youth NEET rate =

((Unemployed youth + Youth outside the labour force) – (Unemployed youth in education or training + Youth outside the labour force in education or training)) Youth x 100

Treatment of missing values:

- ***At country level:***

Multivariate regression and cross-validation techniques are used to impute missing values at the country level. The additional variables used for the imputation include a range of indicators, including

labour market and school enrolment data. However, the imputed missing country values are only used to calculate the global and regional estimates; they are not used for international reporting on the SDG indicators by the ILO.

For further information on the estimates, please refer to the the ILO modelled estimates methodological overview, available at https://www.ilo.org/ilostat-files/Documents/TEM.pdf.

- ***At regional and global levels:***

Regional aggregates:

The NEET aggregates are derived from the ILO modelled estimates that are used to produce global and regional estimates of, amongst others, rates of youth not in employment. These models use multivariate regression and cross-validation techniques to impute missing values at the country level, which are then aggregated to produce regional and global estimates. The regional and global NEET rates are obtained by first adding up, across countries, the numerator and denominator of the formula that defines NEET rates as outlined above. Once both magnitudes are produced at the desired level of aggregation, the ratio between the two is used to produce the NEET rate for each regional grouping and the global level. Notice that this direct aggregation method can be used due to the imputation of missing observations. For further information on the estimates, please refer to the the ILO modelled estimates methodological overview, available at https://www.ilo.org/ilostat-files/Documents/TEM.pdf.

Sources of discrepancies:

Methods and guidance available to countries for the compilation of the data at the national level:

In order to calculate this indicator, reliable data are needed on both the labour market situation and the participation in the educational system of the youth. These data are collected at the national level mainly through labour force surveys (or other types of household surveys with an employment module). For the methodology of each national household survey, one must refer to the most comprehensive survey report or to the methodological publications of the national statistical office in question.

- ILO Guidebook - Decent Work and the Sustainable Development Goals: A Guidebook on SDG Labour Market Indicators (https://www.ilo.org/stat/Publications/WCMS_647109/lang--en/index.htm)
- ILO Manual – Decent Work Indicators, Concepts and Definitions – Chapter 1, Employment opportunities http://www.ilo.org/integration/resources/pubs/WCMS_229374/lang--en/index.htm (second version, page 38)
- Resolution concerning statistics of work, employment and labour underutilization: http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adoptedby-international-conferences-of-labour-statisticians/WCMS_230304/lang--en/index.htm
- International Standard Classification of Education 2011 (ISCED-2011) http://www.uis.unesco.org/Education/Pages/international-standard-classification-of-education.aspx
- ILOSTAT (https://ilostat.ilo.org/).
- ILOSTAT's Indicator Descriptions – Youth NEET rate (https://ilostat.ilo.org/resources/methods/description-youth-neet/).

Quality assurance:

Data consistency and quality checks regularly conducted for validation of the data before dissemination in the ILOSTAT database.

In many cases, data are obtained through ILO processing of microdata sets of national household surveys. Data are also reported by national statistical offices or other relevant national agencies to the ILO Department of Statistics through its annual ILOSTAT questionnaire on labour statistics. The primary source of the data as well as the repository where applicable are indicated in the relevant metadata and/or footnotes in ILOSTAT and in the SDG Indicators Global Database.

Data sources

Description:

The preferred official national data source for this indicator is a household-based labour force survey.

In the absence of a labour force survey, a population census and/or other type of household surveys with an appropriate employment module may be used to obtain the required data.

Collection process:

The ILO Department of Statistics sends out its annual questionnaire to all relevant agencies within each country (national statistical office, labour ministry, etc.) requesting the latest annual data available and any revisions on numerous labour market topics and indicators, including many SDG indicators. Indicator 8.6.1 is calculated from statistics submitted to the ILO via this questionnaire as well as through special agreements with regional and national statistical offices or through the processing of microdata sets of national labour force surveys.

Data availability

Description:

Time series:

Data for this indicator is available as of 2000 in the SDG Indicators Global Database, but longer time series are available in ILOSTAT.

Disaggregation:

No disaggregation is specifically required for this indicator, although having it disaggregated by sex is desirable, as is disaggregation by detailed age groups within the youth age band

Calendar

Data collection:

The ILO sends out its annual ILOSTAT questionnaire on labour statistics, usually in the 2nd quarter, with a view to receiving the requested statistics by the 3rd quarter or the end of the year at the latest. Data received in batch from regional and national statistical offices and data obtained through the

processing of microdata sets of national household surveys by the ILO Department of Statistics are continuously updated in ILOSTAT (as they become available to the ILO Department of Statistics).

Data release:

The ILOSTAT database is continuously updated to reflect statistics compiled and processed every week. In general, statistics for EUROSTAT and OECD countries are available around the 2nd or 3rd quarter of the year following the year of reference, whereas they are usually available around the 3rd or 4th quarter of the year following the year of reference for the other countries.

Data providers

Mainly national statistical offices, and in some cases labour ministries or other related agencies, at the country-level. In some cases, regional or international statistical offices can also act as data providers.

Data compilers

ILO

References

ILO Guidebook - Decent Work and the Sustainable Development Goals: A Guidebook on SDG Labour Market Indicators (https://www.ilo.org/stat/Publications/WCMS_647109/lang--en/index.htm)

Decent Work Indicators Manual: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_223121.pdf

Resolution concerning statistics of work, employment and labour underutilization, adopted by the 19th ICLS in 2013: http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adoptedby-international-conferences-of-labour-statisticians/WCMS_230304/lang--en/index.htm

International Standard Classification of Education (ISCED) developed by UNESCO: http://www.uis.unesco.org/Education/Pages/international-standard-classification-of-education.aspx

What does NEETs mean and why is the concept so easily misinterpreted? (ILO, W4Y, Technical brief n°1): http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_343153.pdf

ILOSTAT (https://ilostat.ilo.org/).

ILOSTAT's Indicator Descriptions – Youth NEET rate (https://ilostat.ilo.org/resources/methods/description-youth-neet/).

Related indicators