



CHAPTER 6.1

YOUTHS IN THE LABOUR MARKET

MINISTRY OF MANPOWER

According to the International Labour Organization (ILO), even though youths across most parts of the world were becoming more educated, they were twice more likely to be unemployed than adults¹. This paper sought to profile the economic situation of youths in Singapore, especially in light of the recent economic downturn.

1. The global aggregate ratio of the youth-to-adult unemployment rate was 2.8 in 2007. Source: International Labour Organization, Global Employment Trends for Youth, 2008.

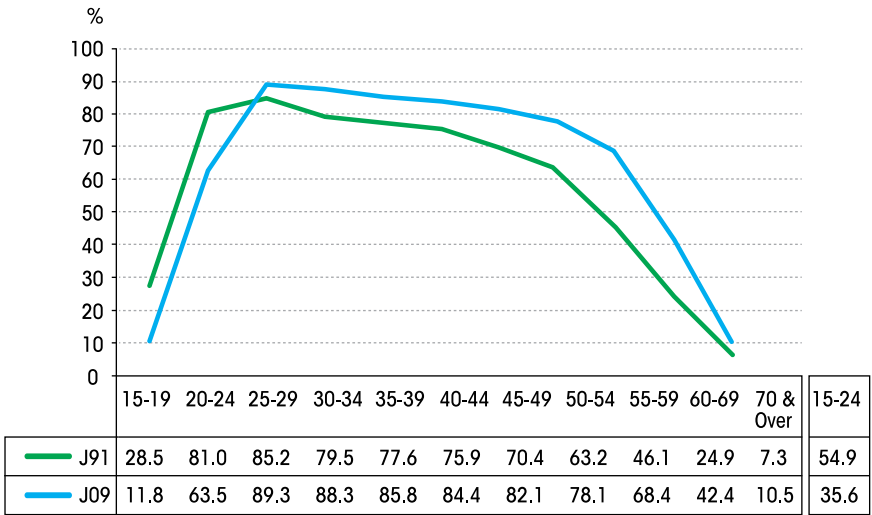
This paper focused on the recent employment and unemployment situation of youths, as well as youths who might be at risk of becoming economically vulnerable. Data in this paper pertained to the resident² population and were mainly sourced from the Labour Force Surveys. While there is no international consensus on the definition of youths, the ILO and many countries define “youths” as those aged 15 – 24³. This paper adopted the same definition to facilitate international comparison. Persons aged 15 – 19 were defined as “younger youths” and those aged 20 – 24, “older youths”.

Overview

Fewer youths participated in the labour force as more pursued higher education

Singapore’s rising education levels have resulted in fewer youths participating in the labour force. Even though the youth population grew from 452,900 in 1991 to 504,600 in 2009⁴, the proportion participating in the labour force fell from 55% to 36%. This was unlike other age groups which experienced a general rise in labour force participation rate (Chart 1).

Chart 1: Labour Force Participation Rate, June 1991 & June 2009

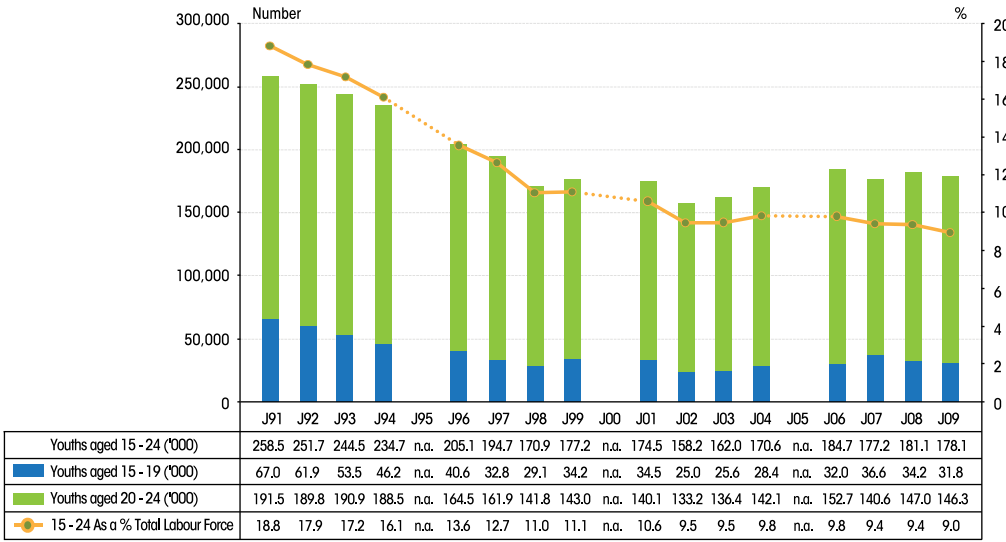


Source: Labour Force Survey, MOM

2. Residents refer to Singapore citizens and permanent residents.
3. In Singapore there is a mandatory 24-month national service requirement for males (usually served between the ages of 17 - 24), which delayed their tertiary education and subsequent entry into the labour market.
4. Source: Population Trends 2009, Department of Statistics.

The current youth labour force was smaller than before. In 1991, there were 258,500 youths, accounting for 19% of the entire labour force. By 2009, the number of youths fell to 178,100, representing less than one in ten residents in the labour force (9.0%). Older youths aged 20 – 24 made up 82% of these economically active youths, while younger youths aged 15 – 19 constituted just 18% (Chart 2).

Chart 2: Number and Share of Youth Labour Force by Age, June 1991 to June 2009



Source: Labour Force Survey, MOM
Notes: (1) June Labour Force Surveys were not conducted in 1995, 2000 and 2005 due to the conduct of the General Household Survey 1995 and 2005 and Census of Population 2000 during these periods.
(2) To facilitate comparison with data for 2008 onwards, the 2007 Labour Force Survey data have been adjusted based on the Singapore Department of Statistics’ revised population estimates (released in February 2008) which exclude Singapore residents who have been away from Singapore for a continuous period of 12 months or longer. Adjusted data for 2007 are denoted by the symbol “a”.
(3) Data for each year may not add up due to rounding.

The fall in youth labour force participation corresponded with a significant rise in youths who were pursuing higher education. The number and proportion of youths who were economically inactive due to education increased from 196,400 or 42% in 1991 to 311,400 or 62% in 2009.

Only a very small group of youths were both inactive and not in education. The number and proportion of these youths shrank from 16,300 or 3.5% in 1991 to 11,100 or 2.2% in 2009. These youths constituted part of the *not in employment, education or training* (NEET) group, which will be examined in the last section of this paper (Chart 3).

Chart 3: Distribution of Youth Population by Economic Activity / Education Status, June 1991 to June 2009



Source: Labour Force Survey, MOM

Notes: (1) Employed youths 'in education' refer to those in full-time education.

(2) Employed youths 'not in education' refer to those who are fully engaged in the workforce, and are not in full-time education.

(3) Inactive youths 'in education' refer to those in full-time education, part-time education and those awaiting examination results / NS call-up.

(4) Inactive youths 'not in education' refer to those who are homemakers, in poor health, have sufficient financial support, discouraged, taking a break or for other reasons.

(5) June Labour Force Surveys were not conducted in 1995, 2000 and 2005 due to the conduct of the General Household Survey 1995 and 2005 and Census of Population 2000 during these periods.

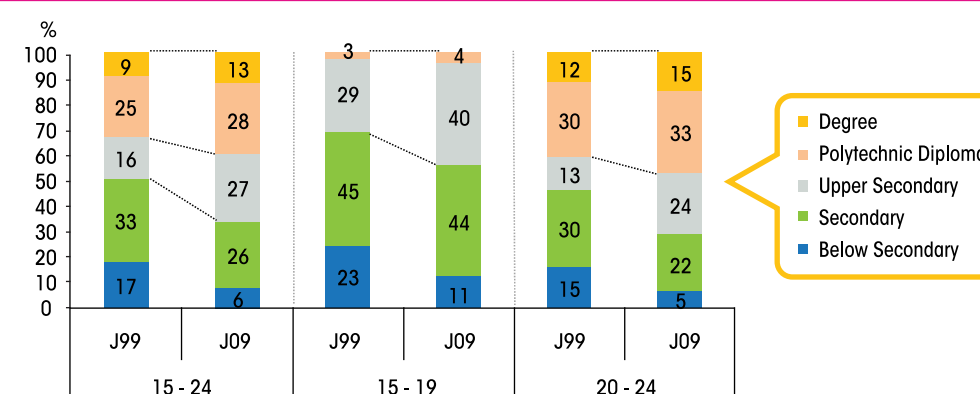
(6) To facilitate comparison with data for 2008 onwards, the 2007 Labour Force Survey data have been adjusted based on the Singapore Department of Statistics' revised population estimates (released in February 2008) which exclude Singapore residents who have been away from Singapore for a continuous period of 12 months or longer. Adjusted data for 2007 are denoted by the symbol 'a'.

(7) Data for each year may not add up to 100% due to rounding.

Youth's educational profile improved

Reflecting the longer time spent in education, the general education profile of Singapore youths in the labour force has improved. The proportion of youths with post-secondary education grew from 50% to 67% over the decade (Chart 4).

Chart 4: Education Profile of Youth Labour Force, June 1999 & June 2009



Source: Labour Force Survey, MOM

Note: Data for each year may not add up to 100% due to rounding.

With more years spent in education, youths were postponing their labour force entry. In 2009, more youths entered the labour force after they turned 25 years of age (as young adults) than when younger (as youths). This was a marked change from 1991, when the labour force participation rate was higher at 29% for the younger and 81% for older youths. By 2009, the increase in schooling years resulted in participation rate falling to 12% for the younger and 64% for older youths. Most of them entered the labour force at the next age band as young adults aged 25 – 29, when the participation rate rose sharply to 89% (Chart 1).

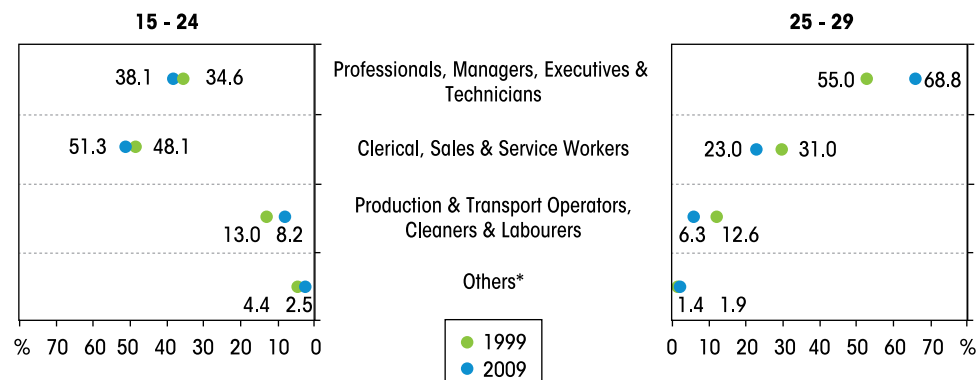
Youths In Employment

Rising education levels have led to improved occupational profile

Youths accounted for 109,500 or 6.0% of all employed workers in 2009, down from 120,700 or 8.2% a decade ago⁵. Although the youth workforce had contracted, the proportion of youths employed as *professionals, managers, executives & technicians (PMETs)* grew from 35% to 38%. Correspondingly, the proportion of youths employed as *production & related workers* fell from 13% to 8.2%. However, it was in the next age band of 25 – 29 (when labour force participation rate peaked) where there was a significant improvement in job profile of the young adults. Here, the share of *PMETs* increased from 55% in 1999 to 69% in 2009 (Chart 5).

5. Data exclude full-time national servicemen.

Chart 5: Occupational Distribution of Youths & Those Aged 25 - 29, June 1999 & June 2009



Source: Labour Force Survey, MOM

Notes: (1) Data exclude full-time National Servicemen.

(2) *Includes Agricultural And Fishery Workers and Workers Not Classifiable by Occupation.

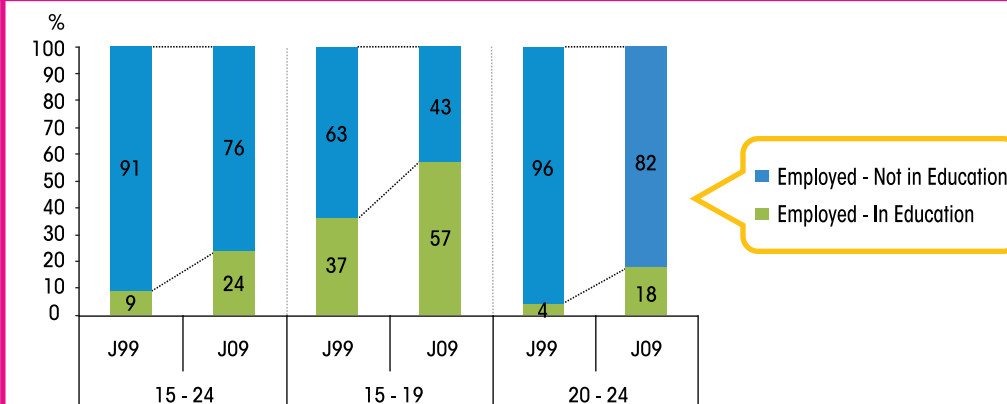
(3) Data for each year may not add up to 100% due to rounding.

More youths were working and studying at the same time

More youths were working and studying at the same time (i.e. working students) as compared to a decade ago. The share of working students among employed youths rose from 9.1% in 1999 to 24% in 2009 (Chart 6). The employment profile of working students involved internships/ vacation jobs (47%), jobs while schooling (44%) and jobs while awaiting examination results (8.9%). Generally, the increase in the number of working students is seen as a positive trend. Not only are working students enhancing their educational profile and earning an income at the same time, they are also gaining work experience and skills that are critical for improving their future employment outcomes. University graduates have provided feedback in a 2009 tracer study conducted by MOM, that internship is a valuable tool in helping them secure their desired jobs. The university graduates highlighted that their own job search had taught them that employers prefer fresh graduates to come with practical experience gained from attachments. Graduates who had completed attachments shared that structured attachments not only helped them gain practical skills, but also gave companies an opportunity to assess the graduates for permanent employment.



Chart 6: Profile of Youths in Employment by whether in Education, June 1999 & June 2009



Source: Labour Force Survey, MOM

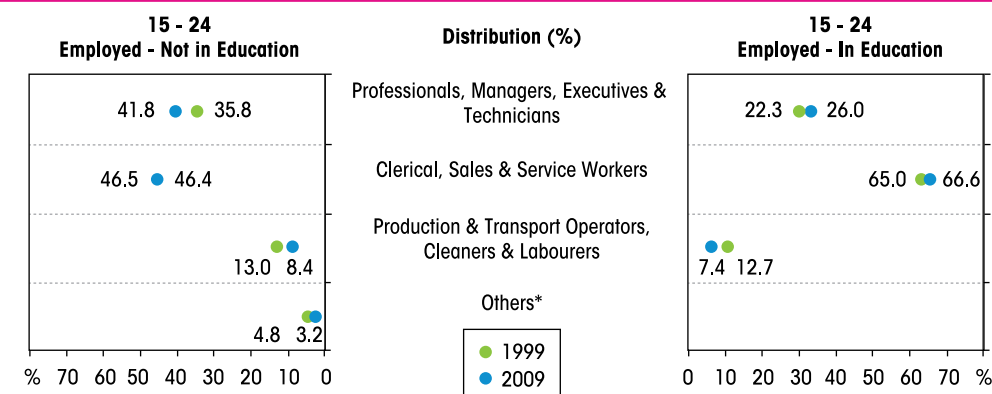
Notes: (1) Employed youths 'in education' refer to those in full-time education.

(2) Employed youths 'not in education' refer to those who are fully engaged in the workforce, and are not in full-time education.

(3) Data exclude full-time National Servicemen.

Expectedly, the occupational profile of youths who were fully engaged in the workforce was better than that of working students. Most working students held jobs as *clerical, sales & service workers* (67%), while a smaller group held *PMET* jobs (26%). By contrast, a significantly higher proportion of youths who were fully engaged in work held *PMET* jobs (42%), while the remainder held mainly *clerical, sales & service* jobs (47%) (Chart 7).

Chart 7: Occupational Distribution of Youths by whether They Were in Education, June 1999 & June 2009



Source: Labour Force Survey, MOM

Notes: (1) Data exclude full-time National Servicemen.

(2) *Includes Agricultural And Fishery Workers and Workers Not Classifiable by Occupation.

(3) Data for each year may not add up to 100% due to rounding.

Youths were more likely to be employed in part-time or temporary jobs compared to other age groups

Youths were more likely to be holding a part-time or temporary job of less than a year (31.4%) compared to other age groups. The higher proportion of youths in part-time or temporary jobs partly stemmed from the high proportion among younger working students, aged 15 – 19 (Table 1).

Table 1: Distribution of Resident Employees by Employment Terms & Age, June 2009

Employment Terms	15-24			15-19	20-24	25-29	25-49	50 & Over
	Total	Employed Not in Education	Employed In Education					
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Full-Time Permanent *	68.6	82.6	22.4	26.6	75.8	94.8	93.4	82.4
Part-Time / Temporary *	31.4	17.4	77.6	73.4	24.2	5.2	6.6	17.6

Source: Labour Force Survey, MOM

Notes: (1) Data exclude full-time National Servicemen.

(2) *Full-Time permanent employment refers to employment where the normal working hours of work are at least 35 hours a week and where the employment is not temporary. It includes those on term contract employment of 1 year or more.

(3) *Part-Time/temporary employment refers to employment where the normal working hours of work do not exceed 35 hours a week, or where employment is on a term contract basis of less than 1 year.

(4) Data include those in full-time education who are working and differ from data in Chart 10.

However, for employed youths who were not in education, a relatively high proportion managed to secure full-time permanent jobs (83%). Hence, it could be argued that the high part time / temporary share of youths stemmed mainly from the working students, and not so much that there was a lack of full-time permanent jobs for them.

The proportion of part-timers who were willing and available to work additional hours (i.e. time-related under-employed) for youths (57%) was comparable to prime-working age persons (56%). Still, as a result of more youths working part-time, youths experienced a higher rate of time-related underemployment⁶ (8.3%) than other age groups. The most recent recession further increased their underemployment rate, as companies took measures to trim labour costs (Table 2).

Table 2: Time-related Underemployment, June 2008 & June 2009

Ages	Underemployment Rate (%)		Share of Part-Timers who are Underemployed (%)	
	J08	J09	J08	J09
15 - 24	6.0	8.3	52.2	56.6
15 - 19	14.4	16.7	46.6	50.0
20 - 24	4.0	6.5	58.2	61.0
25 - 49	2.1	3.0	49.1	55.8
50 & Over	5.0	6.2	43.2	46.0

Source: Labour Force Survey, MOM

Notes: Underemployment rate is the percentage of employed persons, who are working part-time, but willing and available to engage in additional work.

Enhancing career planning infrastructure for youths

It is critical for youths to start planning for their careers early to improve their employment outcomes in the future. The career planning skills will continue to be useful for them as they become adult workers. To help youths, the government has embarked on initiatives to provide comprehensive labour market information to help youths get a head start. Youths are encouraged to tap on these initiatives to assess and understand their aptitudes and to navigate the myriad opportunities in the labour market. Some of these initiatives include the Career Compass by MOM and the wide range of career services provided by the schools.



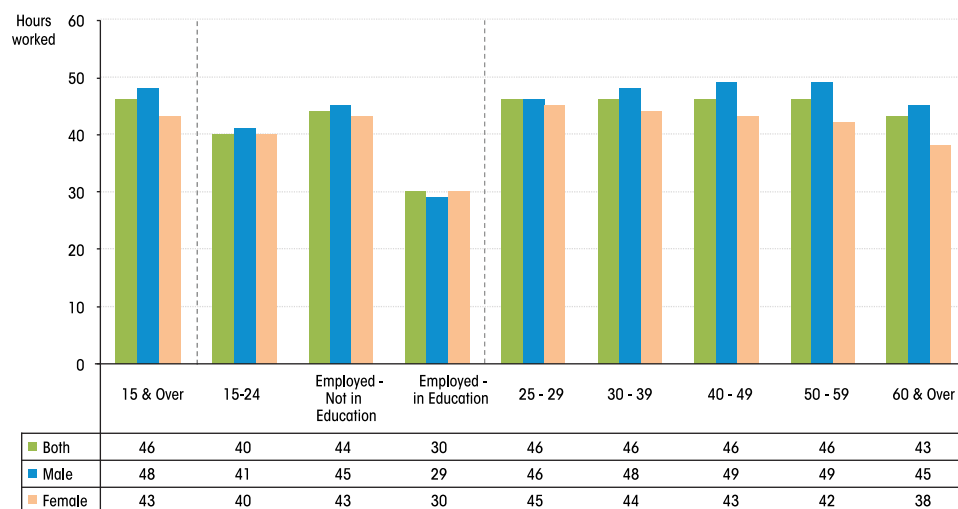
The Career Compass is a one-stop career guide for students, providing comprehensive and forward-looking information on careers and skills in demand. It covers industry and manpower trends as well as occupational information such as skills needed, employment conditions and incomes. The Career Compass 2010 also provides links to job preparation and career planning tools to help students prepare for their chosen careers.

6. Underemployment rate measures the percentage of employed persons, who entered into part-time employment, but were willing and available to engage in additional work (involuntary part-timers).

Youths worked fewer hours

Youths generally worked fewer hours than other age groups. In 2009, youths worked an average of 40 hours per week, which was six hours less than the average for all workers. This was not surprising given that some youths were still in education and were working part-time. Working students clocked 14 hours less than youths who were fully engaged in the workforce (Chart 8).

Chart 8: Mean Usual Hours Worked by Age & Gender, June 2009



Source: Labour Force Survey, MOM

Notes: (1) Usual hours worked per week refer to the number of hours a person usually works in a typical week, regardless of whether they are paid or not. It differs from the concept of normal hours of work, which refers to the stated working hours on the contract.

(2) Data exclude Full-Time National Servicemen.

Youths were mainly hired in hotel, food & beverage and the social service sectors

Similar to the overall workforce, most youths were employed in the services sector, which accounted for nine out of every ten youths employed. With nearly one in ten of their workers belonging to the 15 – 24 age group, *hotels & restaurants* (10%) and *community, social & personal services* (9.1%) were more likely to employ youths than other industries (Table 3).

Table 3: Incidence & Distribution of Employed Youths by Industry, June 2009

Industry	J09		
	Number	Incidence (%)	Distribution (%)
TOTAL	109,500	6.0	100.0
MANUFACTURING	7,500	2.6	6.9
CONSTRUCTION	2,400	2.1	2.2
SERVICES	99,000	7.1	90.4
Community, Social & Personal Services	32,500	9.1	29.7
Wholesale & Retail Trade	17,400	6.4	15.9
Hotels & Restaurants	12,900	10.3	11.8
Financial & Insurance Services	7,700	6.3	7.0
Professional, Scientific & Technical Services	7,700	7.0	7.0
Other Services	20,800	5.1	19.0
OTHERS*	600	2.7	0.5

Source: Labour Force Survey, MOM

Notes: (1) Incidence of youths refers to the percentage of the resident workforce who were aged 15 – 24.

(2) Data exclude full-time National Servicemen.

(3) *Includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management and Workers Not Classifiable by Occupation.

(4) Data may not add up due to rounding.

Abundant job opportunities for youths

Singapore's labour market is expected to continue to improve in tandem with the recovery in the economy. Although the services sector will be a major employer, there will be jobs available in the various sectors of the economy for *rank-and-file workers* and *PMETs*. It is important for youths to proactively keep themselves updated of opportunities.

Retail and food & beverage industries continued to hire in 2010, driven by opening of new malls such as TripleOne Somerset, Marina Link Mall, as well as the rejuvenation and expansion of existing malls such as Icon Village, The Heeren and China Square Central. A wide range of both *rank-and-file* and *PMET* occupations will be in demand, including sales assistants, kitchen helpers, chefs, supervisors and managers.

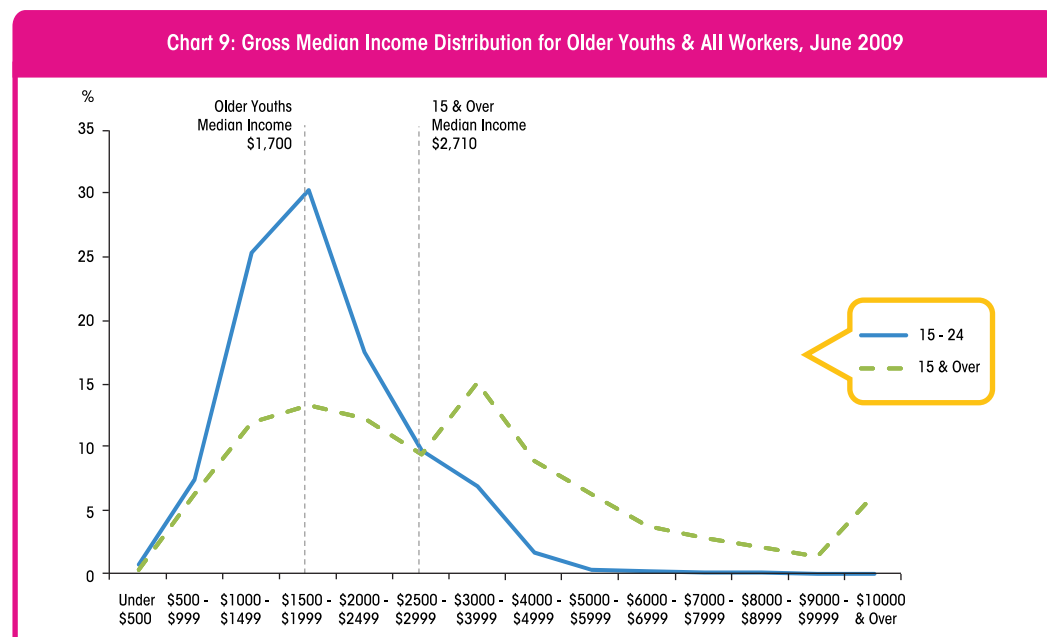
In the healthcare industry, new hospitals such as Khoo Teck Puat Hospital and Jurong General Hospital will create demand for doctors, nurses, pharmacists and allied healthcare professionals. The finance sector has also seen an improvement in hiring sentiments. Banks such as ANZ Bank and Standard

Chartered Bank have announced plans to hire more than 1,000 individuals over the next 2 – 3 years in private, consumer and commercial banking. The InfoComm Technology industry is also looking to hire project managers, net developers, system & software engineers and web designers. In the education industry, there will be 200 new childcare centres by 2013 which will create demand for pre-school teachers and other professionals.

Biomedical MNCs have boosted their presence locally. Global biomedical sciences companies have located strategic functions in Singapore that include regional headquarters (Medtronic), global manufacturing facilities (GlaxoSmithKline) and R&D bases (Abbott). When fully staffed, these projects will create more than 1,600 jobs for engineers, research scientists and other skilled workers.

Youths typically earned less due to limited work experience

With many in entry-level positions, older youths expectedly earned less than the average worker. Younger youths are excluded from the comparison with other ages, as many are still not fully engaged in the workforce. In 2009, the median income for older youths in full-time permanent employment was \$1,700, which was lower than the \$2,710 for all workers. The youth incomes clustered in a narrow range of \$1,000 to \$2,499. By contrast, the income distribution was more spread out for the general workforce (Chart 9).



Source: Labour Force Survey, MOM

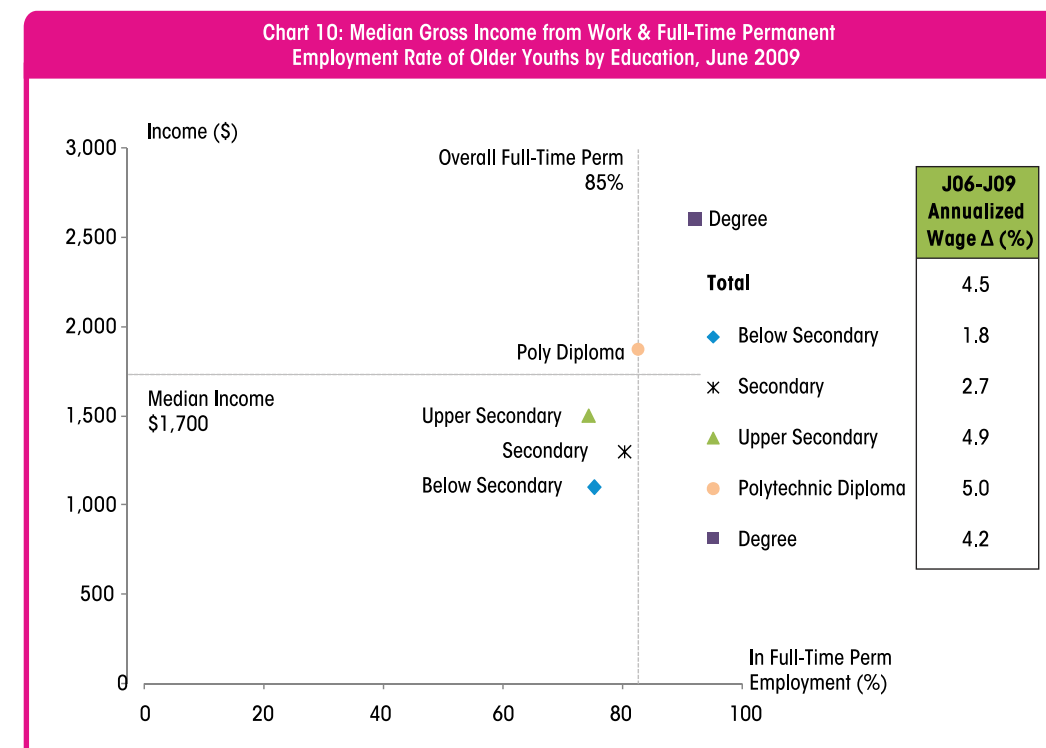
Notes: (1) Data exclude full-time National Servicemen.

(2) Data pertain to full-time permanent employees who are fully engaged in the workforce, including those on term contract employment of 1 year or more.

Higher educational attainment improves employment prospects

Higher educational attainments not only translated into considerably higher incomes, but also more secure jobs for youths. Incomes for youths aged 20 – 24 with upper secondary and lower qualifications in full-time permanent employment clustered in a narrow range between \$1,100 and \$1,500. This increased to \$1,870 for polytechnic diploma holders and \$2,600 for university graduates. Also, youths with tertiary qualifications were more likely to be in full-time permanent employment. A vast majority of older youths with degrees (95%) and diplomas (86%) were in full-time permanent jobs compared with those with upper-secondary qualifications (77%).

Better educated youths also enjoyed higher income gains than those less educated. Over the last three years, income grew more significantly for those with post-secondary qualifications (4.2 – 5.0% p.a.) than the lower-educated groups (1.8 – 2.7% p.a.) (Chart 10).



Source: Labour Force Survey, MOM

Notes: (1) Data exclude full-time National Servicemen.

(2) Data pertain to full-time permanent employees who are fully engaged in the workforce, including those on term contract employment of 1 year or more.

Unemployed Youths

Youths less affected by the recent recession

Youths typically experience higher unemployment rate⁷ than the overall labour force. This reflects their greater job search activity as many of them are entering the job market for the first time. Additionally, youths tend to seek more frequent job changes.



However, youths in Singapore were less affected by the recent recession compared to other age groups. Youths were generally less vulnerable to layoffs, representing just 4.4% of workers made redundant at the peak of redundancies in the first quarter of 2009, lower than their composition of the resident workforce at 8.3% in 2009. Relative to the general labour force, the ratio of youth unemployment to the resident average dipped from 2.19 in 2008 to 2.05 in 2009, reflecting the smaller rise in youth unemployment rate than the overall average.

Similar observations were also made during past recessions. Youths have greater scope for withdrawal from the labour force e.g. to further their studies or take a break during a recession, as many could still rely on their families for financial support (Table 4).

Table 4: Unemployment Rate & Ratio of Youth Unemployment to Resident Average by Age, 2008 & 2009 (Annual Average)

Ages	Rate (%)		Change		Ratio of Unemployment to Resident Average	
	2008	2009	%-points	%	2008	2009
15 & Over	3.2	4.3	1.1	34.4	1.00	1.00
15 - 24	7.0	8.8	1.8	25.7	2.19	2.05
25 - 29	3.7	5.0	1.3	35.1	1.16	1.16
30 - 39	2.6	3.6	1.0	38.5	0.81	0.84
40 & Over	2.8	3.8	1.0	35.7	0.88	0.88

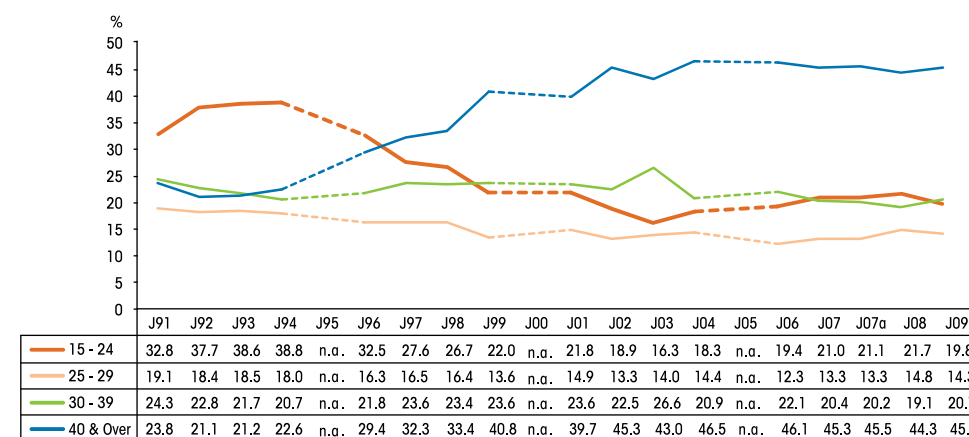
Source: Labour Force Survey, MOM

Share of youths among unemployed residents showed underlying downtrend

While a growing proportion of youths were unemployed during the recession, their share of the unemployed has declined. Only one in five (20%) unemployed residents in 2009 were youths, compared with one in three (33%) in 1991. Over the years, the youth share of the unemployed has generally trended downwards reflecting the impact of an ageing population and falling youth labour force participation rate, as more of them deferred their entry into the labour market to pursue higher education.

An exception to the downward trend was during the boom years from 2004 to 2008 when the share of youths among the unemployed rose, as the other age groups experienced larger improvements in unemployment. Nevertheless, the youth share of resident job seekers was still lower than in the 1990s, when proportionately more youths had participated in the labour market (Chart 11).

Chart 11: Share of Unemployed Residents by Age, June 1991 to June 2009



Source: Labour Force Survey, MOM

Notes: (1) June Labour Force Surveys were not conducted in 1995, 2000 and 2005 due to the conduct of the General Household Survey 1995 and 2005 and Census of Population 2000 during these periods.

(2) To facilitate comparison with data for 2008 onwards, the 2007 Labour Force Survey data have been adjusted based on the Singapore Department of Statistics' revised population estimates (released in February 2008) which exclude Singapore residents who have been away from Singapore for a continuous period of 12 months or longer. Adjusted data for 2007 are denoted by the symbol "a".

(3) Data for each year may not add up to 100% due to rounding.

7. Unemployment rate refers to the proportion of the economically active population, who are without work, but actively seeking and available for work.

Unemployment is mostly a transitional phase for youths, as they do not experience long unemployment spells

Generally, youths do not experience long unemployment spells. The median duration of unemployment was only six weeks for youths, compared with 10 weeks for all job seekers in June 2009. Only one in ten (11%) youth job seekers was unemployed for 25 weeks or more, compared to two in ten (22%) for job seekers in general. This suggests that the gap in youth unemployment rate relative to the overall average is mainly frictional in nature, due to new entrants and movement of people between jobs, given that it normally takes some time for job seekers and employers to find a match (Table 5).

Table 5: Long-Term Unemployment Share & Median Duration of Unemployment by Age, June 2009

Ages	Share (%)	Duration (Weeks)
15 & Over	22.2	10
15 - 24	10.6	6
25 - 29	15.4	8
30 - 39	24.1	12
40 & Over	28.5	12

Source: Labour Force Survey, MOM

Notes: (1) Long-Term unemployment share refers to the proportion of residents who were unemployed for at least 25 weeks.
(2) Duration refers to the median number of weeks spent in unemployment.

Youth unemployment here is less severe than in many other countries

Youth unemployment in Singapore was less severe than in many other countries. In June 2009, Singapore's ratio of youth to total unemployment rate (overall: 1.49, resident: 2.20) was lower than in many European and Asian countries, including Sweden (3.01), Norway (3.00), South Korea (2.77), Taiwan (2.53), France (2.52), the United Kingdom (2.47) and Hong Kong (2.29).

Among the countries compared, Japan and Germany have lower rates (8.7% and 10.9% respectively) and ratios (1.67 and 1.42 respectively) of youth unemployment than Singapore (residents: 13.0% and 2.20). Germany's low youth unemployment rate is a result of an established apprenticeship system. For Japan, their low youth unemployment rate reflects the relatively structured transition of youths from school to work, where companies have developed a close working relationship with schools, typically recruiting from the same high schools each year. It might also be attributable to the relatively low and flexible incomes for Japanese youths, along with a lower risk of recent hires getting laid off during downturns compared with most countries. Despite their low youth unemployment rates, unemployed youths in these two countries experienced high incidences of long-term unemployment at 36% for Japan and 53% for Germany in 2008. This was unlike in Singapore, where on average only 4.9% of unemployed youths had been unemployed for at least 25 weeks in 2008, significantly lower than in other countries (Tables 6 & 7).

Table 6: International Comparison of Youth Unemployment Rate, June 2009

Country	Unemployment Rate (%)		Ratio of Youth Unemployment Rate Relative to Total Unemployment Rate	Source
	15 yrs & Over	15 - 24 yrs	15 - 24 yrs	
Singapore	4.1 (5.9)	6.1 (13.0)	1.49 (2.20)	Labour Force Survey, MOM
Germany	7.7	10.9	1.42	EuroStat Statistical Database
Japan	5.2	8.7	1.67	Japan's Statistics Bureau website
Denmark	6.1	11.4	1.87	EuroStat Statistical Database
US	9.5	17.8	1.87	US Bureau of Labour Statistics' Current Population Survey website
Ireland	12.2	26.9	2.20	EuroStat Statistical Database
Hong Kong	5.5	12.6	2.29	Hong Kong Census and Statistics Department
UK	7.8	19.3	2.47	EuroStat Statistical Database
France	9.5	23.9	2.52	EuroStat Statistical Database
Taiwan	5.9	14.9	2.53	R.O.C Taiwan's Directorate-General of Budget, Accounting & Statistics website
Finland	8.5	22.1	2.60	EuroStat Statistical Database
South Korea	3.9	10.8	2.77	Korea National Statistics Office website
Norway	3.0	9.0	3.00	EuroStat Statistical Database
Sweden	8.8	26.5	3.01	EuroStat Statistical Database
Luxembourg	6.4	22.0	3.44	EuroStat Statistical Database

Notes: (1) Figures in brackets for Singapore pertain to residents.

(2) Data for the United Kingdom and United States are for those aged 16 & over and 16 - 24 respectively.

(3) Data for Hong Kong and the United Kingdom are for Q2 09.

(4) Figures are seasonally adjusted except those for Singapore, South Korea, Japan, Hong Kong and Taiwan.

(5) Figures for Germany, Denmark, Ireland, the United Kingdom, France, Finland, Norway, Sweden and Luxembourg are harmonised.



As in other countries, youths in Singapore experienced a higher unemployment rate than other age groups. However, this was not a serious problem as unemployment was mainly a transitional stage for most youths, unlike in some developed countries, where youths remained unemployed for long periods. Our ratio of youth to overall unemployment rate was also lower than in many other countries.



The recent recession did not affect Singapore youths as severely as the other age groups. While a growing proportion of youths were unemployed during the recession, their pace of increase was slower than the overall average and their share of unemployed has declined.

Table 7: Incidence of Long-term Unemployment (As a % of total unemployment), 2008

Country	Share of Unemployed Who are Long-Term Unemployed (%)		Source
	15 yrs & over	15 - 24 yrs	
Singapore	15.4 (15.8)	4.9 (5.1)	Labour Force Survey, MOM
Norway	18.4	7.2	OECD database on Labour Force Statistics
South Korea	9.7	8.1	OECD database on Labour Force Statistics
Finland	31.5	9.6	OECD database on Labour Force Statistics
Denmark	26.5	10.8	OECD database on Labour Force Statistics
Sweden	25.9	11.2	OECD database on Labour Force Statistics
Hong Kong	20.9	11.8	General Household Survey, Hong Kong
US	19.7	13.9	OECD database on Labour Force Statistics
Taiwan	33.0	24.4	Yearbook of Manpower Survey Statistics, Taiwan
UK	43.0	35.5	OECD database on Labour Force Statistics
Japan	46.9	35.7	OECD database on Labour Force Statistics
France	55.6	41.8	OECD database on Labour Force Statistics
Ireland	48.2	43.3	OECD database on Labour Force Statistics
Germany	68.9	53.4	OECD database on Labour Force Statistics
Luxembourg	63.3	64.2	OECD database on Labour Force Statistics

Notes: (1) For Singapore, long-term unemployment refers to those who have been unemployed for at least 25 weeks. Figures in brackets pertain to residents.

(2) Singapore's incidence of long-term unemployment among the unemployed for overall population aged 15 - 24 is estimated.

(3) For Taiwan, long-term unemployment refers to those who have been unemployed for at least 27 weeks.

(4) Long-term unemployment data for the other countries refer to those who have been unemployed for at least 6 months.

(5) Data for the United Kingdom and United States are for those aged 16 & over and 16 - 24 respectively.

Vulnerable Youths

Youths here are less likely to be "idle"

While the employment and unemployment situation for youths in Singapore was generally positive, a very small group of youths might be at risk of becoming economically 'idle'. These were youths who were 'not in employment, education or training' (NEET). This term was first coined by the Office of National Statistics, United Kingdom and since adopted by the United States, Australia, New Zealand, and is also used by the ILO as a decent work indicator⁸. The NEET measure has been used to better understand economic 'idleness', through its inclusion of economically inactive youths not in education, who are not captured by the unemployment rate. These youths include those who are discouraged, taking a break, homemakers, in poor health, or are inactive due to reasons other than education.

The NEET measure covers those who are unemployed or inactive, due to reasons other than education or training. However, the LFS is currently not designed to accurately capture those who are NEET, as information on education / training of unemployed persons are not collected. This paper uses an approximation to NEET, by including the entire unemployed group, regardless of whether or not these people are in education or training, into the proxy NEET measure (Table 8).

8. NEET data for these countries are not released on a regular basis, and are only available in occasional publications.

Table 8: Standard NEET & NEET Proxy Comparison

	NEET	NEET Proxy
Unemployed while		
Not in Education / Training	√	√
In Education / Training		√
Inactive while		
Not in Education / Training	√	√
In Education / Training		

In Singapore, education and work kept most youths from being 'idle' last year. Youths who were NEET (proxy) represented just 5.2% of the entire youth population, with 3.1% who were unemployed, and 2.1% who were inactive and not in school. Among the latter NEET youths, only a marginal number faced the risk of protracted 'idleness'. They were those who were discouraged⁹ (0.1% of the youth population or 600) and those taking breaks (0.5% or 2,400). While the majority of them in these two groups indicated intentions for an eventual workforce entry, there was a negligible group (0.05% or 200) of youths who indicated entry timings beyond two years or have no plans to enter who were likely to become entrapped in "idleness". Other inactive youths were those in poor health and hence understandably inactive (0.4% or 1,800), and female homemakers (0.8% or 4,000). The latter group stayed home to care for children, elderly or sick relatives, or to manage their homes.

The other 3.1% of youths who were NEET (proxy) were unemployed. However, these youths generally did not stay unemployed for long. As discussed in the previous section, unemployment was mostly a short term and transitional phase for youths, and affected them less than other age groups (Table 9).

Table 9: Youth Labour States by Age & Education, Annual Average 2009

Age		Total Population	NEET							
			NEET Total	Inactive - Not in Education						Unemployed
				Inactive - Not in Education Total	Homemaker	Poor Health	Discouraged	Taking a Break	Others	
15 - 24	Number	506,000	26,500	10,600	4,000	1,800	600	2,400	1,800	15,800
	As a % of Youth Population	100.0	5.2	2.1	0.8	0.4	0.1	0.5	0.4	3.1

Source: Labour Force Survey, MOM

Notes: (1) Data represent the average for the year.

(2) NEET refers to those who are unemployed or inactive due to reasons other than education.

(3) Homemakers refer to those who stayed inactive to attend to housework or take care of children, elderly and/or sick relatives.

(4) Discouraged refers to those who believe that there is no suitable work available, perceives that there is discrimination from employers or that he or she lacks the necessary qualification, training, skills or experience.

(5) Data may not add up due to rounding.

9. Discouraged refers to those who believe that there is no suitable work available, perceives that there is discrimination from employers or that he or she lacks the necessary qualification, training, skills or experience.

Youths here experience a lower NEET (proxy) rate than in many other countries

The proportion of 'idle' youths in Singapore, based on the NEET (proxy), was low in comparison to selected countries. The NEET (proxy) rate for younger youths was 2.2% in 2007, the lowest among all the countries compared. The NEET (proxy) rate was slightly higher for our older youths, but still lower than most countries. In 2007, 7.9% of the Singapore older youth population was NEET (proxy). Among the OECD and partner countries, Denmark, Switzerland and Australia also had low NEET rates for older youths.

By contrast, countries with high NEET rates for both younger and older youths were mainly welfare states. However, their governments have been taking action. The United Kingdom passed the Education and Skills Act in 2008, requiring all youths to participate in education, training or volunteering until the age of 18¹⁰. In the United States, US\$500 million has been allotted for a summer youth employment program in the Jobs for Main Street Act of 2010, after unemployment rate reached a high of 27% for youths aged 16 – 19 in Nov 2009¹¹. The situation is similar among all the selected countries, with education being the key to keeping NEET rates low among younger youths. The plan was for better qualifications to lead to better jobs for these youths when they graduate (Table 10).



10. Source: Office of National Statistics, UK – Young people and the labour market, Economic & Labour Market Review (Vol 3 No 4 April 2009)

11. Source: United States House of Representatives, Committee on Appropriations: Jobs for Main Street Act of 2010

Table 10: International Comparison of Youth NEET Rate, 2007

Country	15 - 19	20 - 24	Source
Singapore	2.2 (2.4)	7.9 (8.6)	Labour Force Survey, MOM
Denmark	3.9	8.2	OECD database on Education Statistics
Switzerland	8.2	10.4	OECD database on Education Statistics
Australia	6.5	10.7	OECD database on Education Statistics
Ireland	5.1	12.1	OECD database on Education Statistics
Sweden	5.5	13.1	OECD database on Education Statistics
Finland	3.6	13.3	OECD database on Education Statistics
New Zealand	9.3	13.7	OECD database on Education Statistics
Canada	7.3	13.8	OECD database on Education Statistics
France	5.8	15.1	OECD database on Education Statistics
Germany	4.2	15.3	OECD database on Education Statistics
United States	6.3	16.3	OECD database on Education Statistics
United Kingdom	10.7	18.1	OECD database on Education Statistics

Sources: (1) Data for Singapore are the annual average for 2007 and 2009 (in parentheses) Labour Force Survey, MOM

(2) Data for countries other than Singapore are from OECD database on Labour Force Statistics, Education at a Glance 2009 (OECD Indicators, Table C3.2a: Percentage of the youth population in education and not in education (2007)).

Note: The NEET rate for Singapore is estimated as a wider proxy than the standard NEET since includes those who are unemployed and in education.

The NEET rate was useful in identifying 'idle' youths who fell outside the scope of unemployment rate. Singapore's relatively lower NEET (proxy) rate for both younger and older youths among the countries compared suggested that our youths were doing fairly well.

Conclusion

The economic profile of Singapore youths has improved. Their shrinking presence in the workforce over the years can be explained by them taking advantage of the many opportunities to improve their educational qualifications. Thus, youths have postponed rather than been denied entry into the workforce. This has also translated into better employment prospects in their later years, as Singapore youths have been getting better and more stable jobs, especially in the *PMET* category. Indeed, the general economic profile of youths has not been severely affected by the recent economic downturn.

As in other countries, Singapore youths experienced a higher unemployment rate than the general labour force, but the ratio of youth to total unemployment rate was lower than in many other countries. Also, youths here did not experience long unemployment spells, unlike in some developed countries that protected existing workers at the expense of new job seekers.

Youths in Singapore who were at risk of remaining 'idle' were extremely few in number. Singapore's NEET (proxy) rate was also low in comparison to most OECD countries, signifying that our youths were doing relatively well. This reflects the success of our education system in preparing youths for the workplace, as well as the flexibility and efficiency of Singapore's labour market.

