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Did China's youth jobless rate really hit 46.5%?

Staggeringly high figure goes beyond conventional international definitions



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As if the record-breaking 21.3% unemployment rate for urban youth in June's official survey wasn't disturbing enough, a scholar digging into the data provided a more shocking stat: Fully 46.5% of China's 16- to 24-year-olds were neither employed nor in school in March.

Has China's urban unemployment rate for those ages 16 to 24 climbed to nearly 50%? The short answer is no -- at least not in the way most of the world recognizes this gauge.

According to the Organisation for Economic Co-operation and Development (OECD), a country's youth unemployment rate is the ratio of unemployed 15- to 24-year-olds to the overall youth labor force. To qualify as unemployed, one has to be without work but available for work and to have taken active steps to find work in the last four weeks.

China's official jobless rate for urban youth, released monthly by the National Bureau of Statistics (NBS), uses a more or less similar formula, which is in line with the International Labour Organization's statistical standards. It is calculated by dividing the unemployed -- people who are jobless but have been actively seeking work in the past three months and can start work in two weeks should they get hired -- by the total of employed and unemployed people.

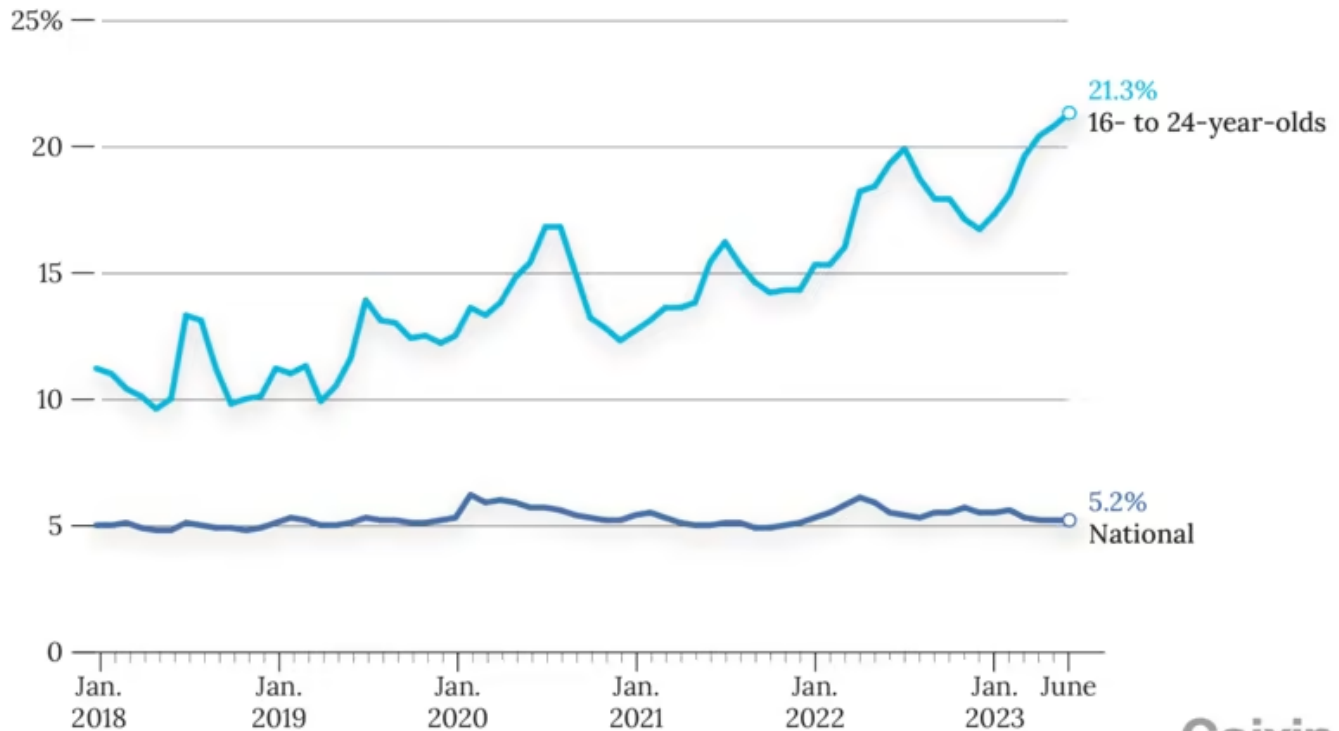
But Zhang Dandan, an associate professor of economics at the National School of Development of Peking University, takes into consideration a third group of youngsters: those who are "not in employment, education or training" (NEET) and also not actively looking for work. The addition of this group explains the outsize figure of 46.5%.

The NBS surveyed unemployment rate for urban dwellers ages 16 to 24 in March was 19.6%.

Only when an estimated 16 million NEET youth not otherwise counted as part of the labor force are added into the numerator and denominator, based on Zhang's calculation, does the rate jump to a staggering 46.5%.

China's Youth Unemployment Breaks Record Again

Surveyed urban unemployment rate



Sources: National Bureau of Statistics, CEIC

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In her op-ed piece on China's potentially underestimated youth unemployment rate published in Caixin last month, Zhang referred to the 16 million people as "full-time children," a buzzword on Chinese social media that is somewhat related to the popular concept of "lying flat."

Young people who lie flat voluntarily drop out of the career rat race and appear to be seeking a more carefree lifestyle. "Full-time children" also lie flat career-wise, but they may be taking up the role of a full-time homemaker, doing chores or taking care of the elderly in exchange for food, shelter and sometimes "salaries" from their parents. Discussions on Chinese social media show that some of them are happy with the status quo, while others are forced to take up the role because of ailing parents, while still others have been looking for jobs or applying for higher education.

Whether the 16 million lying-flat young people should be considered "unemployed" is a matter of debate, Zhang said in an interview with a Chinese media outlet after her data had been cited by multiple media. She wasn't trying to highlight the size of the group, but was rather hoping that they could receive more attention, she said.

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Read also the [original story](#).

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