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A Causal Analysis of Youth Inactiveness in the Korean Labor Market

LEE Byoung-Hoon and KIM Jong-Sung

Abstract

Youth inactiveness has become a focal issue of public concern in South Korea. This study examines both macro- and micro-level factors that produce the growing trends of inactive youth and the problem of youth joblessness. At the macro-level, the dimension of labor demand is the most crucial factor in creating youth inactiveness, although the problem is also derived from the oversupply of overeducated youths as well as insufficient labor market policy and infrastructure. At the micro-level, our analysis addresses three remarkable points. First, under the gendered context of the Korean youth labor market, female youths, who are disadvantaged in the job opportunity structure, are found to attend job training programs for enhancing the condition of their labor market transition and the quality of their future jobs, rather than directly moving into the labor market through active job search. Second, high education for the purpose of further developing their employability leads jobless youths to become inactive, rather than becoming active job seekers. Finally, such household characteristics as family income and father's socioeconomic status are reaffirmed to be significant factors influencing youth inactiveness.

Keywords: youth inactiveness, youth joblessness, youth labor market, school-to-work transition, job search

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Introduction

In many industrialized countries, youth labor market problems have been a focal social concern. The youth unemployment situation in these countries continue to deteriorate regardless of economic cycles, although youth cohorts are becoming smaller in number and better educated than their older counterparts (Quinitini, Martin, and Martin 2007; Kim 2003; Blanchflower and Freeman 2000; Matsumoto and Elder 2010). It is also commonly observed in industrialized economies that the youth's transition from school to work has been elongated and disturbed more than ever (Inui 2005). A remarkable indicator demonstrating the worsening situation of youth labor markets is the growing presence of youth who are inactive, the so-called NEET (Not in Education, Employment, or Training).

Until the late 1990s, South Korea (hereafter, Korea) had a dynamic youth labor market along with a virtuous circle combining the sustained increase of labor demand with the supply of highly educated youth labor (OECD 2007). Over the past decade, however, the country has experienced a youth employment crisis, like other industrialized countries. In particular, Korea has been confronted with the new problem of youth inactiveness during the 2000s. As illustrated in Table 1, while the unemployment rate of youth groups aged 15-24 and 25-34 in Korea has been below the average of OECD countries during the 2000s, the country's youth employment rate has been much lower than those of other OECD countries in the same period. Between 2000 and 2010, the employment rate for the age group of 15-24 sharply declined from 29.4 percent to 23.0 percent,¹ whereas that for the age group of 25-34 moderately increased from 67.9 percent to 69.5 percent. This implies that the majority of Korean youths experience great difficulties in their school-to-work transition as well as stay inactive

1. Similarly, the OECD (2008) reports that Korea has a serious problem of inactive youth and that its prolonged inactiveness of youths, who stay out of labor markets for five years after leaving school, is the highest among OECD countries.

and out of labor markets.² Thus, the central issue of youth labor market in Korea is extensive inactiveness, associated with low employment, rather than high unemployment.

Over the last decade and during the recent global economic crisis, the government has made strenuous policy efforts to tackle the problem of youth joblessness, producing a mixed result of increased inac-

Table 1. A Cross-National Comparison of Youth Employment and Unemployment

(Unit: %)

	Age group	Employment rate			Unemployment rate		
		2000	2005	2010	2000	2005	2010
OECD Average	15-24	45.5	42.7	39.5	12.1	13.4	16.7
	25-34	74.6	74.2	73.2	6.6	7.3	9.5
Korea	15-24	29.4	29.9	23.0	10.8	10.2	9.8
	25-34	67.9	69.3	69.5	5.0	5.0	5.6
Germany	15-24	47.2	42.6	46.8	8.4	15.2	9.7
	25-34	78.2	72.9	77.7	6.7	11.5	7.9
Japan	15-24	42.7	40.9	39.2	9.2	8.6	9.2
	25-34	76.1	77.3	78.8	5.6	5.6	6.1
United Kingdom	15-24	61.5	58.6	50.9	11.7	12.2	19.1
	25-34	79.9	80.0	78.4	5.1	4.2	7.7
United States	15-24	59.7	53.9	45.0	9.3	11.3	18.4
	25-34	81.5	78.5	73.9	3.7	5.1	11.1
France	15-24	28.3	30.5	30.8	20.6	20.3	22.5
	25-34	77.1	79.0	78.9	11.5	9.7	10.5
Spain	15-24	36.3	41.9	27.4	25.3	19.7	41.6
	25-34	70.2	76.8	68.6	15.5	9.6	22.2

Source: OECD (<http://stats.oecd.org/Index.aspx>).

2. A popular jargon that the youth use these days to express their frustration and anger toward their joblessness is *itaebaek*, in which *i* means "those in their twenties," *tae* "majority," and *baek* "jobless." All together, it means "the majority of those in their 20s are jobless."

tiveness as well as capped unemployment. The country's youth inactiveness can be attributed to macro-level changes in labor markets, such as youth overeducation, firms' altered human resource management (HRM) practices, and labor market institutions (Lee Byoung-Hoon 2010; Lee Byung-Hee 2003; Jeong and Kim 2005). At the same time, joblessness or inactiveness varies among youth subgroups, reflecting their differing individual and household characteristics.

Given the growing attention on discouraged jobless or inactive youths in problematic school-to-work transition, this study focuses on examining the trends and determinants of youth inactiveness in Korea. In light of the worsening youth inactiveness, we particularly seek to shed light on both macro- and micro-level factors that have produced the problematic trends in this country. The next section reviews the existing literature related to youth inactiveness, by focusing on its conception and causal mechanism. The third section sketches and discusses the changing trends of youth labor market by mainly drawing upon the nationwide Economically Active Population Survey (EAPS) data. By using the Korea Labor and Income Panel Survey (KLIPS) data, the fourth section delineates variables and analytical methods to examine the causal mechanism of youth inactiveness as well as presents the analysis results. The determinants of youth inactiveness considered in this study are individual and household characteristics. The concluding section summarizes key findings of our analysis and addresses some research implications that may be useful for other countries also encountering inactive youth issues.

Literature Review on Youth Joblessness and Inactiveness

The school-to-work transition presumes that youths leave school and parental care and get their jobs in the labor market, thereby acquiring socioeconomic independence and forming their own families as young adults (Hammer 2007). While some youths succeed in making a fast-track transition, many others are disrupted in this process, whether by falling into the state of unemployment or getting away from labor

markets. Today's highly volatile labor markets induce youths to experience joblessness in the transition more than ever. As many studies indicate, the jobless youths who do not obtain the employment status are characterized as heterogeneous (Rees 1986; Furlong 2006; Cho 2009). They are typically categorized into three groups: (1) job seekers who actively search for jobs in the labor markets, (2) involuntary job dropouts who have a desire to work but do not search for jobs, and (3) voluntary job dropouts who have no desire to find jobs (Genda 2007). Group 1 is traditionally termed "the unemployed." Although groups 2 and 3 belong to inactive population in the official labor market statistics, the reasons for becoming inactive vary between the two groups. Since group 2 does not try to find jobs because they know that it is difficult to get desirable jobs in the given labor market conditions, they are called discouraged or hidden unemployment. By contrast, group 3 does not want to get jobs due to their non-work activities or unworkable conditions, such as family caring, schooling, human resource developments, and disabilities.

Many studies admit that the categorization of jobless youths into the three groups is fluid rather than fixed, since they tend to be on the borderline between seeking jobs and not seeking jobs, and show high mobility from one group to the other (Freeman and Wise 1982). Accordingly, youth labor markets are viewed as "chaotic," in that many youths jump into and out of labor markets, whether for job shopping or job floundering (Neumark 1998). In the similar vein, Ryan (2001) depicts early working life of youths as a "moratorium period" containing "churning, milling, and floundering," and summarizes that there are two differing interpretations of high youth mobility in the transition period: the informational approach that sees high youth turnover as efficient for increasing the return to their investments in labor market information, given asymmetric information, and the segmentationist one, as inefficient, wasting their human capital potential. In light of the heterogeneity and fluidity of youth joblessness, it is noteworthy that there is an ongoing debate over whether or not the categories "unemployed" and "inactive or out of the labor force" are behaviorally distinct labor market states for jobless youths.

Some academics argue that the traditional distinction between being unemployed and being out of the labor force for the youth is so ambiguous and arbitrary that it is of little analytical value (Freeman and Wise 1982; Ellwood 1982; Rees 1986; Singell and Lillydahl 1989; Quinitini, Martin, and Martin 2007). Some other researchers present the contrasting argument that “unemployment” and “out of the labor force” are meaningfully distinct classifications since there are significant differences between the two states in terms of the quantity and intensity of job search (Burdett and Mortensen 1980; Flinn and Heckman 1983; Baum and Mitchell 2010).³

In light of the considerable controversy over the distinction of unemployed and inactive youths, we have seen growing research attention paid to a group of jobless youth, the NEET, who are literally not in education, employment, or training. The proliferation of NEET research literature reflects a noticeable rise in inactive jobless youths commonly observed in many industrialized countries and contributes to capturing a more accurate picture of the precarious condition of their school-to-work transition (Kolev and Saget 2005; Furlong 2005). The NEET concept, however, has often been challenged as a universal labor statistics measurement, because of researchers’ differing or value-laden perceptions, largely linked to country-specific labor market conditions as well as the heterogeneity of the NEET youths (Furlong 2006; Yates and Payne 2006; Finlay et al. 2010). Despite the lack of common understanding and measurement of jobless youths, including the NEET, it is generally acknowledged that youth joblessness, including inactiveness as well as unemployment, has a very harmful effect on both such individuals and the society, particularly in prolonged cases. At the individual level, the joblessness induces youths to fall into the vulnerable conditions of economic marginalization and disengagement, social exclusion, and psychological stigmatization at early stages of their adulthood and long-term job career, and even in their intergenerational life-course (Ellwood 1982; Lee Byung-

3. Relatedly, Gönül (1992) addresses that while the two states are distinct for young women, they are not so for young men.

Hee 2003; Finlay et al. 2010). At the societal level, youth joblessness is likely to increase the costs of labor market and social welfare policies supporting those vulnerable youths, worsen national competitiveness caused by the constraints on the supply of new skilled labor, and deepen social disintegration associated with the growth of youth crime and/or disruptive behavior as well as their structured poverty and family formation failure (Singell and Lillydahl 1989; Cho 2009; FKI 2009).

A number of youth labor market studies have investigated what causes youth joblessness, including unemployment and the NEET. According to the existing literature, the causal factors influencing youth joblessness can be classified at two levels: the macro-level of national economy and labor markets, and the micro-level of individual and household attributes. At the macro-level, youth joblessness is mainly explained by economic and labor market factors conditioning the demand and supply of youth labor as well as their transition to work. Among the macro-factors influencing the demand of youth labor are aggregate economic conditions, economic growth's job creation effect, overall unemployment rate, industrial composition and sectoral development, skill-biased technological changes, corporate HRM—particularly, staffing practices and restructuring as well as wage determination scheme and minimum wages—and employment protection legislation (Freeman and Wise 1982; Ryan 2001; Blanchflower and Freeman 2000; Raffe 2003; Kolev and Saget 2005). For instance, the labor demand for youths is more sensitive to economic downturns than for adults, since companies are likely to stop new hiring and lay off young employees with lower seniority under the sluggish economic condition (O'Higgins 2001; Blanchflower and Freeman 2000). The demographic composition, particularly the size of youth cohorts, increase in substitute labor (such as women, elders, and immigrants), and educational and vocational training systems tend to affect the supply of youth labor in labor markets (Freeman and Wise 1982; Blanchflower and Freeman 2000; Kolev and Saget 2005). In addition, asymmetric labor market information, insufficient employment service infrastructure, and poor school-business networks are

said to constrain smooth school-to-work transition of youths (Cho 2009; Ryan 2001; Jeong and Kim 2005; Nam et al. 2011). Interestingly, Kang (2001) points out that sociocultural norms influence youths' active or inactive transition to work.

At the micro-level, many studies indicate that individual and household attributes of youths influence their joblessness or failed integration into labor markets. Individual factors affecting youth joblessness range from key demographic attributes (particularly linked to the disadvantaged groups) such as gender, age, ethnicity, and disability) to educational attainment and school performance, job or unemployment experiences, occupational skills and qualifications, attitudinal inclinations (i.e. consumerism, self-confidence, and perception of work values or ethics), and behavioral problems (i.e. crime and drug use) (Chen 2011; Hammer 2007; Genda 2007; Raffe 2003; Hill 2003; Kim 2003; Bynner and Parsons 2002; Coles et al. 2002; Kang 2001). These studies also examine the effect of household characteristics over its disruptive transition, such as family income and financial-cultural resources, parents' education and occupation, family cohabitation forms, parental interest in and support for children education, and residence area.

As discussed above, the research literature abounds as to the causal factors of youth joblessness, reflecting the gravity of its problematic side effects. However, it is noteworthy that these studies have not always shown consistent findings concerning the causal factors of youth joblessness. This reflects not only the complexity of youth joblessness problems, but also might be related with varying time-frames and country-specific contexts for these studies, in addition to differing data and analysis methods used by them. Moreover, since this population tends to fall out of the traditional labor market analysis due to their inactivity, the causal factors for the youth inactiveness has been relatively unexplored until the NEET literature's attempts to capture their problematic characteristics over the past decade. In light of the fact that not much is still known about who the inactive jobless youths are and the reasons for their inactivity, our study tries to capture a clearer picture of inactive youths in the Korean context. In

order to avoid conceptual confusion in the following discussion, here we clarify several notions used in this study:

1. The “NEET” denotes youths who are resting without being placed in education, employment, or training;
2. The “inactive” is comprised of youths who are not seeking jobs for reasons of education, training or family caring, as well as the NEET;
3. The “jobless” is comprised of the unemployed youths who are seeking jobs, as well as inactive youths.

Trends and Problems of the Youth Labor Market in Korea

In Korea, the youth labor market has shown substantial changes over the past decade. As demonstrated in Table 2, the size of youth cohorts (aged 15-29),⁴ which remained over 11.7 million until the mid-1990s, declined to 11.2 million in 2000 and then more sharply to 9.7 million in 2010. As a consequence, the share of youth cohorts among the total population has declined from 29.7 percent in 1992 to 20.2 percent in 2009. At the same time, the Korean youths have been highly educated over the two decades, as evidenced by the fact that the advancement of high school graduates to tertiary education has risen from 33.2 percent in 1990 to 68.0 percent in 2000 and then to 79.0 percent in 2010. Despite their population decrease and high education, the youth cohorts' labor market integration has not been improved, like in many industrialized countries. As illustrated in Table 2, both the active participation and employment rates of youth cohorts decreased by more than 5 percent between 1995 and 2010 while their unemployment rate has soared from 4.6 percent to 7.3 percent during the same period. Figure 1, comparing the rates of employment and unemployment

4. In Korea, the youth usually refers to those aged 15-29. This definition is intended to reflect the factors of mandatory military service of 24 months on average for men and high enrollment rates in tertiary education, which together lead to a prolonged transition for young people (OECD 2007).

Table 2. Trends in Employment and Unemployment of Youth, 1990-2010

(Unit: thousand, %)

	1990	1995	2000	2005	2010
Youth population	11,531	11,734	11,243	9,920	9,705
Active youth	5,312	5,705	5,281	4,815	4,222
Employed youth	5,022	5,443	4,879	4,450	3,914
Unemployed youth	290	263	402	366	308
Inactive youth	6,219	6,028	5,962	5,104	5,484
Active youth rate	46.1	48.6	47.0	48.5	43.5
Unemployment rate	5.5	4.6	7.6	7.6	7.3
Employment rate	43.6	46.4	43.4	44.9	40.3

Source: Statistics Korea (http://kosis.kr/abroad/abroad_01List.jsp?parentId= B).

Note: "Youth" denotes the population aged 15-29.

Unemployment statistics is measured by the number of unemployed who searched for jobs at least one week prior to the survey date.

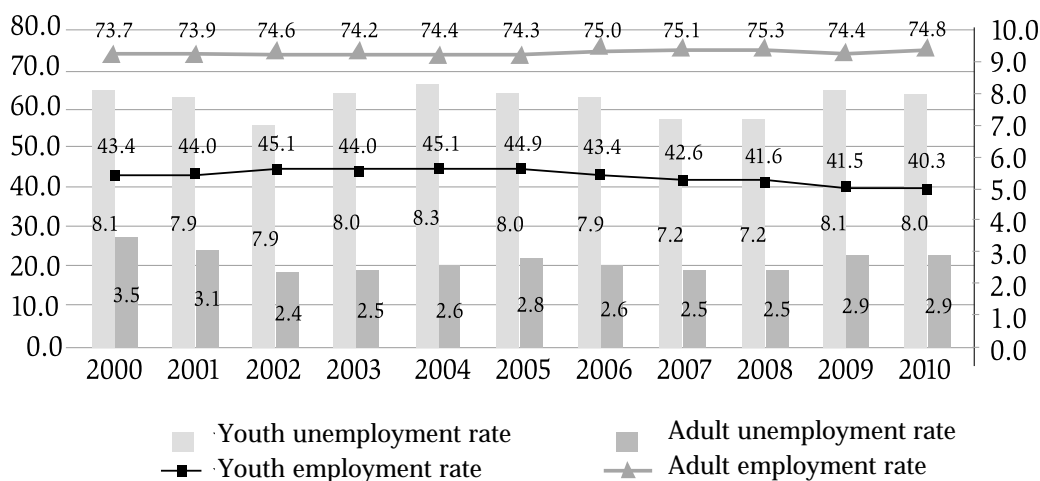


Figure 1. Changes in Employment and Unemployment Rates for Youths and Adults

Source: Statistics Korea (http://kosis.kr/abroad/abroad_01List.jsp?parentId= B).

between the youth and the adult (aged 30-54), shows that the gap of the two labor market indicators has widened over the past decade: the employment gap between youths and the primary labor force has increased from 30.3 percent in 2000 to 34.5 percent in 2010, while the ratio of youth unemployment to adult unemployment has soared from 2.31 times in 2000 to 2.76 times in 2010. In particular, the idleness of youth cohorts, used in the government's policy statistics, has also risen from 9.7 percent in 1997 to 15.7 percent in 2010.⁵

Table 3 shows the detailed states of youth activity, as of 2010. While over 80 percent of the youth population is working or being educated, 7.7 percent is looking for jobs or attending job training programs, including the preparation for civil service examination. Interestingly, 299,000 (3.1% of total youth population) are reportedly doing nothing, according to the Economically Active Population (EAP) survey. This group is composed of purely inactive youths, who are not working or attending any school and job training programs, nor searching for jobs. Male and female youths have a similar composition of most detailed activities, except that more male youths are in education by 5.1 percent than females, whereas the percentage of female youths in housework is much higher. The absolute majority of the 15-19 age cohorts are engaged in schooling, while over two thirds of the 25-29 age group is working. The 20-24 age cohorts fall in the in-between group in the transition from school to work. When comparing the composition of detailed activities by education status, a notable finding is that 12.6 percent of university graduates are attending job training programs. This can be attributed to the fact that a number of highly educated youths are attending private institutes in order to prepare for examination of civil service jobs and teaching positions, which are believed to guarantee employment security under the condition of precarious adult labor markets. According to H. Oh (2006), around 300,000 youths are estimated to attend private institutes for

5. The youth idleness rate is calculated as follows:

$$\frac{\text{unemployed youths} + \text{inactive youths} - \text{youths in education}}{\text{youth population}} \times 100$$

the civil service and teacher examinations in the process of tertiary education or thereafter.

Table 3. The State of Youth Activities by Individual Attributes

(Unit: thousand, %)

		Work- ing ^a	School- ing	Job seeking	House- work ^b	Job training	Rest	Others ^c
Youth population		37.7	42.8	2.8	4.6	4.9	3.1	4.1
Gender	Male	36.7	45.6	3.3	0.1	5.1	3.7	3.7
	Female	38.7	40.1	2.4	9.1	4.8	2.4	2.4
Age	15-19	3.6	89.6	0.5	0.2	0.4	0.8	0.8
	20-24	39.4	35.6	3.6	2.9	7.5	5.2	5.2
	25-29	67.1	6.0	4.3	9.8	7.1	3.6	3.6
Education status	High school & below	21.1	63.2	1.7	5.2	1.3	2.7	2.7
	2-year college graduate	75.2	0.0	4.9	9.1	5.8	3.7	3.7
	University graduate	69.4	3.6	4.7	5.3	12.6	2.6	2.6
	College/ university attending or dropout	25.0	57.1	2.4	1.2	5.4	3.6	3.6

Source: Economically Active Population Survey Data (2010).

^a Working includes temporary leave and waiting for job appointment.

^b Housework includes childcare.

^c Others include preparations for school entrance examination or wedding, disabilities, and waiting for military enlistment.

Table 4 delineates the trends in labor market status of youths and, in particular, includes estimation of the real unemployed. Considering that youths in job training and the rest are treated as a category of inactive population in the official labor statistics, the formal unemployment data is underestimated by excluding those inactive youths. Thus, we can offer an estimate of real unemployment, covering inac-

tive youths in job training and the rest as well as the officially unemployed youths, as illustrated in Table 4. The size and degree of formal unemployment have declined between 2003 and 2010. However, the estimation of the real unemployment reveals quite a different picture. In the same period, the size of real unemployment increased by 169,800, and its rate soared by 5.2 percent, in contrast to the formal unemployment. When comparing the degree of real unemployment by education attainment, the youth group (23.6%) of high school

Table 4. Trends in Labor Market Status of Youths

(Unit: thousand, %)

	2003			2010		
	Total	High school & below	College & above	Total	High school & below	College & above
No. of formal unemployed	370.2	232.2	138.0	294.9	146.8	148.1
Formal unemployment rate	7.4	8.1	6.5	7.0	7.6	6.5
Job training	274.7	120.6	154.1	439.8	182.6	257.2
Rest	241.7	191.0	50.7	321.7	220.6	101.1
No. of real unemployed	886.6	498.8	342.7	1,056.5	550.1	506.3
Real unemployment rate	16.1	17.1	14.7	21.3	23.6	19.6
Non-regular employment rate	31.7	36.7	25.7	33.5	41.3	27.4

Source: Economically Active Population, Additional Youth Survey Data (2003; 2010).

Note: Real unemployed= (Formal unemployed+ Job training+ Rest).

Real unemployment rate= Real unemployed ÷ (Active population+ Job training+ Rest) x 100.

graduates and below, including college/university dropouts, is higher by 5.4 percent in 2010 than those of college graduates and above (19.2%). However, the composition of real unemployment differs between the two groups. The youth group with low education is concentrated in the category of being in “rest,” whereas the highly educated youth group is in training for civil service examination, as discussed above. Moreover, it is noteworthy that the precariousness of youths in the labor market is observed in the high share of non-regular employment among the youth labor force.

The reasons for the joblessness and/or inactiveness of youths in Korea have been actively discussed in the research and policy fields. At the macro-level, a number of studies commonly indicate that the demand-supply mismatch of youth labor market is the very key factor explaining the problem of jobless or inactive youths. In the supply side, the share of youths advancing to tertiary education continued to rise up to around 80 percent over the past two decades as discussed above. At the same time, the decent jobs of the public sector and large firms, which the highly educated youths want to get, have decreased sharply in the same period. In fact, the number of youths (aged 15-29) employed in the public sector or large firms with 300 employees and above has declined from 876,000 in 1993 to 466,000 in 2010 (Lee Byoung-Hoon 2010). This is because those organizations reduced the hiring of recent school graduates and expanded the recruit of experienced and skilled elder workers from external labor markets (Lee Byung-Hee 2003). The vulnerable and precarious quality of jobs at small firms and in the non-regular employment contributes to the worsening of the mismatch in the youth labor market, inducing highly educated youths to prolong their job search or preparation for obtaining decent jobs or to become discouraged to stay inactive at parental home. The youths having low education (i.e. high school graduates and dropouts) show high mobility of moving in and out of the labor force, mainly due to their poor job skills and disadvantaged labor market status. Moreover, it should be noted that the public expenditure for the active labor market policy is so low that the serious problem of youth joblessness and inactiveness cannot be tackled properly by the

government.⁶

The following section analyzes micro-factors that are presumed to have induced Korean youths to become inactive.

Analysis of Causal Factors Influencing Youth Inactiveness

Data and Method

In investigating the micro-factors influencing youth inactiveness, our analysis uses the KLIPS data collected by the Korea Labor Institute since 1998 in the manner of longitudinal survey regarding the labor market and income activities of urban resident households and individuals. The original sample of the first KLIPS wave in 1998 was 5,000 households, selected by a stratified sampling method, and 13,321 members aged 15 and above. As this study intends to examine the micro-level factors, such as individual and household characteristics, inducing youths to become inactive, our analysis focuses on jobless youths, who are seeking a job, attending job training programs/institutes, or resting. Since the questionnaire on the detailed labor market activities was included from the fourth wave on, we construct a pooled dataset, comprised of the relevant cases of fourth to eleventh waves. Our analysis sample of the pooled data totals 2,557 youths, and Table 5 displays the composition of youth activities in our analysis sample.

Table 6 summarizes the analysis variables. The dependent variable is measured by three categories of jobless youth activities at the survey time: seeking a job, attending a job training program or institute, and resting.⁷ These categories of the dependent variable reflect

6. The government expenditure for the active labor market policy is only 0.13% of the GDP, which is the second lowest among OECD countries, next to Mexico, as of 2006 (Park and Hong 2009).

7. The questionnaire, asking the states of youth activities, also includes the categories of working, schooling, and voluntary inactiveness for such reasons as childcare, housework, disabilities, and waiting for military service, and marriage. These voluntary inactive youths are excluded from our analysis sample.

Table 5. Composition of Youth Activities in the Analysis Sample

		Job seeking (%)	Job training (%)	Resting (%)	Total (%)
Gender	Male	313 (21.2)	393 (26.7)	768 (52.1)	1,474 (57.6)
	Female	201 (18.6)	384 (35.5)	498 (46.0)	1,083 (42.4)
Age	15–19	28 (8.9)	133 (42.5)	152 (48.6)	313 (12.2)
	20–24	214 (19.3)	268 (24.2)	624 (56.4)	1,106 (43.3)
	25–29	272 (23.9)	376 (33.0)	490 (43.1)	1,138 (44.5)
Education	High school & below	254 (20.1)	291 (23.0)	719 (56.9)	1,264 (49.8)
	2-year college	160 (21.1)	197 (26.0)	401 (52.9)	758 (29.9)
	University & above	100 (19.7)	288 (55.5)	127 (24.7)	515 (20.3)
Residence area	Seoul metropolitan region	218 (20.1)	324 (29.9)	541 (50.0)	1,083 (42.4)
	Other regions	296 (20.1)	453 (30.7)	725 (49.2)	1,474 (57.6)
Total		514 (20.1)	777 (30.4)	1,266 (49.5)	2,557 (100)

the degree of inactiveness: the first category of job seekers, who can be classified as the unemployed in the official labor statistics, consists of active youths intending to gain employment status; the second category is comprised of relatively semi-active youths, who do not search for a job, but invest time in developing their employability; and the third category of resting includes purely inactive youths, who indicate their disintegration from labor markets by giving up on job search as well as job training.

Individual and household characteristics considered as independent variables in our analysis are gender (male= 1), age, educational attainments (reference category: high school and below), the number of attended job training, father's education (reference category: high school and below) and occupational prestige, average household income per capita (transformed to the value of natural logarithm), and

residing area (Seoul metropolitan area= 1). In order to check the convex pattern of age effect over youth inactiveness, age squared is included in the analysis model. Father's occupational prestige is measured by the International Socioeconomic Index of Occupational Status (ISEI) score devised by Ganzeboom, de Graaf, and Treiman (1992). The residing area is also included, considering that there exists a substantial gap of economic development and labor market opportunities between the Seoul metropolitan area and other regions. Moreover, our analysis model includes six dummies for the years 2002-2007 (reference category: 2008), for controlling and testing the

Table 6. Description of Analysis Variables

Variables	No. of Cases	Mean	S.D.	Remarks
Independent variables				
Gender	2,557	0.58	0.49	Male = 1, female= 0
Age	2,557	23.77	3.29	
Married	2,557	0.04	0.19	Married= 1, unmarried= 0
Education:				
2 year college graduate	2,537	0.30	0.46	Reference category: high school & below
University & above	2,537	0.20	0.40	
Job training attendance	2,557	0.05	0.23	No. of attended programs
Father's education	2,418	0.88	0.33	High school & below= 1, Others= 0
Father's occupational prestige	2,009	37.72	11.88	Ganzeboom's ISEI Index
Household income per member (log)	2,521	6.41	0.94	Transformed value of natural logarithm
Residing area	2,557	0.42	0.49	Seoul metropolitan area= 1, other areas= 0
Dependent Variables				
Jobless youth activities:				
Job seeking	2,557	0.20	0.40	Reference category: Job seeking
Attending training programs	2,557	0.30	0.46	
Resting	2,557	0.50	0.50	

effect of economic and labor conditions of each year over youth inactiveness. In light of the categorical characteristic of the dependent variable, multinomial logistic regression analysis is applied.

Analysis Results

Table 7 displays the results of multinomial logistic regression analysis concerning the determinants of youth inactiveness in the Korean context. Male youths are less likely to attend job training than their female counterparts. This means that the former group tends to be more active in seeking a job or integrating themselves into the labor force than the latter group. At the same time, it may imply that female youths, who are disadvantaged in the traditionally male-favoring labor market condition of the country, make more active efforts to obtain job qualifications or prepare to pass civil service and teacher certification examinations, enabling them to achieve their successful labor market integration. The effect of age over both job training attendance and resting is observed significantly following a U-typed pattern. In other words, the likelihood of youths attending job training rather than seeking a job declines until the age 25, but then increases from the age of 26. The age 26 is the bottom of the similar convex pattern for resting youths. Accordingly, the ages of 25 and 26 tend to be a borderline where jobless youths begin to turn more inactive, whether by attending job training or resting. This finding implies that jobless youths who fail to make straight transition to work after completing military service or tertiary education have the higher possibility of becoming inactive after the age of 25 or 26 in Korea. Married youths are more likely to seek a job rather than attend job training than unmarried youths, although the former group does not show meaningful difference between the states of job seeking and resting, compared to the latter one. This might be associated with the fact that married youths often have accountability for family support that requires them to get a job and, thus, are less likely to spend their time and money for job training.

Jobless youths who have high education status of university degrees and above are more prone to attend job training rather than seek a job, compared with their less educated counterparts. This result might be explained by the fact that many highly educated youths having difficulty in finding decent jobs tend to postpone their transition to labor markets by obtaining further job qualifications or preparing for civil service examinations, rather than directly search for a job under the worsening condition of the youth labor market. It reflects the unique Korean youth labor market situation characterized by overeducation, in marked contrast to the industrialized countries where youths having low education are more likely to fall into the NEET status.⁸ The prior job training experience also induces jobless youths to attend further job training programs. This finding might be hypothetically interpreted as the state-dependence of job training. Like highly educated youths, youths who developed their job skills by attending job training tend to have a high expectation of obtaining a good job and come back to the state of job training, rather than search for a job of any quality during the jobless period.

In the Korean context, the household income is observed to significantly induce jobless youths to be out of the labor force and attend job training, rather than to seek a job. Given the controversy on the effect of economic household condition on youth NEETs, our finding supports the “silver spoon syndrome” hypothesis, assuming that jobless youths in high income households are less pressured to seek jobs and more likely to stay out of the labor market since they can gain economic support from their families (M. Oh 2007; Genda 2007). According to our analysis result, jobless youths from low-income families are more active in seeking jobs, which is at odds with some literature (i.e. Hill 2003; Kim 2003) insisting that jobless youths from poor family backgrounds are more likely to become inactive. An interesting

8. The existing literature commonly indicates that low education attainment is related with higher possibility of the NEET status in Western countries and some Asian countries, such as Japan and Taiwan (Chen 2011; Raffe 2003; Genda 2007; Hill 2003; Freeman and Wise 1982), which differs from our analysis result concerning Korean jobless youths.

Table 7. Results of Multinomial Logistic Regression Analysis

	Job training (vs. job seeking)		Resting (vs. job seeking)	
	B	Odds ratio	B	Odds ratio
Intercept	26.657***	16.292***		
Male	-0.060***	0.942	0.122	1.130
Age	-2.271***	0.103	-1.310***	0.270
Age squared	0.045***	1.046	0.025***	1.025
Married	-1.490***	0.225	-0.394	0.674
Education:				
2-year college	0.169	1.184	-0.108	0.898
University & above	1.488***	4.430	-0.283	0.754
Job training attendance	1.410***	4.098	-0.186	0.831
Household income	0.205**	1.228	0.079	1.082
Father's education (high school & below)	-0.643*	0.526	-0.422	0.656
Father's occupation prestige	0.021**	1.021	0.018**	1.018
Residing in the Seoul metropolitan area	0.275	1.316	0.220	1.246
Year 2002	-0.322	0.724	-0.319	0.727
2003	-0.336	0.714	-0.406	0.666
2004	-0.512	0.600	-0.682**	0.506
2005	-0.217	0.805	-0.736**	0.479
2006	-0.329	0.720	-0.755**	0.470
2007	-0.018	0.982	-0.233	0.792
Pseudo. R ² (Nagelkerke)	0.205			
χ^2	381.195***			
No. of cases	1,929			

* p < .05; ** p < .01; *** p < .001.

finding is that the father's education and occupational prestige have a significantly positive correlation with jobless youths becoming inactive. Presumably, fathers with a higher educational background and particularly a better job (in terms of occupational status) have strong

expectations of their children having a good job and sufficient economic resources to support themselves. As a consequence, youths, whose fathers have high socioeconomic status, are more likely to continue to attend job training or rest, rather than seek any jobs falling short of their father's expectations. Moreover, the years 2004-2006 are negatively correlated with the possibility of resting, meaning that under the better economic condition of this period⁹ compared to the year 2008, jobless youths were encouraged to become more active in finding a job. This appears to be consistent with what the existing literature proves in Western countries. The residing area has little effect on youth inactiveness. This is not only contrary to our expectation, in light of considerable economic imbalance between the Seoul metropolitan area and other regions, but also inconsistent with the Western literature highlighting regional differentiation of youth inactiveness (Isengard 2003; Bynner and Parsons 2002).

Conclusion

Over the past decade, Korea has exposed a new pattern of youth joblessness that has not been captured by the traditional unemployment indicator. The so-called youth inactiveness has become a considerable public concern in the country, where the share of inactive youths has risen to around 56 percent in recent years, even though youth unemployment rate remains relatively low compared to other OECD countries. The issue of youth inactiveness has gained similar attention in many industrialized countries, along with the growing presence of inactive youths. As a consequence, we have seen the proliferation of research literature attempting to conceptualize and characterize this vulnerable youth group, whether it is called the NEET or not. As noted above, however, the lack of a universal conception and measurement of inactive youths makes it difficult to theorize their behav-

9. The economic growth and employment rates of 2004-2006 are respectively 4.6% and 59.8% on average, meaningfully better than those of 2008 (economic growth of 2.3% and employment of 59.5%).

ioral patterns and assess the commonalities and differences of this group across countries. Thus, it is necessary to devise a universal notion and measurement of youth inactiveness like unemployment and employment rates, in light of its growing significance observed in many countries.

Given the worsening trends in youth inactiveness and actual unemployment over the past decade in Korea, the reasons for these problematic trends are discussed at the macro- and micro-levels. At the macro-level, the problem of youth joblessness is influenced by a complex combination of various socioeconomic factors—i.e. economic growth, population structure, industrial composition, regional development, education system, corporate HRM practices, and labor market institutions—and can be theoretically explained in terms of the three dimensions of labor supply, labor demand, and labor-job matching (Lee Byoung-Hoon 2010; Jeong and Kim 2005). In the case of the Korean youth labor market, the dimension of labor demand is the most crucial in creating the problem of youth inactiveness, although the problem is also derived from the supply of overeducated youths and insufficient labor market policy and infrastructure. The key reason that induces youths to become inactive is the increasingly attenuated quantity and quality of jobs for new entrants to labor markets, owing to the structural changes in the country's political economy—i.e. the jobless growth, neoliberal restructuring, the polarizing economy, and proliferation of non-regular jobs—that have taken place during the past decade. Therefore, job creation for jobless youths has become a top priority for policymakers, researchers, and the public media. As the government's neoliberal policy to forge the business-friendly economic system and promote corporate investments failed to create enough jobs for jobless youths over the last decade, the new corporatist approach to job creation by adopting intergenerational work-sharing, working hour reduction, and the expansion of public sector jobs, as well as quality improvement of non-regular and small firm jobs is gaining momentum in place of the market-driven policy approach. As such, the tackling of youth joblessness, including inactiveness, involves intense power politics of socioeconomic actors in

reconfiguring the country's political economy that conditions the youth labor market.

At the micro-level, our analysis addresses three remarkable points. First, female youths who are disadvantaged in the gendered job opportunity structure are found to attend job training programs to enhance the condition of their labor market transition and quality of their future jobs, rather than directly move into the labor market through active job search. This makes clear that whether to become active or inactive is not unilaterally determined by the macro-level conditions, but is mediated by individual youth's strategic choice under those structural conditions. Secondly, high education leads jobless youths to become less active for further developing their employability, rather than become an active job seeker. This finding, which is contrary to the existing literature addressing that youths' low education tends to increase their inactiveness, can be associated with the unique characteristics of overeducated workforce and precarious Korean youth labor market. Therefore, the effect of education on youth inactiveness might vary, depending on the overall state of youth labor market in a particular country. Thirdly, such household characteristics as family income and father's socioeconomic status are reaffirmed to be significant factors influencing youth inactiveness in a positive direction. This result appears to support the "silver spoon syndrome" argument that youths with high income family background are more likely to become inactive, since they have enough financial resources to stay out of the labor force. At the same time, the finding that father's educational level and occupational prestige are likely to induce jobless youth to become less active (in attending job training) and sometimes purely inactive could be interpreted as socioeconomic youth responses to high parental expectations and pressures to find a good job by extending their job training and thus increasing their inactiveness. Accordingly, in examining the impact of household characteristics over youth joblessness, we should consider not only the economic effect of household financial resources, but also the effect of sociopsychological interaction between the jobless youth and their parents (and other family members). Moreover, when

assessing the segmented structure of youth labor markets in Korea in future studies, the moderating effect that major fracture lines, such as socioeconomic household stratification and gendered and educational discriminations, have over youth activeness or inactiveness should be examined.

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