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Youth Position in the Labour Market and Socio-Economic Factors: are there any correlations?

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The presentation content

- RCEE Indicator. background
- Variation by countries
- RCEE and socio-economic indicators
- RCEE and Education in countries

What the RCEE Indicator Shows

The indicator shows the relative chance to be employed (RCEE) for the workforce with specific education.

$$\text{Index} = \frac{\dfrac{\text{number of employed persons with an educational attainment "a"}}{\text{number of employed persons regardless of their educational attainment}}}{\dfrac{\text{number of unemployed persons with an educational attainment "a"}}{\text{number of unemployed persons regardless of their educational attainment}}}$$

It could be calculated also by age group and/or by gender.

The RCEE indicator features

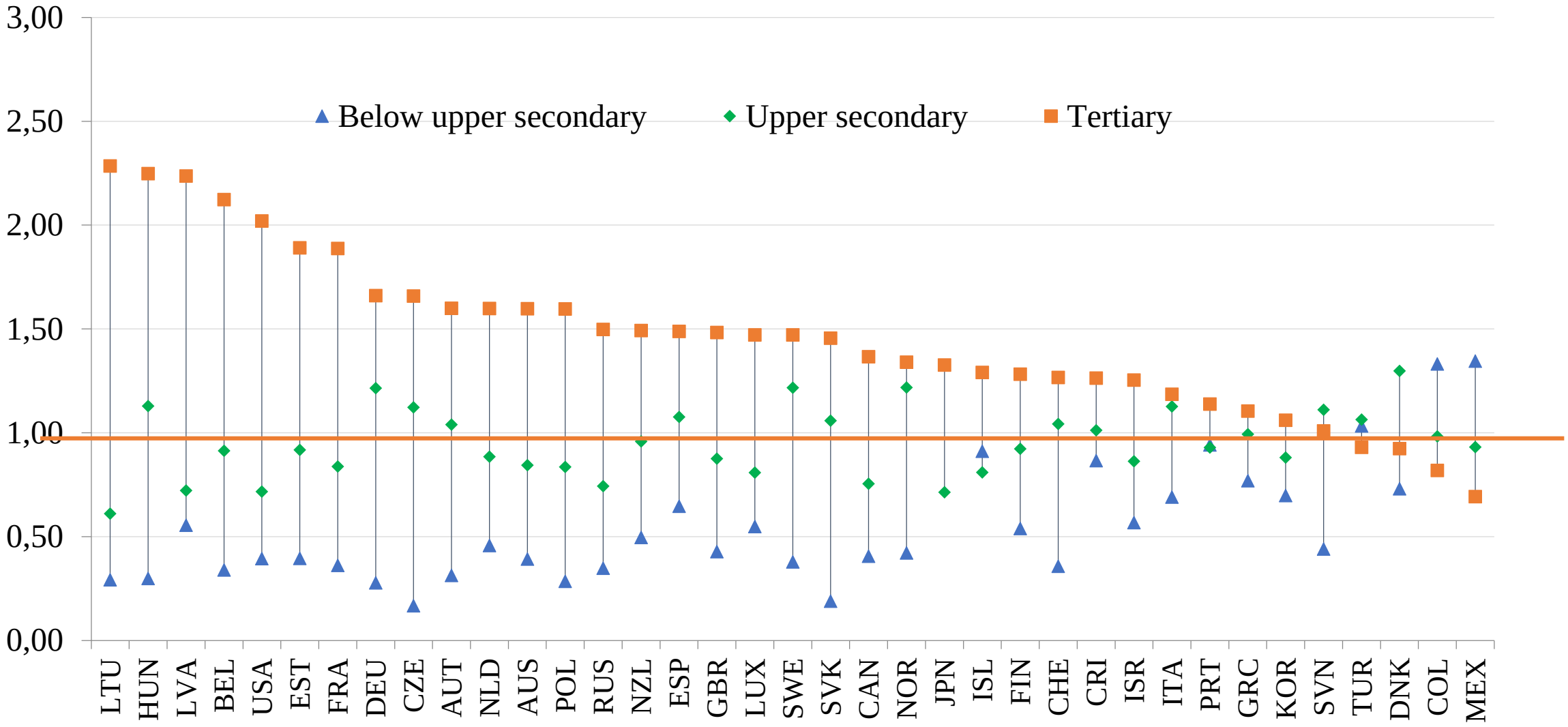
Interpretation

If the Index for the group with specific education is higher than 1, it means that this group has a higher chance to be employed than workforce in average and vice versa.

Analytical advantages

The indicator value doesn’t depend on the current unemployment rate in the country. Therefore its use in international comparisons and data time series analysis does not demand any additional adjustments

RCEE variations by countries



RCEE and external factors

Socio-economic factors:

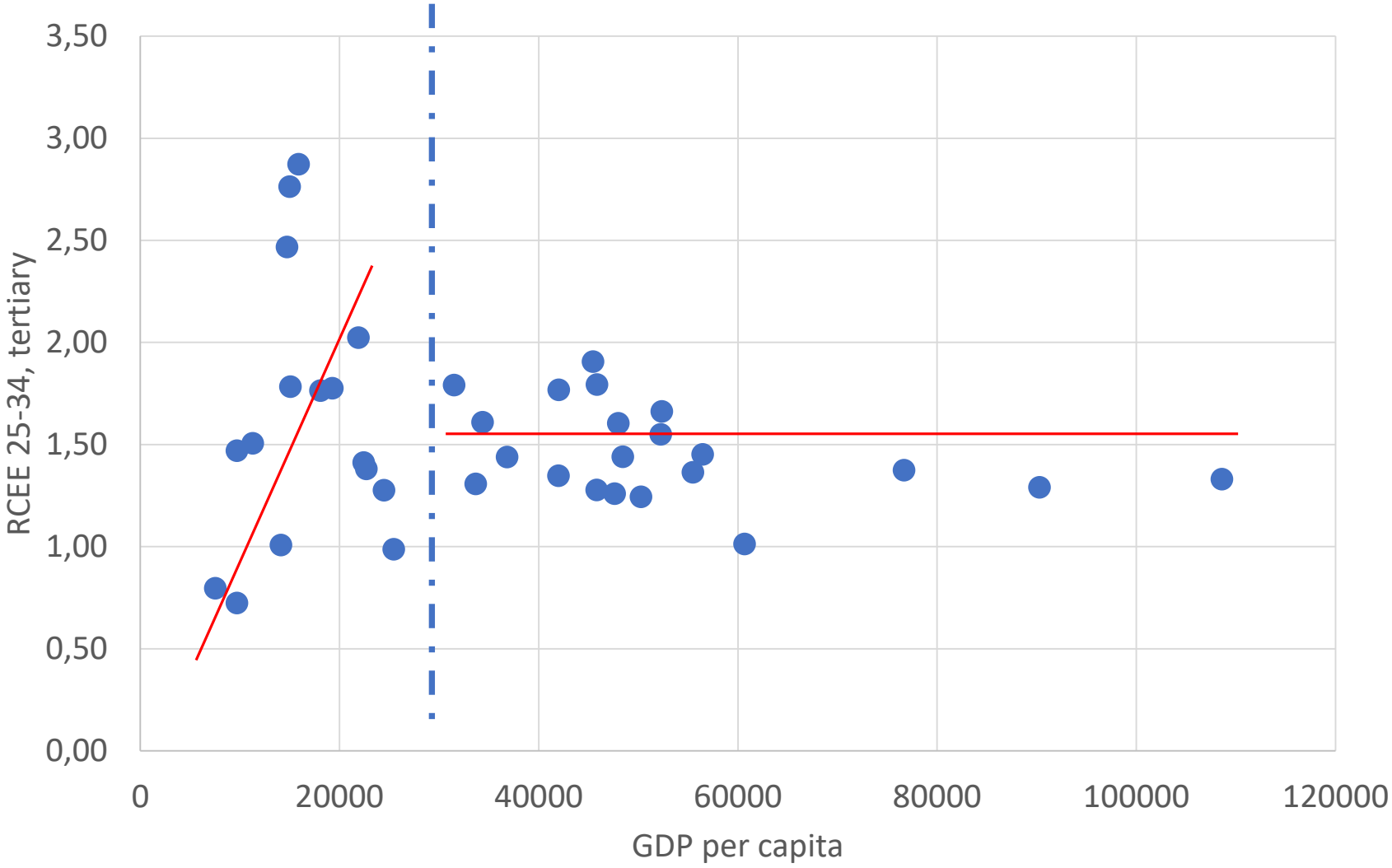
- GDP per capita
- Unemployment rate
- Migration flow

Education system

- Education attainment
- Adult participation in education

RCEE and economic development

- In the middle income countries the lower economic development is, the lower chance to be employed for young tertiary graduates can be seen
- In the most developed countries there are no correlations between these two indicators

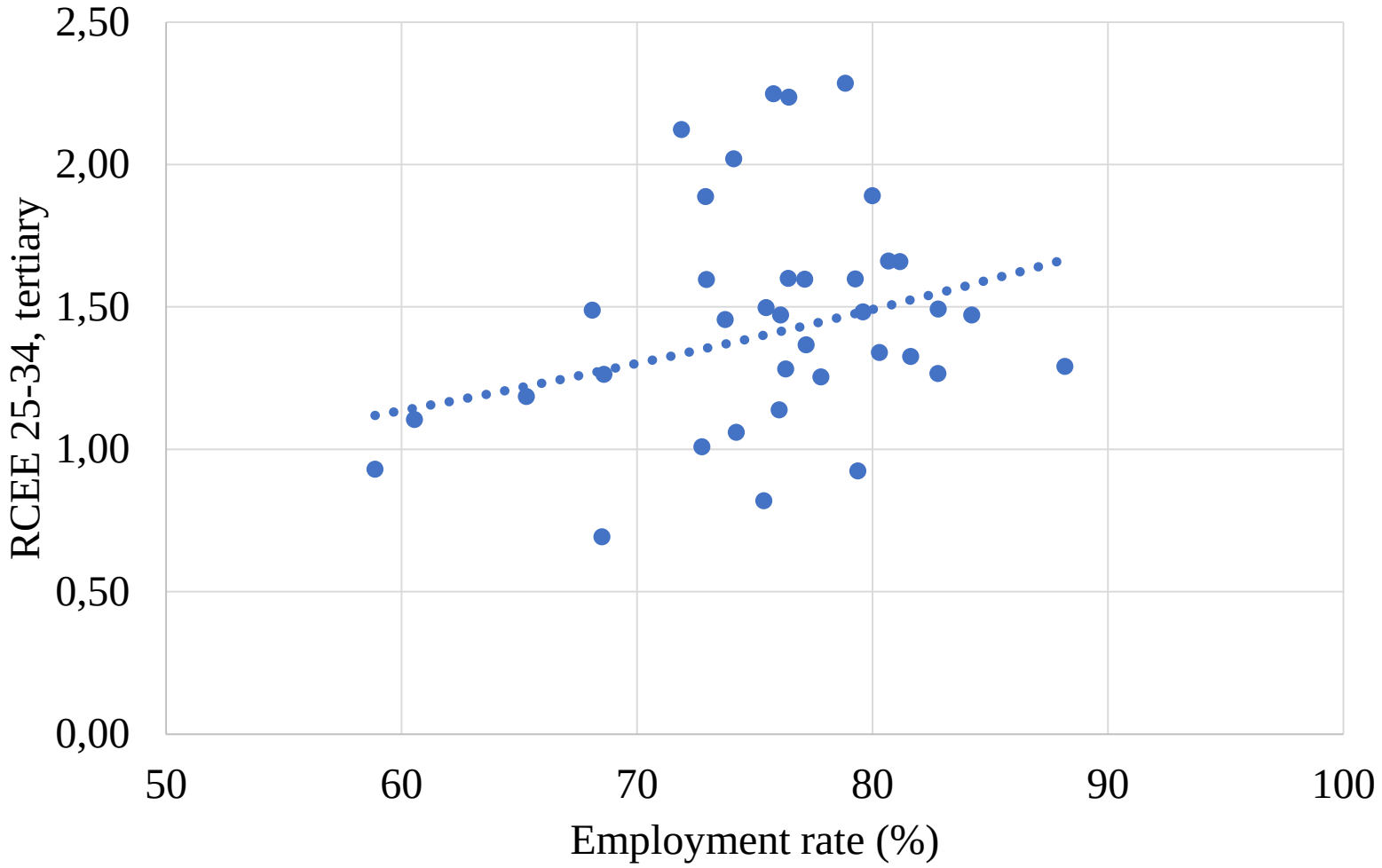


RCEE for youth with tertiary diploma and employment rate

Correlation between RCEE and employment rate varies for different groups of young workers:

For the least educated workers the chance to be employed is less in the countries with higher employment rate.

And vice versa for young tertiary graduates



RCEE and Migration

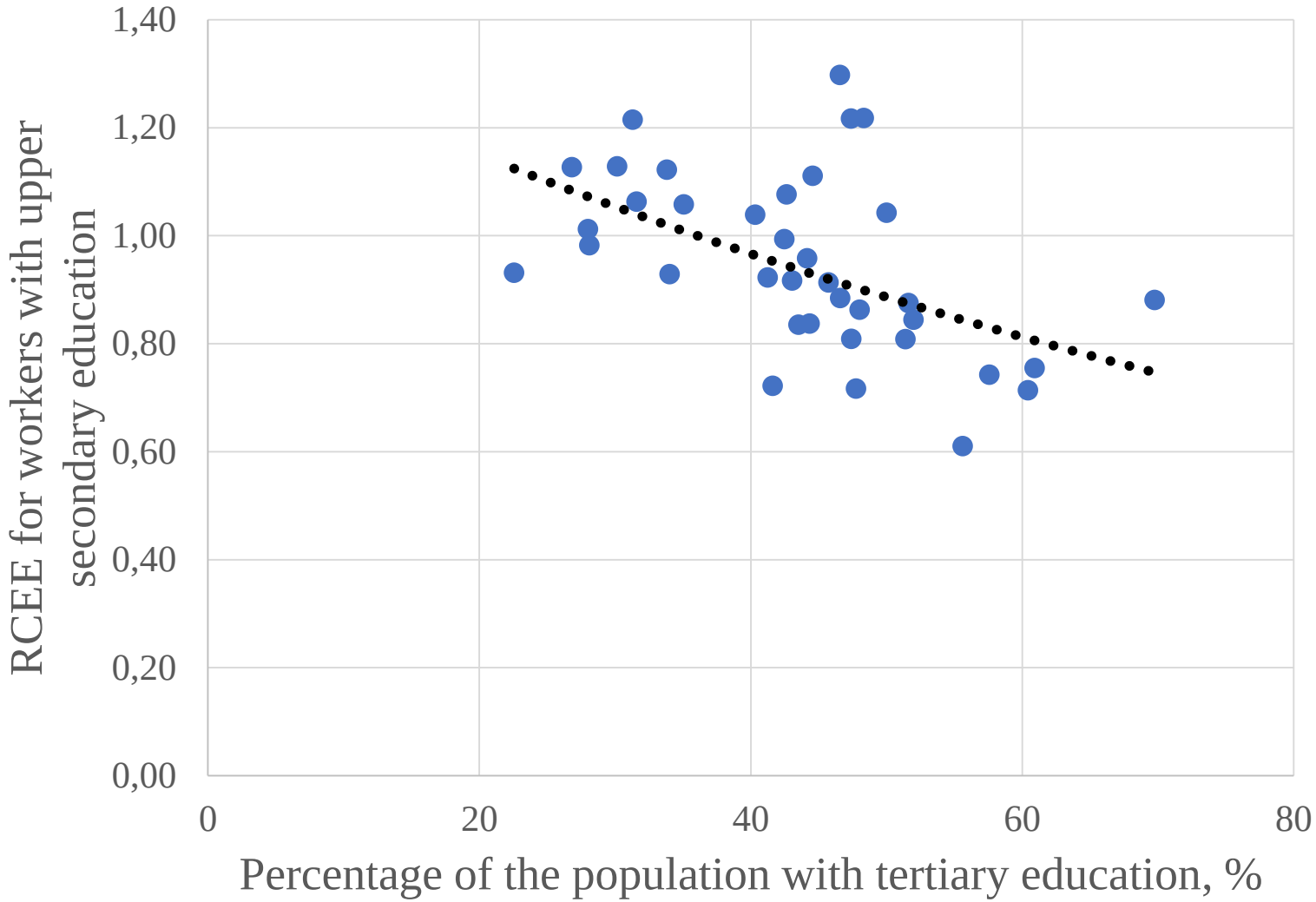
There are no any correlations between RCEE and net migration flow for workforce with all educational attainment

It coincides with the conclusion of the American Immigration Council, 2013: “*There is no direct correlation between immigration and unemployment*”**.**

RCEE and education attainment of the population

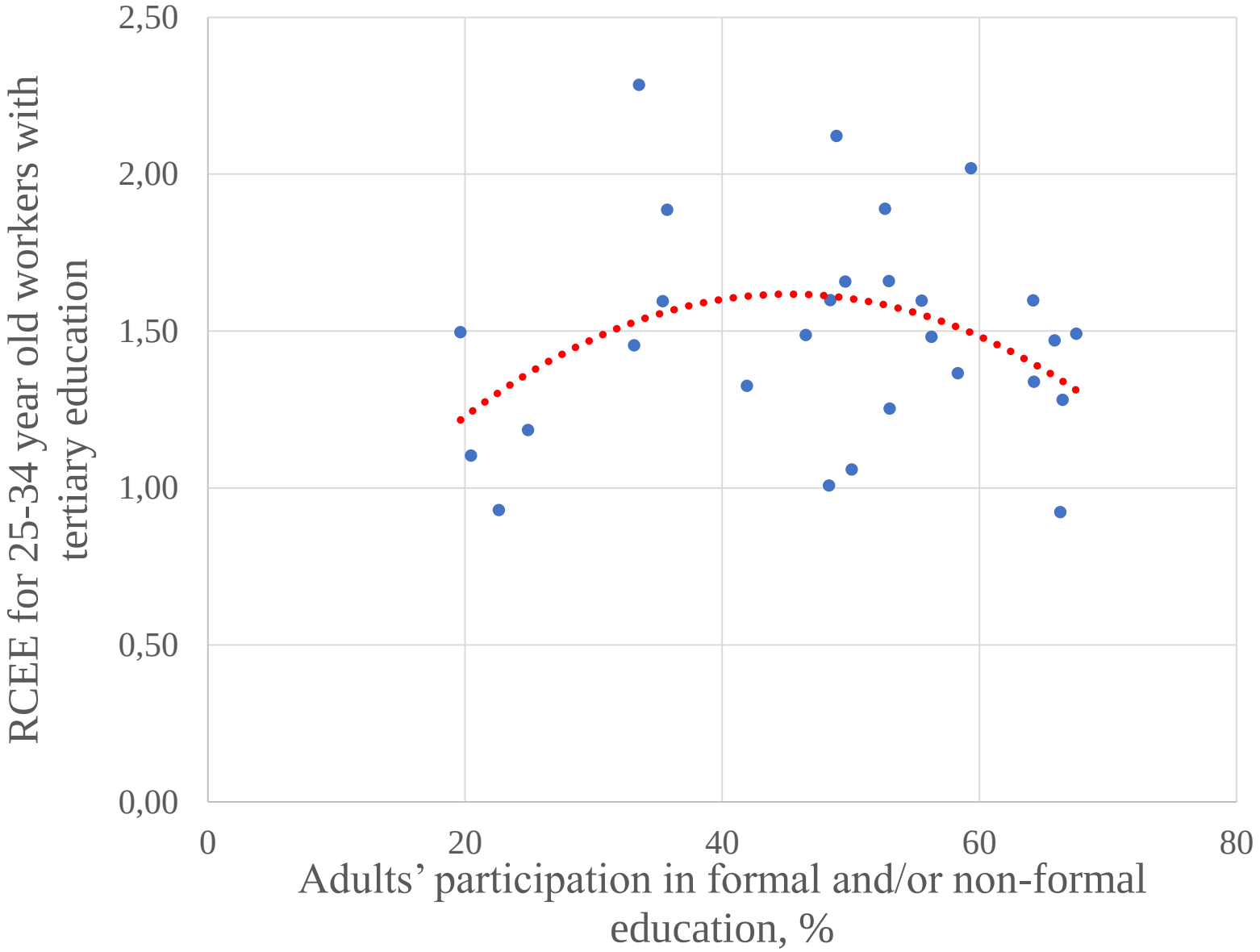
- *The higher education attainment of the population in general results in decrease of the RCEE for less educated work force.*
- *But the share of tertiary educated population does not reflect on RCEE for young tertiary graduates.*

It could be occurred from crowded out effect.



RCEE and adult education

When adults' participation in education riches approximately 50%, it begins to influence on RCEE of young tertiary education graduates negatively



Conclusions

Reflection of the socio-economic factors on RCEE of young people with various education attainment is different

- The rise of GDP, employment rate and education attainment of the population reflects on RCEE of young tertiary graduates positively or no, while it influences RCEE of less educated young people negatively .

- The raise of adults participation in education reflects positively on RCEE of tertiary educated youth till some specific point but with further raise of value the trend becomes negative.
- While there are no any correlations between education attainment of the population and RCEE for less educated young workforce.

- The level of net migration flow doesn’t reflect on RCEE of young workers no matter of their education attainment