Not in Education, Employment, or Training (NEET) in Korea: Status and Trends*

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Introduction

Young people are the future of any nation and thus deserve much attention. Korea is no exception to this, and much attention and effort has focused on improving the situation surrounding young people, or youths. However, the issues of youths, particularly labor market issues including youth unemployment, have seen little improvement. This shows that youth issues are not short-term problems that can be easily resolved but structural issues that require additional efforts.

This study focuses on youths, especially youths who are disadvantaged. There have been relatively many studies on youth unemployment. Most of them see young people as a homogeneous group and analyze the group as a whole. But there may be some young people who are more vulnerable in terms of employment, settling down in the labor market, or building human capital, and it is necessary to identify such groups and design differentiated policies to respond to their specific needs.

The best example of a disadvantaged youth group is known as the NEET. First coined in the UK in 1999, the term was expanded in concept and put into wider use in Japan around 2004, and relevant statistics have been produced. Statistics in Korea were first produced by Jaeryang Nam (2006). Using the *Economically Active Population Survey*, the leading survey of labor market statistics, the study presents NEET-related statistics between 1995 and 2004, and analyzes the flow into and out of the NEET population. This paper is a follow-up of Nam (2006), and is designed to identify the status and trends of the NEET since the mid-2000s. This analysis helps our understanding of the vulnerable groups of young people in Korea.

This study is structured as follows. The section titled "NEET: Status and Trends" presents an analysis of the status and trends of NEETs since the mid-2000s. It also reviews how the current

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trends are related to the trends between the mid-1990s and mid-2000s. The third section, "Characteristics of NEETs by Group," classifies non-job-seeking NEETs, the population that warrants the biggest attention, into different groups and analyzes their characteristics. The fourth section, "Main Activities of NEETs," looks at what these non-job-seeking NEETs actually do. In other words, it tries to identify the main activities of NEETs, who are not engaged in education, training, employment, or job-seeking, and the trends in their activities. The fifth section provides the summary and conclusions.

NEET: Status and Trends

Definition of NEET

As is already well known, the term "NEET" is an acronym for not in education, employment, or training. Literally, it is used to refer to those young people who are not engaged in education, training, or work. It was first used in the UK in 1999 to indicate such youths ages 16 to 18 (The Social Exclusion Unit, 1999). In Japan, the concept was broadened to unemployed youths ages 15 to 34, and related statistics were presented. It was in 2006 that the term NEET was specifically defined and related statistics were produced in Korea. Nam (2006) used a definition similar to that used in Japan and leveraged the data from the Economically Active Population Survey by the National Statistics Office of Korea to present NEET statistics.

This study is a follow-up of Nam (2006), and the definition of NEET is: "individuals who in the past one week were a. not enrolled in formal educational institutions, private institutes for college entrance exams or private/public institutes or organizations for employment (private institutes for national professional exams, vocational training); b. not engaged in work (i.e., not employed); c. not engaged in household work or childcare; d. not married with a spouse (i.e., single); and e. are aged between 15 and 34." (Nam, 2006) This study also uses the *Economically Active Population Survey* to identify the status of and trends for youth NEETs. One note of caution is that in this study the period of job-seeking activities to be classified as unemployed is *previous 1 week* instead of *previous 4 weeks*. This is an attempt to enable comparisons over a longer term.

NEETs: Status and Trends by Year

The recent status and trends of NEETs identified based on the above definition and using the *Economically Active Population Survey* data are presented in Table 1. As can be seen in this table, the number of NEETs rose from 1,148,000 in 2003 to 1,270,000 in 2005, maintaining the rising trend that began in mid-1990s. But the number of NEETs began to decline after 2005, dipping to

1,233,000 in 2007, then rising again to 1,344,000 in 2010. As a result, the percentage of NEETs among the population ages 15 to 34 increased from 7.8% in 2003 to 9.9% in 2010.

As emphasized by prior studies (Nam, 2006) it is important to separate NEETs into the job-seeking group and non-job-seeking group and to focus on the latter. Most job-seeking NEETs are unemployed, and they have been actively analyzed as part of the youth unemployment issue. In fact, as Table 1 shows, the number of job-seeking NEETs dipped from 397,000 in 2003 to 349,000 in 2010, which appears to reflect the shrinking of the youth population itself, and the number continues to fluctuate according to economic cycles (just like the general unemployment numbers).

But non-job-seeking NEETs appear to be different. As Table 1 also shows, the number of non-job-seeking NEETs has increased each year without exception, from 751,000 in 2003 to 996,000 in 2010, or by 245,000 in 7 years. This is an average increase of 35,000 a year. Prior studies have shown that the number of non-job-seeking NEETs rose sharply from the mid-1990s to the early 2000s. The fact that their numbers continued to increase in the 2000s, although not as sharply as in the 1990s, is highly significant: by 2010, close to 1 million young people (996,000 to be exact) would be either not working, not preparing to work, or not seeking jobs. The youth population continues to decline, but the number of non-job-seeking NEETs continues to increase, raising their share of the population age 15 to 34 from 5.1% in 2003 to 7.3% in 2010¹.

Table 1. NEET Status by Year

(In thousands, %)

							(In th	ousands, %)
	2003	2004	2005	2006	2007	2008	2009	2010
Population ages 15	14,759	14,504	14,162	13,937	13,787	13,696	13,618	13,545
to 34	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
NEETs	1,148	1,214	1,270	1,267	1,233	1,249	1,326	1,344
NEEIS	(7.8) (8.4) (9.0) (9.1) (8.9) 397 407 397 386 343	(9.1)	(9.7)	(9.9)				
Lab analvina	397	407	397	386	343	331	353	349
Job-seeking	(2.7)	(2.8)	(2.8)	(2.8)	(2.5)	787 13,696 13,618 1.0) (100.0) (100.0) 233 1,249 1,326 3.9) (9.1) (9.7) 343 331 353 2.5) (2.4) (2.6) 391 918 973 3.5) (6.7) (7.1) 353 12,447 12,293	(2.6)	(2.6)
Non ich acchine	751	806	873	881	891	918	973	996
Non-job-seeking	(5.1)	(5.6)	(6.2)	(6.3)	(6.5)	(6.7)	(7.1)	(7.3)
NI NIEDT	13,611	13,290	12,893	12,671	12,553	12,447	12,293	12,200
Non-NEETs	(92.2)	(91.6)	(91.0)	(90.9)	(91.1)	(90.9)	(90.3)	(90.1)

NEETs: Monthly Status and Trends

Table 2 shows the status of non-job-seeking NEETs by month. As the table shows, the number of non-job-seeking NEETs topped 1 million in January 2011, or reached 1,032,000 to be

¹ Data for population age 15 to 34 are shown in Appendix 1.

exact. This is an increase of 57,000 from the 975,000 one month before, in December 2010, and an increase of 29,000 from the same time the previous year.

Table 2. Monthly Status of Non-Job-Seeking NEETs

(In thousands) 2003 2004 2005 2006 2007 2008 2009 2010 2011 798 908 939 901 990 1,003 1,032 826 948 Jan. (47)(-17)(20)(35)(67)(49)(17)(7)914 999 1,134 1,080 1,055 1,071 1,149 1,216 Feb. (163)(193)(261)(200)(165)(153)(176)(221)721 778 852 859 875 943 978 1,022 Mar. (-30)(-28)(-20)(-22)(-16)(25)(5) (26)967 694 763 814 833 836 885 897 Apr. (-28)(-57)(-43)(-58)(-48)(-55)(-33)(-76)699 761 811 851 851 873 898 918 May (-62)(-77)(-52)(-45)(-29)(-40)(-45)(-75)721 761 826 838 845 868 880 951 June (-30)(-45)(-46)(-43)(-46)(-50)(-92)(-44)764 810 845 872 906 888 949 958 July (13)(4) (-27)(-9)(15)(-30)(-24)(-38)796 885 948 924 961 949 1,012 1,033 Aug. (44)(78)(76)(43)(70)(31)(39)(37)866 978 734 781 830 864 898 960 Sept. (-17)(-25)(-7)(-50)(-27)(-20)(-13)(-17)703 748 810 838 852 961 953 828 Oct. (-59)(-63)(-48)(-43)(-63)(-66)(-11)(-42)789 837 829 937 721 765 887 957 Nov. (-30)(-41)(-84)(-44)(-62)(-31)(-16)(-59)975 749 798 868 872 844 926 980 Dec. (-2)(-9)(-5)(-9)(-47)(-20)(8)(7)Yearly avg. 751 806 873 881 891 918 973 996

Note. Numbers in parentheses () are deviations from the annual average.

The fact that the number of non-job-seeking NEETs topped 1 million is highly symbolic. That 1 million youths are neither engaged in formal or private education (for college-entrance exams, employment, or professional exams), nor in household work, child care, employment, or job-seeking, is a very important challenge directly related to the future of the nation.

In addition, the number of such non-job-seeking NEETs was likely to increase in February 2011. Table 2 shows their number to peak in February each year. In other words, the numbers in parentheses in the table are deviations from the average number of non-job-seeking NEETs for each year, and without exception the number is always highest in February. There were 213,000 more non-job-seeking NEETs in February 2010 than in January 2010. This strongly suggests that the number in February 2011 would be significantly higher than in January 2011.

Characteristics of NEETs by Group

Non-job-seeking NEETs are divided into different groups by demographics, and the characteristics of each are probed in depth in this section. The attributes of groups classified by basic demographics such as gender, age, and education often tell important stories.

Gender

The first category is non-job-seeking NEETs divided by gender. Table 3 presents the results. As the table shows, while men made up 67.6% in 2003, their share decreased to 62.4% in 2010, meaning that women's increased from 32.4% to 37.6%.

Such a rise in the proportion of women NEETs is consistent with the results of the prior study analyzing the period 1995–2004 (Nam, 2006). While women accounted for only 26.9% of non-job-seeking NEETs in 1995, their share exhibited a rising trend (although with some fluctuations), reaching 37.6% in 2010. The 10.7 percentage-point increase in the number of women non-job-seeking NEETs within 15 years is a dramatic change. Their absolute number also rose, from 73,000 in 1995 to 374,000 in 2010, an increase of 301,000. In sum, non-job-seeking NEETs is showing a strong feminization trend.

Table 3. Non-Job-Seeking NEETs by Gender

(In thousands, %)

	2003	2004	2005	2006	2007	2008	2009	2010
M	508	523	544	540	554	573	614	622
Men	(67.6)	(64.8)	(62.3)	(61.3)	(62.2)	(62.4)	(63.1)	(62.4)
Women	244	284	329	341	337	345	359	374
Wollien	(32.4)	(35.2)	(37.7)	(38.7)	(37.8)	(37.6)	(36.9)	(37.6)
Total	751	806	873	881	891	918	973	996
Total	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

Age

By age, non-job-seeking NEETs show rapid *aging*, with a sharp increase in the higher age group, as seen in Table 4 and Table 5. The most noteworthy trend in Table 4 is the rise in the share of the 25–29 group: it rose from 26.5% in 2003 to 35.3% in 2010, an increase of 8.8 percentage points. In comparison, the share of the 25–29 group out of the population ages 15 to 34 rose by only 1.4 percentage points, from 26.1% to 27.5%, as seen in Table 5. The share of non-job-seeking NEETs ages 30 to 34 also increased, from 12.5% to 15.0%. In contrast, the 20–24 group, which made up the highest share during most of this period, fell from 44.7% in 2003 to 36.6% in 2010, a decrease of 8.1 percentage points. The drop is made even more pronounced by the fact that their

share out of the population ages 15 to 34 fell by only 3.2 percentage points, from 22.7% to 19.5%. The share of non-job-seeking NEETs ages 15 to 19 fell by 3.3 percentage points, from 16.3% to 13.0%, despite a 3.2 percentage-point increase in their population share, from 21.4% to 24.6%.

Table 4. Non-Job-Seeking NEETs by Age

(In thousands, %)

	(III thousands							
	2003	2004	2005	2006	2007	2008	2009	2010
15-19	123	109	122	104	103	110	115	130
15-19	(16.3)	(13.5)	(13.9)	(11.8)	(11.6)	(11.9)	(11.9)	(13.0)
20-24	335	359	383	361	325	318	339	365
20-24	(44.7)	(44.5)	(43.9)	(41.0)	(36.5)	(34.6)	(34.9)	(36.6)
25-29	199	226	243	291	320	337	360	352
23-29	(26.5)	(28.1)	(27.9)	(33.1)	(36.0)	(36.7)	(37.0)	(35.3)
30-34	94	112	125	125	142	154	158	150
30-34	(12.5)	(13.9)	(14.3)	(14.2)	(15.9)	(16.7)	(16.2)	(15.0)
Total	751	806	873	881	891	918	973	996
Total	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

Table 5. Share of Age Groups in the Population Ages 15 to 34

(In thousands, %)

	2003	2004	2005	2006	2007	2008	2009	2010
15-19	3,165	3,070	3,046	3,103	3,203	3,238	3,286	3,338
13-19	(21.4)	(21.2)	(21.5)	(22.3)	(23.2)	(23.6)	(24.1)	(24.6)
20-24	3,349	3,278	3,067	2,880	2,734	2,681	2,649	2,644
20-24	(22.7)	(22.6)	(21.7)	(20.7)	(19.8)	(19.6)	(19.5)	(19.5)
25-29	3,854	3,793	3,807	3,861	3,918	3,902	3,843	3,719
23-29	(26.1)	(26.1)	(26.9)	(27.7)	(28.4)	(28.5)	(28.2)	(27.5)
30-34	4,391	4,363	4,243	4,095	3,932	3,875	3,840	3,844
30-34	(29.8)	(30.1)	(30.0)	(29.4)	(28.5)	(28.3)	(28.2)	(28.4)
Total	14,759	14,504	14,162	13,937	13,787	13,696	13,618	13,545
Total	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

The aging trend of non-job-seeking NEETs is similar when the analysis period is expanded to include the 1990s. Combining the results of prior studies and this study, one finds that the 15–19 group's share of non-job-seeking NEETs falls from 22.9% in 1995 to 13.0% in 2010, and the 20–24 group's, from 41.5% to 36.6%.² But the proportion of the 25–29 group increased, from 23.8% to 35.3%, as did that of the 30–34 group, from 11.8% to 15.0%.

 $^{^2}$ Unlike the other age groups, the number of non-job-seeking NEETs ages 20 to 24 rose from 1995 to 2003, then fell steadily until 2010.

Education

Review of the educational share and changes of non-job-seeking NEETs shows, as illustrated in Table 6 and Table 7, that the share of university or higher degree-holders is increasing, while the share of those with just a high school education is falling. In other words, while the number of high school graduates, who make up more than half of non-job-seeking NEETs, is decreasing, the number of those with a university or higher education is rising rapidly compared with their demographic share.

Table 6 shows that 56.0% of non-job-seeking NEETs in 2010 are high school graduates, which is a higher percentage than their share among the population ages 15 to 34, or 40.1% (Table 7). But their share has declined, from 63.6% in 2003 to 56.0% in 2010. In comparison, the proportion of university or higher degree-holders rose from 16.3% in 2003 to 25.2% in 2010, an increase of 8.9 percentage points.

Table 6. Non-Job-Seeking NEETs by Education Level

(In thousands, %)

	2003	2004	2005	2006	2007	2008	2009	2010
Up to middle	73	76	78	71	70	69	77	63
school	(9.7)	(9.4)	(8.9)	(8.1)	(7.9)	(7.5)	(7.9)	(6.3)
Lich askaal	478	481	508	491	473	466	526	557
High school	(63.6)	(59.6)	(58.2)	(55.7)	(53.1)	(50.8)	(54.0)	(56.0)
College	78	102	118	122	118	147	144	125
Conege	(10.4)	(12.6)	(13.6)	(13.8)	(13.2)	(16.0)	(14.8)	(12.6)
I I mirro maitra	122	148	169	197	230	236	227	251
University	(16.3)	(18.3)	(19.3)	(22.4)	(25.8)	(25.7)	(23.3)	(25.2)
Total	751	806	873	881	891	918	973	996
Total	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	77 (7.9) 526 (54.0) 144 (14.8) 227 (23.3)	(100.0)

Table 7. Educational Share of the Population Ages 15 to 34

(In thousands, %)

							(111 011	04041140, 70)
	2003	2004	2005	2006	2007	2008	2009	2010
Up to middle	2,676	2,618	2,533	2,636	2,705	2,760	2,801	2,775
school	(18.1)	(18.1)	(17.9)	(18.9)	(19.6)	(20.1)	(20.6)	(20.5)
High school	7,436	7,025	6,684	6,282	5,985	5,725	5,526	5,431
riigii school	(50.4)	(48.4)	(47.2)	(45.1)	(43.4)	(41.8)	(40.6)	(40.1)
College	1,902	2,058	2,124	2,104	2,183	2,254	2,281	2,268
Conege	(12.9)	(14.2)	(15.0)	(15.1)	(15.8)	(16.5)	5,526 (40.6)	(16.7)
University	2,744	2,802	2,822	2,916	2,913	2,957	3,011	3,070
Offiversity	(18.6)	(19.3)	(19.9)	(20.9)	(21.1)	(21.6)	(22.1)	(22.7)
Total	14,759	14,504	14,162	13,937	13,787	13,696	13,618	13,545
Total	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	5,526 (40.6) 2,281 (16.7) 3,011 (22.1)	(100.0)

This far exceeds the 4.1 percentage-point increase in the share of university or higher degree-holders among the population ages 15 to 34 in the same period. Incidentally, their share of non-job-seeking NEETs has steadily increased, from 11.4% in 1995 (Nam, 2006) to 25.2% in 2010, despite some short-term fluctuations. Meanwhile, the share of college graduates has also increased, but not as much as the change in their share of the demographics, and the share of those with a middle school education or less continues to fall.

Main Activities of NEETs

If young people ages 15 to 34 are not engaged in formal or private education or vocational training to prepare for their future, nor in child care, household work, or employment, and are not even seeking a job, how do they spend their time? This section looks into the main activities of non-job-seeking NEETs. Fortunately, the *Economically Active Population Survey* began asking detailed questions about individuals' main activities in 2003. Table 8 summarizes the activities of non-job-seeking NEETs.

The biggest share of their activities is "taking a break," which makes up 34.9%, or 348,000, in 2010 (Table 8). The fact that as many as 350,000 youths, who should be the most active and future-oriented segment of the population, are idling away their time is an important challenge for the future of the nation, as much as the issue of low birthrates.

The number of those who responded that they were "taking a break" rose from 261,000 in 2003 to 348,000 in 2010. But because the number of non-job-seeking NEETs itself is increasing, their share does not show any noticeable changes.

Following "taking a break" is "preparing for employment." Its share in 2010, 31.1%, is a sharp increase from 16.2% in 2003. The number who responded as such also rose, from 122,000 to 310,000 (by 188,000), which accounts for 76.7% of the 245,000 overall increase in non-job-seeking NEETs during the same period. This means that by activity, preparing for employment is the leading cause of the increase in non-job-seeking NEETs. The number of those "taking a break" also increased by 87,000, making up the second leading cause following preparation for employment. The number of those "preparing for higher education" also increased by 64,000 during the same period.

Table 8. Main Activities of Non-Job-Seeking NEETs

(In thousands, %)

	2003	2004	2005	2006	2007	2008	2009	2010
Preparing for	122	157	201	262	281	319	301	310
employment	(16.2)	(19.5)	(23.1)	(29.7)	(31.6)	(34.7)	(30.9)	(31.1)
Preparing for	115	111	123	124	137	124	145	179
higher education	(15.3)	(13.7)	(14.1)	(14.1)	(15.3)	(13.5)	(14.9)	(18.0)
Physically/	63	68	63	59	52	61	68	51
psychologically disabled	(8.4)	(8.4)	(7.2)	(6.7)	(5.9)	(6.7)	(7.0)	(5.1)
Waiting for	90	63	66	55	50	43	43	55
army service	(12.0)	(7.8)	(7.6)	(6.2)	(5.6)	(4.7)	(4.4)	(5.5)
Preparing for	11	8	14	11	8	12	7	8
marriage	(1.5)	(1.0)	(1.6)	(1.3)	(0.9)	(1.3)	(30.9) 145 (14.9) 68 (7.0) 43 (4.4)	(0.8)
Taking a break	261	310	329	305	309	316	360	348
Taking a break	(34.7)	(38.5)	(37.7)	(34.6)	(34.6)	(34.4)	(37.0)	(34.9)
Others	89	89	76	66	54	45	50	47
Others	(11.9)	(11.0)	(8.7)	(7.5)	(6.1)	(4.9)	(5.1)	(4.7)
Total	752	806	873	881	891	919	973	997
Total	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

Note. "Others" in this table includes "others" in the survey form, as well as activities not belonging to any other category in the table.

Conclusion

This study analyzed the youth NEETs who, among the total group of young people, can be perceived as being disadvantaged. As prior studies have analyzed Korea's NEETs over a long period of time, this study followed up with a review of recent trends and changes. Taking a step further from the view that the youth population is one homogeneous group, identifying the different groups among them and analyzing their characteristics could be important in developing more effective policies.

Analysis results show that the sharp rise in NEETs starting in the mid-1990s continues today, although it eased somewhat in the mid-2000s. Job-seeking NEETs mostly fall into the unemployed population, of which there has been extensive analysis so far. This study, similar to the previous study (Nam 2006), focused on non-job-seeking NEETs. Their number increased rapidly and steadily during that period, irrespective of economic cycles, and such increase continues even after the mid-2000s, although not as rapidly.

By month, the number of non-job-seeking NEETs topped 1 million in January 2011, and was likely to increase even further in February, illustrating the gravity of the problem. The fact that there are over 1 million young people ages 15 to 34 who are not preparing for the future, nor working or even looking for work, is a serious problem indeed.

Non-job-seeking NEETs show some clear characteristics by demographic group, which can be summed up as feminization, aging, and higher education. The share of women out of non-job-seeking NEETs is rising sharply, as is the higher age group among the 15–34 NEET population. And the share of those with university or higher degrees is also rising sharply.

If they are not engaged in formal or private education or vocational training to prepare for their future, nor in child care, household work, or employment, and are not even seeking a job, how do NEETs spend their time? As many as 350,000 (35%) responded that they are just taking a break, once again highlighting the gravity of the situation. As many as 310,000 (31%) responded that they are preparing for employment, which was found to be the main cause of the increase in the number of non-job-seeking NEETs in the past 7 years.

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Appendix 1. NEETs: Population Ages 15 to 29

(In thousands, %)

	2003	2004	2005	2006	2007	2008	2009	2010
Population Ages 15 to 29	10,368	10,141	9,920	9,843	9,855	9,821	9,778	9,701
opulation riges 13 to 27	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
NEETs	994	1,042	1,080	1,073	1,024	1,027	1,100	1,120
	(9.6)	(10.3)	(10.9)	(10.9)	(10.4)	(10.5)	(11.2)	(11.5)
Job-seeking	336	348	332	317	275	262	285	274
	(3.2)	(3.4)	(3.3)	(3.2)	(2.8)	(2.7)	(2.9)	(2.8)
Non-job-seeking	657	694	748	756	749	764	815	846
	(6.3)	(6.8)	(7.5)	(7.7)	(7.6)	(7.8)	(8.3)	(8.7)
Non-NEETs	9,374	9,099	8,840	8,770	8,832	8,795	8,678	8,581
	(90.4)	(89.7)	(89.1)	(89.1)	(89.6)	(89.5)	(88.8)	(88.5)