

# Youth unemployment: an international perspective

*The employment situation for young people worsened in industrialized nations in the wake of the 1974–75 recession; Japanese and German youth continue to have the most favorable job prospects*

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The slow recovery from the 1974–75 recession has been accompanied by unusually high levels of unemployment among young people in industrial nations. Countries with previously low youth unemployment rates have encountered serious problems since the mid-1970's.<sup>1</sup> By 1979, persons under 25 years of age in 6 of 9 countries studied experienced unemployment rates of around 12 percent or more, while corresponding jobless rates for adults ranged from 2 to 6 percent. Even in the three countries maintaining relatively low youth unemployment (West Germany, Sweden, and Japan), recent teenage jobless rates were 2 to 5 times the adult levels.

Several factors help to explain the past and current international disparities in youth unemployment. Characteristics often associated with low youth unemployment include decreases in the youth labor force, low levels of labor force activity by students, widespread use of apprenticeship training, and relatively less emphasis on open career options and job mobility. For the high youth unemployment countries, particularly the United States and Canada, parallel factors can also be singled out: rapid growth in the youth labor force, a sizable

student labor force, and an emphasis on general education and extended schooling rather than on the structuring of the early work years by such devices as apprenticeship.

This article examines the comparative labor market experience of youth in the United States and eight other developed countries—five Western European countries, Canada, Japan, and Australia—over the last two decades. The analysis focuses upon unemployment levels and rates. However, it should be recognized that there are many other forms of underutilization; unemployment figures reveal a significant part, but not the entire labor market situation for youth.

The data have been adjusted, insofar as possible, to U.S. concepts of unemployment. However, some important qualifications must be expressed regarding these data and their international comparability.

## **Data comparability**

Differences in definition of labor force and unemployment weaken the validity of comparisons among countries unless steps are taken to ensure statistical comparability. For many years, the Bureau of Labor Statistics has published unemployment data adjusted to U.S. concepts for selected countries. The same methods used to adjust the overall unemployment rates have

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been applied to the foreign data for youth and adult age groups.<sup>2</sup>

The adjusted data described in this article, although not perfectly comparable, provide a reasonable basis for international analyses, and yield a better picture of youth unemployment than the unadjusted data frequently cited. All adjusted figures are based on labor force surveys. Thus, there is a common base in statistical method. Lower age limits have been adjusted to the age at which compulsory schooling ends so that the data for all countries relate to persons who are free to enter the labor market on a full-time basis; these ages vary from 14 to 16 in the countries studied. Adjustments have been made wherever possible to include or exclude certain categories of persons for greater conformity with U.S. definitions. For example, military personnel have been excluded so that all data relate to the civilian labor force.

Differences in the statistical treatment of students were found to have only a small impact on strict data comparability. However, differences in reference periods should be kept in mind when making intercountry comparisons, particularly with regard to France and Germany, and to the data on the registered unemployed for Great Britain. Data for these three countries do not relate to the full year. It is likely that the spring survey data for France and Germany are understated relative to annual average data for the other countries.

It is difficult to properly interpret the British registered unemployed data for July, which have been shown in this article along with annual British survey data because they are more current than the survey data and also permit more detailed age breakdowns for youth. Registration data show the number of persons registered with an employment or careers office who had no job and were available for work on the day of the count. Registration is required in order to collect unemployment insurance benefits.

British registration data generally understate unemployment because they do not include unregistered jobseekers, a large number of whom are young people. On the other hand, the July figures are not representative of annual averages for Great Britain because July is a peak month for youth unemployment. Since 1975, registration data by age for months other than July have been published, and they reveal youth unemployment rates several percentage points lower than the July figures.

Although not internationally comparable, the British registration data do give some idea of the relative levels of teenage and young adult unemployment in Great Britain. Also, during recent years of high unemployment, young persons have had a higher propensity to register as unemployed, so that the post-1975 British registration data probably do not understate youth un-

employment to any great extent.

The data for Italy present a special problem, as the necessary statistics were not available to adjust them to U.S. concepts. But because Italy has had a severe and unique youth unemployment problem, the country was included in this analysis. These unadjusted data should be viewed with caution, but they are roughly suggestive of the dimensions of Italian youth unemployment. Youth unemployment rates for Italy would probably be a few percentage points lower if it were possible to adjust them fully to a U.S. basis, but they would still be extremely high by international standards.

### International trends

In most industrial countries, jobless rates for young people historically have been higher than those for their elders. However, the degree of difficulty for youth has varied widely, both among countries and over time within countries. Relatively high levels of unemployment have occurred in the United States and Canada throughout the post-World War II period. For most of the other countries, the problems of youth in the labor market arose much later. In Germany and Japan, the recent increase in youth joblessness marks a significant departure from the past. Deterioration of the job situation for young persons began in the mid- or late-1960's in Great Britain, France, and Sweden, and even earlier in Italy. Thus, although cyclical factors are largely responsible for the very high levels of youth unemployment from 1974 onward, the roots of the problem go beyond the last economic downturn.

Table 1 presents unemployment data by age group for selected years between 1960 and 1979. Except for Italy, the data have been adjusted so that they approximate U.S. concepts. As mentioned above, British data are shown on an adjusted as well as on an unadjusted (registered unemployed) basis.

During the early 1960's, youth unemployment rates as well as overall jobless rates were quite low in Australia, Japan, France, Germany, Great Britain, and Sweden. For example, teenage unemployment rates ranged from 0.3 percent in Germany to 4 percent in France. Young adults' rates varied less widely, from 0.4 percent in Germany to 2.7 percent in Great Britain. The statistics for the United States, Canada, and Italy were in marked contrast: The North American countries had teenage unemployment rates in the 13- to 15-percent range, and Italy's rate was over 9 percent. Thus, Italy's moderate overall unemployment rate masked a severe youth unemployment problem. Jobless rates for young adults were also relatively high in these three countries.

In the late 1960's, youth unemployment rates began to climb in France, Germany, and Great Britain, and to a much lesser degree, in Sweden and Australia. By 1970, French and German teenagers had much higher

jobless rates than during the early 1960's, although the German rate was only 1.4 percent. Young adult rates in France had also climbed but they remained very low in Germany. Data adjusted separately for teenagers and young adults were not available for Great Britain in the 1970's; however, registrations data indicate a sizable increase in unemployment for both groups. In all three countries, overall unemployment in 1970 was somewhat

higher than during the early 1960's. In contrast, the United States and Canada actually had lower national jobless rates in 1970 than in 1960, but slightly higher teenage unemployment rates. Youth unemployment in North America remained much higher than in Western Europe, Australia, and Japan over the decade, and Italian youth joblessness approached that of the United States and Canada. Japan was the only country which

**Table 1. Unemployment rates for nine industrial countries by age, selected years, 1960-79**

Country and date	Unemployment rates <sup>1</sup>					Country and date	Unemployment rates <sup>1</sup>				
	All working ages	Under age 25			Age 25 and over		All working ages	Under age 25			Age 25 and over
		Total	Teenagers <sup>2</sup>	Age 20-24				Total	Teenagers <sup>2</sup>	Age 20-24	
United States:						Germany: <sup>5</sup>					
1960	5.5	11.2	14.7	8.7	4.4	April 1963	3	3	.3	.4	3
1970	4.9	11.0	15.2	8.2	3.3	April 1970	5	1.0	1.4	.6	4
1974	5.6	11.8	16.0	9.0	3.6	April 1974	1.2	1.8	1.9	1.7	1.1
1975	8.5	16.1	19.9	13.6	6.0	May 1975	2.9	4.5	4.7	4.4	2.5
1976	7.7	14.7	19.0	12.0	5.5	May 1976	3.1	4.9	5.1	4.7	2.6
1977	7.0	13.6	17.7	10.9	4.9	April 1977	3.2	5.0	5.0	5.0	2.7
1978	6.0	12.2	16.3	9.5	4.0	April 1978	3.0	4.5	4.6	4.4	2.6
1979	5.8	11.7	16.1	9.0	3.9	April 1979	2.7	3.9	4.1	3.7	2.5
Canada						Great Britain:					
1960	7.0	11.1	13.5	9.3	5.8	Adjusted data					
1970	5.7	10.0	13.9	7.5	4.2	April 1961	1.9	2.4	2.1	2.7	1.7
1974	5.3	9.3	11.6	7.6	3.9	1971	3.9	6.1	( <sup>6</sup> )	( <sup>6</sup> )	3.3
1975	6.9	12.0	14.9	9.9	5.0	1974	3.1	5.7	( <sup>6</sup> )	( <sup>6</sup> )	2.5
1976	7.1	12.7	15.7	10.5	5.1	1975	4.6	9.3	( <sup>6</sup> )	( <sup>6</sup> )	3.6
1977	8.1	14.4	17.5	12.2	5.8	1976	6.0	12.7	( <sup>6</sup> )	( <sup>6</sup> )	4.5
1978	8.4	14.5	17.9	12.2	6.1	1977	6.4	13.5	( <sup>6</sup> )	( <sup>6</sup> )	4.8
1979	7.5	13.0	16.1	10.8	5.4	1978	6.3	13.7	( <sup>6</sup> )	( <sup>6</sup> )	4.6
Australia: <sup>3</sup>						Registered un-					
1964	1.4	2.7	3.7	1.6	.9	employed: <sup>7</sup>					
1967	1.9	3.0	3.6	2.5	1.5	July 1971	3.0	4.5	5.3	4.0	2.6
1970	1.7	2.7	3.8	1.8	1.3	July 1974	2.3	3.8	4.5	3.3	2.0
1974	2.7	4.9	6.6	3.6	1.9	July 1975	4.1	9.2	12.0	7.3	2.9
1975	4.9	9.7	13.9	6.4	3.2	January 1976 <sup>8</sup>	4.9	9.6	11.6	8.2	3.9
1976	4.8	10.0	14.4	6.6	2.9	July 1976	5.5	13.0	20.1	8.0	3.8
1977	5.6	12.0	17.4	7.5	3.3	January 1977	5.4	10.6	12.9	9.0	4.2
1978	6.3	12.6	17.3	8.8	3.9	July 1977	6.0	14.7	23.2	8.9	4.0
1979	6.2	13.0	18.1	8.8	3.7	January 1978	5.8	11.4	13.9	9.6	4.4
Japan						July 1978	5.8	13.9	22.1	8.2	4.0
1960	1.7	2.1	2.2	2.0	1.5	October 1978	5.3	10.6	13.8	8.4	4.0
1970	1.2	2.0	2.0	2.0	.9	January 1979	5.3	10.1	11.9	8.9	4.2
1974	1.4	2.5	2.6	2.3	1.2	April 1979	4.9	8.6	9.4	8.1	4.0
1975	1.9	3.1	3.7	2.9	1.6	July 1979	5.3	12.3	19.1	7.6	3.7
1976	2.0	3.2	4.1	3.0	1.8	Italy: <sup>9</sup>					
1977	2.0	3.7	4.8	3.5	1.8	1964	2.8	7.3	9.1	5.4	1.5
1978	2.3	3.8	4.7	3.6	2.0	1970	3.2	10.2	12.3	8.8	1.5
1979	2.1	3.6	4.9	3.3	1.9	1974	2.9	11.2	14.3	9.1	1.2
France: <sup>4</sup>						1975	3.4	12.9	16.8	10.4	1.5
March 1963	1.4	2.8	4.0	1.8	1.1	1976	3.7	14.6	19.2	11.7	1.6
March 1970	2.5	4.8	7.0	3.7	2.0	1977 <sup>10</sup>	4.6	17.7	22.9	14.3	1.9
March 1974	2.8	6.2	9.8	4.8	2.1	1978 <sup>10</sup>	5.0	19.4	25.2	15.8	2.0
April 1975	3.8	8.4	12.7	6.9	2.8	Sweden:					
March 1976	4.5	10.8	17.0	8.6	3.3	1962	1.5	2.7	3.3	2.0	1.2
March 1977	4.9	11.9	18.7	9.6	3.5	1970	1.5	2.9	4.3	2.2	1.3
October 1977	5.1	13.1	21.8	9.1	3.3	1974	2.0	4.5	6.8	3.2	1.5
March 1978	4.9	11.8	19.0	9.6	3.6	1975	1.6	3.8	5.6	2.8	1.2
October 1978	6.1	15.3	25.8	10.8	4.0	1976	1.6	3.8	5.5	2.8	1.2
March 1979	5.7	14.2	22.7	11.4	4.1	1977	1.8	4.4	6.7	3.2	1.3
						1978	2.2	5.6	8.2	4.3	1.6
						1979	2.1	5.1	7.5	3.8	1.5

<sup>1</sup> Unless otherwise indicated, data have been adjusted to U.S. concepts.

<sup>2</sup> Includes 16- to 19-year-olds in United States, France, Great Britain (1974 onward), and Sweden; 15- to 19-year-olds in Canada, Australia, Japan, Germany, and Great Britain (prior to 1974); and 14- to 19-year-olds in Italy.

<sup>3</sup> There is a discontinuity between the 1964 figures and those for later years, and between the 1977 figures and those for later years.

<sup>4</sup> French unemployment rates for March or April are usually slightly below the annual average; October figures are generally slightly above the annual average. Unemployment rates for 1963 are understated in relation to later data.

<sup>5</sup> German unemployment rates for April or May are usually slightly lower than the annual average.

<sup>6</sup> Data not available.

<sup>7</sup> Statistics on the registered unemployed are shown for Great Britain because survey data

adjusted to U.S. concepts for 1979 onward are not available. Unemployment rates based on the registered unemployed were calculated using the civilian labor force as the denominator (official British figures use the wage and salary labor force as the denominator).

<sup>8</sup> From 1976 onward, data exclude adult students (that is, those age 18 and over) registered as unemployed during school vacations.

<sup>9</sup> Data for Italy could not be adjusted to U.S. concepts by age; unadjusted figures are shown. The adjusted overall rates for 1976 and prior years were very close to the unadjusted rates (for example, the rate of 3.7 percent in 1976 became 3.6 percent on a U.S. basis). However, the rates for 1977 onward diverge to a greater extent (in 1978, the unadjusted rate was 5 percent, the adjusted rate, 3.7 percent).

<sup>10</sup> Based on data from revised Italian survey; not entirely comparable with previous survey data.

did not record a rise in teenage unemployment between 1960 and 1970.

Unemployment rates for young adults did not necessarily follow the teenage pattern. In the United States and Canada, jobless rates for 20- to 24-year-olds declined between 1960 to 1970. In the other countries in which teenage unemployment grew, the rates for young adults also rose, but only France and Italy had sharper increases for young adults than for teenagers.

The 1974–75 recession brought marked increases in unemployment to all countries studied except Sweden, where a high level of employment was maintained through considerable expansion of labor market training and public works programs. By 1975, U.S. teenage unemployment peaked at nearly 20 percent, the highest rate among the nations studied. Italian and Canadian teenage rates were next highest, in the 15–17 percent range. Australian, French, and British teenagers had rates of unemployment above 10 percent for the first time during the postwar period. German teenagers reached a jobless high of 4.7 percent in 1975, two and one-half times the level of the previous year. Japanese teenage unemployment also rose, but at 3.7 percent was still the lowest among the industrial countries. Unemployment rates for young adults also surged upward during the recession, but the United States, Canada, and Italy were the only countries in which they approached or exceeded 10 percent.

During 1976–79, youth unemployment rates declined somewhat in the United States, leveled off in Germany and Great Britain, and continued rising in the other countries. By 1977 or 1978, youth unemployment rates and teenage rates were higher in Canada, Australia, France, Great Britain, and Italy than in the United States. Rates for young adults were also higher, except in Australia. These recent developments marked a dramatic change from the years before 1976, during which the U.S. youth unemployment rate was generally the highest among the countries compared.

*Youth share of unemployment.* There are wide international variations in the share of total unemployment borne by youth. Table 2 shows the percent distribution of unemployment and labor force by age in each of the countries studied for selected years since 1960. Throughout the period, Italy has had the highest proportion of unemployment in the youth age groups, yet one of the lowest proportions of young people in the labor force. In 1978, for example, two-thirds of the Italian unemployed, but only about one-sixth of the labor force were under 25. Australia was the only other country where more than half of the unemployed were under 25. In most years since 1964, Australia's youth share of

the labor force was less than half the proportion of youth among the unemployed.

Youth shares of unemployment were also relatively high in North America in the late 1970's—close to half of all unemployment, while young people constituted only about a quarter of the labor force. In France, Great Britain, and Sweden, two-fifths of the unemployed but less than one-fifth of the labor force were youth.

Japan had, by far, the smallest youth component among the unemployed at the end of the 1970's. Persons under 25 made up only slightly more than one-fifth of Japanese unemployment and about one-eighth of the work force. The proportion of German youth among the unemployed was also relatively low—28 percent in 1979, when German youth made up 20 percent of the labor force. Germany and Japan were the countries in which the youth share of unemployment most closely approximated its share of the labor force. In almost all the other countries, youth unemployment shares were at least double their labor force representation.

Except in Japan, youth have borne a growing share of unemployment since 1960. Canada, the United States, and Great Britain had the sharpest increases. In North America, the biggest jump came between 1960 and 1970. In Great Britain, the largest increase occurred after 1970. The proportion of North American youth in the labor force has also risen significantly since 1960, although not as rapidly as youth unemployment. In Great Britain, however, the rise in the youth component of unemployment occurred despite a decline in the youth labor force share.

The youth share of unemployment dropped in Australia from 52 percent in 1964 to 44 percent in 1970. However, it rose sharply during the recession, peaking at 57 percent in 1977. Throughout 1964–79, the youth share of the labor force held steady around 27 percent. France, Germany, and Italy had growing youth components of unemployment between the early 1960's and 1970. The French and Italian youth proportions have continued to rise slowly, but the German proportion, after a sharp increase in 1975, has since leveled off. Germany has had a virtually stable youth component in the labor force (around 20 percent) throughout the period. France and Italy have had slowly declining proportions of young people in the labor force.

The trends for teenagers and young adults diverged in several countries over the last two decades. In Australia, France, and Italy, the teenage proportion of unemployment declined, while that for young adults rose. Sweden has had a relatively steady unemployment share for teenagers, but an increase for young adults. In Japan, the teenage share dropped sharply, while the

young adult proportion rose rapidly between 1960 and 1970, and then fell below the 1960 level by 1979.

*Youth-adult ratios.* Youth unemployment rates are, of course, affected by the overall job situation in each country. Therefore, comparative ratios of youth to adult unemployment rates are presented in table 3. Such ratios may also be affected by the general level of unemployment, but they more accurately reflect the relative problems of youth unemployment. For all years studied, Italy had the widest youth-adult differential. The United States also ranked relatively high until recent years. The narrowest gaps between youth and adult unemployment were found in Germany, Japan, and, until 1975, Great Britain.

In most of Western Europe and in Australia, the

youth-to-adult unemployment rate differential has been widening recently. Between 1970 and 1979, the ratio grew from 2.4 to 3.5 in France, and from 2.2 to 3.4 in Sweden. For France and Sweden, the teenage-to-adult ratio widened from about 3.5 to 5. Italy had the highest youth-adult ratio throughout this period; by 1978, it was 9.7, or more than three times the U.S. level. And teenage unemployment rates in Italy were more than 12 times the rates for adults in 1978, up from 8 in 1970.

Great Britain had very low differentials between youths and adults prior to 1975. In 1975, the ratio rose to 2.6 on a survey basis (U.S. concepts) and to over 3 on a registration basis. By 1978, the ratio on the survey basis had risen to 3. Canadian, German, and Japanese youth-adult ratios remained relatively low and stable in the 1970's, but were higher than during the 1960's. Ca-

**Table 2. Percent distribution of unemployment and labor force in nine industrial countries by age, selected years, 1960-79**

Country and date	Unemployment				Labor force			
	Under age 25			Age 25 and over	Under age 25			Age 25 and over
	Total	Teenagers <sup>1</sup>	Age 20-24		Total	Teenagers <sup>1</sup>	Age 20-24	
United States								
1960	34	18	15	66	17	7	10	83
1970	48	27	21	52	22	9	13	78
1974	51	28	23	49	24	10	14	76
1975	46	22	23	54	24	10	15	76
1976	46	23	23	54	24	9	15	76
1977	47	24	23	53	24	9	15	76
1978	49	26	24	51	24	10	15	76
1979	49	26	23	51	24	9	15	76
Canada								
1960	35	18	16	65	22	9	12	78
1970	45	25	20	55	25	10	15	75
1974	47	25	22	53	27	12	15	73
1975	47	25	22	53	27	12	16	73
1976	48	25	23	52	27	11	16	73
1977	48	24	24	52	27	11	16	73
1978	46	24	23	53	27	11	16	73
1979	47	24	23	53	27	11	16	73
Australia <sup>2</sup>								
1964	52	38	14	49	27	14	13	73
1967	43	25	18	57	27	13	14	73
1970	44	27	17	57	27	12	15	73
1974	47	28	20	53	26	11	15	74
1975	52	33	19	48	26	12	15	74
1976	55	35	20	45	26	11	15	74
1977	57	37	20	43	27	12	15	73
1978	54	33	21	46	27	12	15	73
1979	56	35	21	44	27	12	15	73
Japan								
1960	29	13	16	69	23	10	13	77
1970	37	10	27	63	22	6	16	78
1974	30	7	22	70	17	4	13	83
1975	25	6	19	73	15	3	12	85
1976	22	6	17	75	14	3	11	86
1977	25	6	18	76	13	3	11	87
1978	22	6	16	78	13	3	10	87
1979	21	6	15	79	13	3	10	87
France								
March 1963	34	22	13	66	18	8	10	82
March 1970	37	17	20	63	20	6	13	80
March 1974	39	17	22	61	18	5	13	82
April 1975	39	16	23	61	17	5	13	83
March 1976	41	16	24	59	17	4	13	83
March 1977	41	16	25	59	17	4	13	83
March 1978	39	15	24	61	16	4	12	84
March 1979	40	15	24	60	16	4	12	84

See footnotes at end of table

**Table 2. Continued— Percent distribution of unemployment and labor force in nine industrial countries by age, selected years, 1960–79**

Country and date	Unemployment				Labor force			
	Under age 25			Age 25 and over	Under age 25			Age 25 and over
	Total	Teenagers <sup>1</sup>	Age 20–24		Total	Teenagers <sup>1</sup>	Age 20–24	
<b>Germany:</b>								
April 1963	22	7	15	78	21	9	12	79
April 1970	34	22	12	67	19	8	10	81
April 1974	26	12	14	74	18	8	11	82
May 1975	30	15	16	70	20	9	11	80
May 1976	31	15	16	69	20	9	11	80
April 1977	31	13	17	69	19	9	11	81
April 1978	30	13	16	70	20	9	11	80
April 1979	28	13	15	72	20	9	11	80
<b>Great Britain:</b>								
Adjusted data:								
April 1961	28	13	15	72	21	11	10	79
1971	32	( <sup>3</sup> )	( <sup>3</sup> )	68	21	( <sup>3</sup> )	( <sup>3</sup> )	79
1974	32	( <sup>3</sup> )	( <sup>3</sup> )	68	17	( <sup>3</sup> )	( <sup>3</sup> )	83
1975	35	( <sup>3</sup> )	( <sup>3</sup> )	65	17	( <sup>3</sup> )	( <sup>3</sup> )	83
1976	38	( <sup>3</sup> )	( <sup>3</sup> )	62	18	( <sup>3</sup> )	( <sup>3</sup> )	82
1977	38	( <sup>3</sup> )	( <sup>3</sup> )	62	18	( <sup>3</sup> )	( <sup>3</sup> )	82
1978	41	( <sup>3</sup> )	( <sup>3</sup> )	59	19	( <sup>3</sup> )	( <sup>3</sup> )	81
Registered unemployed: <sup>4</sup>								
July 1971	31	15	16	69	21	8	12	79
July 1974	30	14	16	70	18	7	11	81
July 1975	42	22	19	58	19	8	11	81
July 1976 <sup>5</sup>	44	28	16	56	19	8	11	81
July 1977	46	29	16	54	19	8	11	81
July 1978	45	29	16	55	19	8	11	81
July 1979	44	28	16	56	19	8	11	81
<b>Italy:<sup>6</sup></b>								
1964	56	36	21	44	21	11	10	79
1970	61	30	31	39	19	8	11	81
1974	65	33	32	35	17	7	10	83
1975	64	32	31	36	17	6	10	83
1976	64	32	32	36	16	6	10	84
1977 <sup>7</sup>	66	34	32	34	17	7	10	83
1978 <sup>7</sup>	66	33	33	34	17	7	10	83
<b>Sweden:</b>								
1962	33	20	13	68	18	9	9	82
1970	34	17	17	66	18	6	12	82
1974	38	20	18	62	17	6	11	83
1975	39	21	18	61	17	6	11	83
1976	39	21	18	61	17	6	11	83
1977	40	21	19	60	16	6	11	84
1978	40	20	20	60	16	6	11	84
1979	40	20	19	60	16	6	11	84

<sup>1</sup> Includes 16- to 19-year-olds in United States, France, Great Britain (1974 onward), and Sweden; 15- to 19-year-olds in Canada, Australia, Japan, Germany, and Great Britain (prior to 1974); and 14- to 19-year-olds in Italy.

<sup>2</sup> There is a discontinuity between the 1964 figures and those for later years, and between the 1977 figures and those for later years.

<sup>3</sup> Data not available.

<sup>4</sup> Statistics on the registered unemployed are shown for Great Britain because survey data

adjusted to U.S. concepts for 1979 onward are not available.

<sup>5</sup> From 1976 onward, data exclude adult students (that is, those age 18 and over) registered as unemployed during school vacations.

<sup>6</sup> Data could not be adjusted to U.S. concepts by age; unadjusted data are shown.

<sup>7</sup> Based on data from revised Italian survey; not entirely comparable with previous survey data.

nadian youth had jobless rates twice those of adults in 1960; during the 1970's, youth rates were around two and one-half times those for adults. German data for April 1963 indicate no difference between youth and adult unemployment rates; this was true throughout the 1960's in Germany, except during the 1967–68 recession. By 1970, however, German youth rates were more than twice as high as adult jobless rates. The German youth-adult ratio subsequently fell back under 2 during 1974–79. Although the overall youth-adult differential has held fairly steady in Japan over the past two decades, the teenage-to-adult ratio has been edging upward.

Australian young people had a jobless rate three times that of adults in 1964 and twice that of adults in

1970. During 1974–77, the differential widened. The teenage-to-adult ratio was around 4 in 1964, but rose to about 5 in 1976–77. This differential narrowed somewhat in 1978, but edged upward again in 1979.

In the United States, in contrast to Western Europe, Canada, and Australia, the gap between youth and adult unemployment narrowed between 1970 and 1977. Americans under 25 had unemployment rates 3.3 times those for adults in 1970 and 1974. During 1975–77, the differential narrowed, but the ratio rose to about 3 in 1978–79, still lower than in the early 1970's. The same general pattern was also true for ratios of teenage-to-adult unemployment. In the United States, the youth-adult differential tends to fluctuate in a countercyclical manner—in recessions, adult unemployment rates rise

more sharply than youth rates, but adult rates also fall more rapidly in economic recoveries. Teenagers may decide to prolong their schooling when job prospects are poor, but when opportunities increase, a sizable group of 16- and 17-year-olds leave school in response.<sup>3</sup>

*Other forms of underutilization.* As with other groups, the unemployment rate does not capture the full range of labor market difficulties experienced by young people. Unemployment statistics measure numbers of persons not working but actively seeking work. A more comprehensive analysis would include comparative data, presently sketchy or lacking in most countries, on involuntary part-time work, discouraged workers, skill mismatches, and other forms of underutilization. Indications are that young people have sustained a heavy impact in many of these areas. For example, French, Swedish, and American labor force surveys show large numbers of discouraged workers who are teenagers or young adults. These are persons who indicate that they would be seeking work if they believed they could find a job. German estimates of the "silent reserve" or pool of discouraged workers also include a significant number of young people. Reportedly, many German girls age 15 to 17 who cannot find work simply decide to stay at home and help in the household.<sup>4</sup>

Furthermore, there is evidence that a considerable number of would-be school leavers in several countries have postponed their entry into the labor market in recent years.<sup>5</sup> Their extra schooling was a thinly disguised form of unemployment, as they would have preferred to be in the labor market. Finally, unemployment rates do not measure the recession-induced outflow of foreign workers from such countries as France and Germany; a large proportion of these migrants are in the younger age groups.

### Some explanatory factors

A number of factors underlie international differences in youth unemployment rates. Differences in supply and demand trends in the youth labor market are important. Other aspects to consider are the student labor force, use of apprenticeship systems and counseling and placement services, institutionalized youth wage differentials, and unemployment among minority groups.

*The supply side.* The United States and Canada have experienced rapid increases in the youth labor force—both teenagers and young adults—since the early 1960's. The European countries and Japan, in contrast, have had declining teenage work forces and decreases or only small increases for persons 20 to 24 years of age.

Table 4 presents growth rates of the teenage and young adult labor force for the period 1960 to 1979. The number of teenagers in the U.S. and Canadian

work forces grew at an annual rate of 3.6 to 4 percent. Australian teenagers were the only others with a rising trend over this period. A very sharp decline occurred for teenagers in Japan, Italy, and France, with lesser rates of decrease in Great Britain and Sweden, and virtually no change in Germany. The young adult work force increased more rapidly or declined more slowly than the teenage labor force in all countries studied except Germany. In three countries with shrinking teenage labor forces (France, Great Britain, and Sweden), the young adult labor force showed an upward trend. Great Britain, Germany, Italy, and Japan had overall declines in the labor force under age 25 during 1960-79.

There were some dramatic changes in labor force trends in the 1970's. The growth rates of the youth labor force in North American countries moderated in the latter part of the decade. For instance, the U.S. teenage labor force grew at an annual rate of 4 percent during the 1960-75 period, but growth tapered off thereafter, and in 1979, the teenage labor force decreased. Great Britain and Italy have experienced a reversal, with the youth labor force rising during 1975-79 after many years of decline. Growth of the Australian teenage labor force accelerated during the same period.

**Table 3. Ratios of youth to adult unemployment rates in nine countries, selected years, 1960-79**

Country	1960	1970	1974	1975	1976	1977	1978	1979
Ratio of youth to adult unemployment <sup>1</sup>								
United States	2.5	3.3	3.3	2.7	2.7	2.8	3.1	3.0
Canada	1.9	2.4	2.4	2.4	2.5	2.5	2.4	2.4
Australia	<sup>2</sup> 3.0	2.1	2.6	3.0	3.4	3.6	3.2	3.5
Japan	1.4	2.2	2.1	1.9	1.8	2.1	1.9	1.9
France <sup>3</sup>	<sup>4</sup> 2.5	2.4	3.0	3.0	3.3	3.4	3.3	3.5
Germany <sup>5</sup>	<sup>6</sup> 1.0	2.5	1.6	1.8	1.9	1.9	1.7	1.6
Great Britain:								
Adjusted to U.S.								
concepts	<sup>7</sup> 1.4	<sup>8</sup> 1.8	2.3	2.6	2.8	2.8	3.0	( <sup>9</sup> )
Registrations <sup>10</sup>	( <sup>9</sup> )	<sup>8</sup> 1.7	1.9	3.2	3.4	3.7	3.5	3.3
Italy <sup>10</sup>	<sup>2</sup> 4.9	6.8	9.3	8.6	9.1	9.3	9.7	( <sup>9</sup> )
Sweden	<sup>11</sup> 2.3	2.2	3.0	3.2	3.2	3.4	3.5	3.4
Ratio of teenage to adult unemployment <sup>12</sup>								
United States	3.3	4.6	4.4	3.3	3.5	3.6	4.1	4.1
Canada	2.3	3.3	3.0	3.0	3.1	3.0	2.9	3.0
Australia	<sup>2</sup> 4.1	2.9	3.5	4.3	5.0	5.3	4.4	4.9
Japan	1.5	2.2	2.2	2.3	2.3	2.7	2.4	2.6
France <sup>3</sup>	<sup>4</sup> 3.6	3.5	4.7	4.5	5.2	5.3	5.3	5.5
Germany <sup>5</sup>	<sup>6</sup> 1.0	3.5	1.7	1.9	2.0	1.9	1.8	1.6
Great Britain:								
Adjusted to U.S.								
concepts	<sup>7</sup> 1.2	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )
Registrations <sup>10</sup>	( <sup>9</sup> )	<sup>8</sup> 2.0	2.3	4.1	5.3	5.8	5.5	5.2
Italy <sup>10</sup>	<sup>2</sup> 6.1	8.2	11.9	11.2	12.0	12.1	12.6	( <sup>9</sup> )
Sweden	<sup>11</sup> 2.8	3.3	4.5	4.7	4.6	5.2	5.1	5.0

<sup>1</sup> Ratio of unemployment rate for persons under 25 to rate for persons 25 and over.

<sup>2</sup> Data relate to 1964.

<sup>3</sup> Data relate to March or April of each year.

<sup>4</sup> March 1963 data.

<sup>5</sup> Data relate to April or May of each year.

<sup>6</sup> April 1963 data.

<sup>7</sup> April 1961 data.

<sup>8</sup> Data relate to 1971.

<sup>9</sup> Data not available.

<sup>10</sup> Not adjusted to U.S. concepts. British data relate to July.

<sup>11</sup> Data relate to 1962.

<sup>12</sup> Ratio of teenage unemployment rate to rate for persons 25 and over.

A declining trend for teenagers in the 1960's was halted in Germany and Sweden in the first half of the 1970's, but resumed in the latter half. In Japan, the teenage decrease became even more pronounced between 1970 and 1976.

Germany and Italy have had recent turnarounds in labor force trends for young adults. For both countries, the earlier declining trend has been supplanted by a rising trend since about 1975. In Japan, the young adult labor force grew during the 1960's, but declined during the 1970's.

Trends in birth rates, population, and participation rates underlie international differences in youth labor forces.<sup>6</sup> Rapid growth of the youth population combined with sharply rising participation rates to bring about large increases in the teenage and young adult labor forces in North America. Australia's rapid youth population growth, in contrast, was not fully translated into labor force growth because teenage participation rates fell. In France, the decline in activity rates for teenagers was so large that it completely overrode the rapid youth population growth of the 1960's. The drop in participation rates for teens in the other countries, coupled with slower population growth for this age group, resulted in a pronounced decrease in the teenage labor force from 1960 to at least the mid-1970's. Declines in activity rates for young adults were not nearly as great as they were for teens; therefore, the young adult labor forces did not fall as fast, or even increased (France, Great Britain, Sweden), while teenage work forces shrank.

There are also large differences among nations in the relative size of the youth labor force. The following tabulation shows the percentage of the labor force accounted for by youth in 1979 for each of the countries studied:

	<i>All youth</i>	<i>Teenagers</i>	<i>Young adults</i>
United States . . . . .	24	9	15
Canada . . . . .	27	11	16
Australia . . . . .	27	12	15
Japan . . . . .	13	3	10
France . . . . .	16	4	12
Germany . . . . .	20	9	11
Great Britain . . . . .	19	8	11
Italy (1978) . . . . .	17	7	10
Sweden . . . . .	16	6	11

Canada and Australia had the highest proportions of young people in their work forces, with the United States ranking next. Japan, France, and Sweden had substantially lower proportions. The international differences were particularly wide for teenagers, who have much higher unemployment rates than young adults.

The United States and Canada, then, were under unusual pressure from relatively large and fast-growing

**Table 4. Percent change in the youth labor force in nine countries by age group, selected periods, 1960-79**

Country	Under age 25			Teenagers			Age 20 to 24		
	1960 79	1960 75	1975 79	1960 79	1960 75	1975 79	1960 79	1960 75	1975 79
United States . . . . .	4.1	4.5	2.7	3.6	4.1	2.0	4.4	4.8	3.2
Canada . . . . .	4.2	4.6	2.9	4.0	4.5	2.2	4.4	4.7	3.3
Australia . . . . .	2.4	2.6	2.1	1.4	1.0	2.5	3.5	4.1	1.7
Japan . . . . .	2.1	1.7	3.7	5.8	6.5	3.0	3	6	3.8
France . . . . .	2.3	8	1.1	3.4	3.2	3.8	2.2	3.0	1
Germany . . . . .	2.4	8	9	0	1	3	7	1.5	2.1
Great Britain . . . . .	3.1	6	1.4	1.4	2.2	1.3	3.9	8	1.4
Italy <sup>4</sup> . . . . .	1.8	2.5	1.9	3.4	4.4	2.0	5	1.0	1.9
Sweden . . . . .	6.1	1	3	1.9	2.2	5	1.5	1.8	8

<sup>1</sup> Initial year 1964.

<sup>2</sup> Initial year 1963.

<sup>3</sup> Initial year 1961.

<sup>4</sup> Not adjusted to U.S. concepts and not adjusted for break in series related to new labor force survey instituted in 1977.

<sup>5</sup> Data end in 1978.

<sup>6</sup> Initial year 1962.

teenage and young adult labor forces, which contributed to higher rates of both overall and youth unemployment. Although labor force growth rates in North America have not been as rapid since 1975 as previously, they are still high in comparison with the other industrial countries. For the most part, other countries did not have to deal with increasing numbers of young entrants to the labor market until recently, if at all.

*Demand factors.* During the 1960's, tight labor markets and strong economic growth in most of Europe, and in Australia and Japan fostered high demand for young workers. Labor shortages gave many young people opportunities to choose among jobs and to enter the occupational hierarchy at higher levels than would have been possible in less favorable times. In Japan, Great Britain, and Germany, employers recruited young people straight from school and provided training for many of them. New entrants were eagerly sought and employers were willing to take youngsters without occupational skills or previous work experience. However, favorable employment conditions for youth abroad changed during the 1970's as structural problems were intensified by deep recession.

Even during the 1960's, the recruitment of youth as discussed above was less common in France and Italy, and even less visible in the United States where employers exhibited little active interest in hiring teenagers.<sup>7</sup> Indeed, recent studies show that two-thirds to four-fifths of U.S. employers are reluctant to hire people under age 21 for regular, full-time jobs.<sup>8</sup>

Long-run structural changes in the labor market have adversely affected the demand for young workers in most of the countries studied. For example, the shift out of agriculture and the decline of self-employment or small family businesses have greatly reduced family em-



ployment opportunities for youth. The decline in agricultural employment has been going on for decades. Currently, the United States and Great Britain have the smallest proportions of the labor force engaged in agriculture; Japan and Italy have the largest.<sup>9</sup>

The change in skill requirements in industrial economies has further affected the demand for young workers. Specifically, a decline in the relative importance of unskilled jobs, in which many youth find their first employment, has taken place in the course of industrialization. There are many low-skilled jobs in the rapidly growing service sector that may replace lost openings in the industrial sector, but service industries are also affected to some extent by changes which reduce demand for the unskilled. A 1974 British study found that it was becoming more difficult to place unqualified, untrained young people who normally entered jobs below craft level.<sup>10</sup> Job opportunities for such young persons were shrinking, a trend largely masked in Great Britain in times of high growth, but all too apparent during the more recent high unemployment years.

Growing rigidities in the labor market have also adversely affected employment prospects for young people. During the 1970's, there was considerable strengthening in job security provisions for adult workers in Western Europe and Japan. An OECD study of job security arrangements in France, Germany, and Great Britain indicates that management prerogatives in dismissing labor have been substantially curtailed.<sup>11</sup> This trend began during the late 1960's, but accelerated considerably during the 1974-75 recession. A 1976 study by the German Federal Labor Institute corroborated the OECD study, attributing higher youth unemployment in Germany partly to regulations protecting the jobs of senior employees.<sup>12</sup>

Swedish and Italian labor market experts have also spoken of the adverse effects of protective legislation on new entrants.<sup>13</sup> The problem is viewed as particularly acute in Italy where employers reportedly avoid hiring new workers to the maximum extent possible, because it is virtually impossible to discharge an employee.

*The student labor force.* The working student is very much an American phenomenon. No other country has so large a proportion of persons both in school and in the labor force during the school year. The frequent entries and exits of students characteristic of the U.S. labor market do not occur to any significant extent in Western Europe and Japan. Canada also has substantial student labor force activity. There is growing student participation in the work force in Australia, but it is still small compared with the United States and Canada.

Information on the school enrollment and labor force

status of the population age 16 to 34 in the United States is collected annually in the October supplement to the Census Bureau's monthly labor force survey. Data for October, which is close to the beginning of a new school year, may not be fully representative of all the school months. Students are not explicitly identified in the U.S. survey during the rest of the year, although young people 16 to 21 years old reporting school as their major activity are tabulated by labor force status each month. For students in the labor force, these monthly data substantially underreport school enrollment because many part-time students may report work as their major activity.

The monthly data on young persons age 16 to 21 indicate much higher unemployment rates for those whose major activity is school. In 1979, such persons had an unemployment rate of 18.1 percent. For others in the same age group, the jobless rate was 12.7 percent. The higher rate for students may reflect their limited availability with respect to hours of work and time limitations on their job-hunting efforts because of the constraints of classroom schedules.

The October surveys indicate a paradoxical impact of student labor force activity on U.S. youth unemployment rates: Student unemployment tends to increase overall youth jobless rates but to decrease the separate rates for teenagers and young adults. The following tabulation of unemployment rates for October 1979 illustrates this point:

Age	All youth	In school	Not in school
16 to 24 years . . .	11.4	13.0	10.8
16 to 19 years . . .	15.9	15.2	16.7
20 to 24 years . . .	8.8	8.6	8.8

Neither the October surveys nor the monthly "major activity" data record the effect of student unemployment during summer vacations. An unemployment rate for students encompassing the summer vacation period would probably be higher than the rate during the school term. During the summer, the job market becomes flooded with youthful applicants.

When their vacation period unemployment and in-school unemployment are combined, students in the U.S. labor force do pull the annual youth unemployment rate upward somewhat. In other countries, where relatively fewer young people are in school and the seasonal influx of students into the labor force during the vacations is smaller, youth unemployment rates are not subject to as much upward pressure from the student work force. In addition, school vacation workseeking is not even recorded in a few of the other countries because of the timing of their surveys (France, Germany). The high degree of student labor force activity in the United States also exaggerates the proportion of youth in the unemployment total relative to countries with lit-

the student participation in the labor force. If data for teenagers who were both in school and in the labor force in October 1979 were excluded, the U.S. teenage labor force participation rate would fall from 56 to 26 percent—almost the same as in France and Italy.

Italy has had special labor market problems associated with new university graduates. The number of students in Italian universities rose by over 50 percent between 1969 and 1972 alone, while the university-age population grew by only 3 percent. The rise in the entry rate was facilitated by the university reform of 1969 which opened all university departments to any successful secondary school graduate. The claim has been made in Italy that during recent years one important function of the university has been to provide a form of “parking” for the young in search of employment.<sup>14</sup> Thus, unemployment after secondary school is delayed, only to be faced later on. Many youthful unemployed Italians are graduates from the terribly overcrowded universities which have failed to cope with the large influx of students since 1969.

*Apprenticeship and formal training programs.* European educational institutions channel masses of young people into training for narrow vocational specialties, while American youth are still continuing general education. The European system's emphasis on early apprenticeship and vocational training tends to put young people into stable work-training relationships that discourage mobility. The frequent job changes and spells of unemployment characteristic of young persons in the United States are not found to as great an extent abroad.<sup>15</sup>

In most European countries, apprenticeship and vocational education are widespread. Vocational education programs predominate in France and Sweden; apprenticeship is the principal type of industrial training for youth in Great Britain and Germany and is widely used elsewhere. In Japan, training within firms usually marks the beginning of lifelong employment.

Apprenticeship programs provide both a smooth transition from school to work and employment security for young workers. The key to the German performance in keeping youth unemployment comparatively low has been that country's strong apprenticeship system. For a large proportion of German young people, this training constitutes the upper secondary level of school. On the other hand, Italy, with its high rate of youth unemployment, does not have a well developed system of vocational training institutions.

Table 5 shows an international comparison of the extent of apprenticeship in 1974 and 1977. Germany led by far in the ratio of apprentices to civilian employment, over 5 percent. Italy ranked second, with about 3 percent of civilian employment in apprenticeships, but this high ratio should be discounted both because train-

**Table 5. Apprentices as a percent of total civilian employment in eight countries, 1974 and 1977**

Country	1974	1977
United States	34	29
Canada	76	99
Australia	2.29	2.05
France	73	93
Germany	5.18	5.70
Great Britain	1.87	( <sup>1</sup> )
Italy	3.60	3.42
Sweden <sup>2</sup>	02	.03

<sup>1</sup> Data not available

<sup>2</sup> Proportion covers only those designated to receive government subsidies under the 1959 law on apprentices. The unknown number of unsubsidized apprentices would raise Swedish proportion.

SOURCE: Beatrice G. Reubens, *Apprenticeship in Foreign Countries*, R & D Monograph 77 (U.S. Department of Labor, Employment and Training Administration, 1980), p. 12.

ing in many cases is unsatisfactory or nonexistent and because dropout rates are extremely high (70 percent).<sup>16</sup> Australia and Great Britain had about 2 percent of civilian employment in apprenticeships, and France and Canada had about 1 percent. The United States had a lower ratio than any other country except Sweden. Sweden has a small, legally recognized apprenticeship sector, subsidized by the government, but an unknown number of unsubsidized apprentices are trained through company programs, and these are not included in the data in table 5.

Apprenticeship in North America has never acquired the scope that it has in Europe. A young person in North America can attain skilled status without completing apprenticeship training. This is not the case in Europe. Furthermore, apprentices in North America tend to be older than their European counterparts. The average age of a Canadian apprentice is 23, and an American, 25. By these ages many Europeans are already fully qualified journeymen, having begun their apprenticeships at age 16 or 17. The use of veterans' benefits to fund apprenticeship in the United States has been a significant factor in the higher average age of apprentices.

In response to rapid increases in youth unemployment, several foreign countries instituted government subsidies to firms which took on new apprentices. Much of this financial aid dates from 1975 or later. Germany offered tax cuts and other subsidies to employers to encourage the hiring of apprentices and also introduced a financial penalty for not doing so. A law passed in September 1976 provided that a payroll tax of up to 0.25 percent be levied on employers in any year that the total supply of apprenticeship places was not at least 12.5 percent above the total number of young people seeking places.<sup>17</sup> New apprenticeship contracts in Germany rose markedly from 1976 through 1979, following several years of little change. However, there were still a number of unsatisfied applicants for apprenticeship places 20,200 in 1979.

*Guidance and counseling.* Several European countries and Japan have developed strong systems of services for youth which, like apprenticeship systems, help smooth the transition from school to work. These services provide extensive information, guidance, placement, induction, and followup activities. According to one expert, the countries that seem to have the most effective transition systems are Germany, Japan, and Sweden.<sup>18</sup> These countries offer a comprehensive set of services which are conducive to the prearrangement of jobs, so that there is little initial unemployment for a majority of school leavers. Of course, a favorable economic climate also encourages prearrangement. Without jobs, the best guidance and counseling programs would be futile.

The public employment service in Japan reportedly has an extensive role in the youth labor market.<sup>19</sup> It conducts guidance programs and provides information to the education authorities, who in turn give vocational orientation in the schools. The employment service estimates the number of school leavers who will be seeking jobs each March. It then informs employers of the potential supply of workers from various educational levels, collects job offers from employers, and escorts students in groups to recruiting employers. Under normal economic conditions, most Japanese have prearranged jobs before school ends. There is also an extensive post-employment guidance and vocational adjustment system conducted by the employment service. Several unusual factors allow the Japanese system to work as well as it does: The chronic shortage of young workers, the high value placed on young workers by hiring firms, and a tradition of conformity among employers permit the public employment service a high degree of control over the placement of youths in their first jobs.

The United States, Canada, and Italy rely on educational institutions to supply transition services. Because of this, these countries have had difficulty providing a comprehensive, integrated program. One researcher has concluded that an array of countries according to the difficulty of transition from school to work might place the United States and Italy at the top.<sup>20</sup> There are fewer prearranged jobs and more unemployment among new entrants in Italy and the United States than in the other European countries and in Japan. It has been said that few American students are exposed to occupational or labor market information and that many counselors and teachers suffer from the same lack of knowledge.<sup>21</sup>

*Youth minimum wage.* Legislated wage differentials for young workers are used on a very limited basis in the United States. The Fair Labor Standards Act contains provisions for subminimum wages for students and learners, but these provisions have not been used to any significant extent. In contrast, differentials between

youth and adult wages are common in Western Europe, Canada, and Japan. Some countries legislate lower minimums for teenagers, and others permit collective bargaining agreements to provide differential wages for young workers. Still other countries use both mechanisms.<sup>22</sup>

It has been argued that wage differentials between teenagers and adults tend to facilitate the employment of youth. One 1970 study concluded: "The evidence from abroad indicates that low wages for youth are an inducement to employers to seek young workers eagerly. The relatively low youth unemployment rates abroad . . . are partially a reflection of the fact of low wages for youth."<sup>23</sup>

This study pointed out that low wages for youth abroad do not exist separately from extensive apprenticeship programs in such countries as Germany and Great Britain, and from the lifetime employment system in Japan under which high wages in later years with the firm offset low youth wages. Also, the experience of foreign countries having institutions different from those in the United States has limited application for American teenagers, who are much more likely to be looking for part-time rather than permanent jobs.

Recent evidence indicates that the relative costs of employing young workers have changed abroad. Despite youth minimums, the actual postwar trend in earnings has favored youth over other age groups. Thus, there has been a narrowing of the actual wage differential between youth and adult workers. For instance, a recent British study reveals that pay for young people has risen considerably in relation to that of adults. Average hourly earnings of male manual workers under 21 as a percent of adult male earnings were 45 percent in 1948; 48 percent in 1960; 52 percent in 1970; and 62 percent in 1977.<sup>24</sup>

*Minority group unemployment.* The United States has had exceptionally high levels of unemployment for black youth. In 1978, black teenagers had an unemployment rate about two and one-half times that for white teenagers. Furthermore, this racial disparity in unemployment experience has been worsening since the mid-1960's.<sup>25</sup> The special labor market problems of American black and other minority youth are unmatched in Europe, Australia, or Japan, and help to explain the relatively high youth unemployment in the United States.

Other countries do have minority youth employment problems, often arising from religious and cultural, rather than racial, differences. For example, nations which admitted large numbers of foreign workers on a temporary basis during the labor-short 1960's found that many of these workers settled in the host country, and married locally or brought wives and children from

home. Children of these immigrants faced a less favorable economic climate than their parents, and their educational and social differences often proved to be disadvantages in the labor market. However, these and other minority unemployment problems abroad have less impact in the aggregate, because minority groups in other countries are not as large proportionately as in the United States.

For example, comparative statistics for Sweden and the United States provide some insight into the differences in the impact of minority unemployment on youth joblessness. Children of foreign workers in Sweden, frequently more poorly educated, and not speaking Swedish, have an unemployment rate much higher than native youth. The foreign-born accounted for 8.8 percent of total teenage unemployment and 5.7 percent of the teenage labor force in Sweden during the second quarter of 1979. By contrast, in the United States, blacks and other minorities accounted for 24 percent of total teenage unemployment and 11 percent of the labor force in 1978. The contrast between the two nations is also marked for young adults. Immigrants made up 8.3 percent of the young adults unemployed in Sweden and 6.4 percent of the labor force. The corresponding figures for U.S. blacks and other minorities were 29 percent and 14 percent, respectively.

Minority group unemployment is also a problem in Great Britain, particularly among young Asians and West Indians. A special survey conducted in 1977-78

revealed unemployment rates of over 11 percent for those of minority ethnic origin born in the United Kingdom and over 7 percent for those of white ethnic origin.<sup>26</sup> Yet, in terms of total unemployment, the problem of minorities in Great Britain is much smaller than in the United States. In 1977-78, British minority groups accounted for 4.4 percent of total unemployment. In the United States, minorities make up almost 25 percent.

WHILE CERTAIN of the countries studied have been able to keep youth unemployment rates relatively low, all recorded rising rates during the 1970's. Economic growth in industrialized nations dropped precipitously in 1974 and 1975 and moved upward slowly thereafter. At the same time, the number of young persons in the labor force began to increase in several countries after many years of decline. The turnaround in demographic trends during a period of slow growth contributed to higher youth unemployment. Another factor in a number of countries has been the strengthening of employment protection legislation to the point where it reportedly adversely affects youth job opportunities. Finally, the narrowing of wage differentials between youths and adults has put youth at a cost disadvantage. In short, over the last decade, conditions in other countries which had contributed to low youth unemployment in the past began to change in a way adverse to youth employment opportunities. □

— FOOTNOTES —

<sup>1</sup> For this study, the terms "youth" and "young people" refer to the broad category of persons under 25 years of age. This group is divided between "young adults"—the 20- to 24-year-old group—and "teenagers"—those under 20 years of age. (The lower age limit for teenagers varies from 14 to 16 among the countries studied.) "Adults" describes persons 25 and over.

<sup>2</sup> See *International Comparisons of Unemployment*, Bulletin 1979 (Bureau of Labor Statistics, 1978), Appendix C, for a description of the methods used to derive comparable unemployment and labor force data by age. The appendix to *Youth Unemployment: An International Perspective*, Bulletin 2098 (Bureau of Labor Statistics, forthcoming) will present a detailed discussion of the important issues relating to international comparability of youth statistics.

<sup>3</sup> Marcia Freedman, "The Youth Labor Market," in *From School to Work: Improving the Transition*, a collection of policy papers prepared for the National Commission for Manpower Policy (Washington, U.S. Government Printing Office, 1976), p. 24.

<sup>4</sup> Margaret S. Gordon, *Youth Education and Unemployment Problems: An International Perspective* (Berkeley, Calif., Carnegie Council on Policy Studies in Higher Education, 1979), p. 55.

<sup>5</sup> Organization for Economic Cooperation and Development, *Australia: Transition from School to Work or Further Study*, OECD Reviews of National Policies for Education (Paris, OECD, 1977), p. 47; International Labour Office, *Some Growing Employment Problems in Europe* (Geneva, ILO, 1974), p. 48; Klaus von Dohnanyi, *Education and Youth Employment in the Federal Republic of Germany* (Berkeley, Calif., Carnegie Council on Policy Studies in Higher Education, 1978), p. 38; and "Considering Employment: Unemployed (Part two)," *Mainichi* (Japanese newspaper), Dec. 3, 1977, p. 7.

<sup>6</sup> For further discussion and charts on birth rate trends, see Gordon, *Youth Education*, pp. 17-20. See also Beatrice G. Reubens and others, *The Youth Labor Force 1945-1995: A Cross-national Analysis* (Montclair, N.J., Allanheld, Osmun and Co., 1981), Ch. 2.

<sup>7</sup> Beatrice G. Reubens, "Foreign and American Experience with the Youth Transition," in *From School to Work*, p. 274.

<sup>8</sup> *Employment and Training Report of the President* (Washington, U.S. Government Printing Office, 1978), p. 75; *Youth Unemployment and Minimum Wages*, Bulletin 1657 (Bureau of Labor Statistics, 1970), pp. 128-31 and 183; and Norman Bowers, "Young and marginal: an overview of youth unemployment," *Monthly Labor Review*, October 1979, pp. 4-5.

<sup>9</sup> For further data and discussion, see *International Comparisons of Unemployment*, pp. 23-26.

<sup>10</sup> *Unqualified, Untrained, and Unemployed*, Report of a Working Party set up by the National Youth Employment Council (London, Her Majesty's Stationery Office, 1974), p. 1.

<sup>11</sup> John Gennard, *Job Security and Industrial Relations* (Paris, OECD, 1979).

<sup>12</sup> Study quoted in von Dohnanyi, *Education and Youth Employment in Germany*, p. 34.

<sup>13</sup> Reubens, "Foreign and American Experience with the Youth Transition," p. 287; and Organization for Economic Cooperation and Development, *Review of the Labor Market Situation in Less Industrialized Member Countries* (Paris, OECD, 1978), unpublished.

<sup>14</sup> International Labour Office, *Some Growing Employment Problems in Europe* (Geneva, ILO, 1974), p. 48.

<sup>15</sup> Beatrice G. Reubens, "Foreign Experience," in *Report of Congress-*

sional Budget Office Conference on the Teenage Unemployment Problem: What Are the Options? (Washington, U.S. Government Printing Office, 1976), p. 55.

<sup>16</sup> Beatrice G. Reubens, *Apprenticeship in Foreign Countries*, R and D Monograph 77 (U.S. Department of Labor, Employment and Training Administration, 1980), p. 11.

<sup>17</sup> Reubens, *Apprenticeship in Foreign Countries*, p. 58.

<sup>18</sup> Beatrice G. Reubens, *From Learning to Earning: A Transnational Comparison of Transition Services*, R and D Monograph 63 (U.S. Department of Labor, Employment and Training Administration, 1979), pp. 11-14; and Reubens, "Foreign and American Experience," p. 291.

<sup>19</sup> Reubens, *From Learning to Earning*, p. 13.

<sup>20</sup> Reubens, "Foreign and American Experience," p. 283.

<sup>21</sup> Ben Burdetsky, "Troubled Transition: From School to Work," *Worklife*, November 1976, p. 2. See also Seymour L. Wolfbein, "In-

formational and Counselor Needs in the Transition Process," in *From School to Work*, p. 193.

<sup>22</sup> *Youth Unemployment and Minimum Wages*, Bulletin 1657 (Bureau of Labor Statistics, 1970), Ch. 6.

<sup>23</sup> Thomas W. Gavett, "Youth unemployment and minimum wages," *Monthly Labor Review*, March 1970, p. 9.

<sup>24</sup> "The Young and Out of Work," *Department of Employment Gazette*, August 1978, p. 908.

<sup>25</sup> See Bowers, "Young and marginal: an overview of youth employment," pp. 5-7; and Curtis L. Gilroy, "Black and white unemployment: the dynamics of the differential," *Monthly Labor Review*, February 1974, pp. 38-47.

<sup>26</sup> Ann Barber, "Ethnic Origin and the Labor Force," *Department of Employment Gazette*, August 1980, pp. 841-48.

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### The role of part-time work

Organized labor in every industrial country views part-time work with concern. There is no question that the proliferation of part-time jobs has a negative impact on full-time employment. In many cases these jobs represent a downgrading of jobs that once were full time. (There are exceptions, such as retail trade, where this pattern has long been part of the nature of the business.) Part-time work also tends to undermine labor standards and depress wage levels.

On the other hand, there is certainly a place for permanent part-time work, and there are benefits to be derived for workers who truly prefer working part time, or must do so. Such employees include students, elderly people, the physically handicapped, parents with small children, and persons with other special needs.

Sweden has moved forward rapidly in this area through both national legislation and collective bargaining. Part-time workers receive full medical benefits under the Swedish health security program and full credit toward retirement. Unions are working to raise pay rates for part-timers so that in some cases it is hard to distinguish between part-time and short-time jobs. This is in considerable contrast to the United States, where some part-time workers have no fringe benefits and the vast majority have their medical insurance and pension benefits reduced or prorated.

"Innovation in Working  
Patterns." *Transatlantic  
Perspectives*, January 1981, p. 28.

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