

A stylized map of Spain composed of a grid of dots. Most dots are light gray, but several are colored red, highlighting specific regions or areas of interest on the map.

Youth Unemployment in Spain

Situation and Policy Recommendations

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November 2012

- The high level of precarious work is the main cause of the greater vulnerability of youth employment to the crisis in Spain, although within the framework of different situations that impact groups of young people with specific characteristics and needs.
- The reforms aimed at deregulating the labour market will not favour a net increase in employment, but will lead to more precarious work among young people.
- Youth employment policies should be based on identifying the different target groups more effectively, placing immediate focus on young people with the lowest levels of qualifications and promoting decent work.



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Introduction

The *Great Recession* has had a significant social impact in Spain, where the effects on the labour market caused by the change in the economic cycle have been more profound than in many other European countries.

Almost three million jobs have been lost between 2008 and 2012, which represents a year-on-year decline of 15 per cent. As a result, the level of employment has fallen by 10 per cent, to a rate of 58 per cent, while unemployment has risen dramatically to 5.6 million and a rate of 24.6 per cent, the highest in the European Union (EU).¹

A question of particular relevance is the fact that the significant decline in employment has not affected all age groups in the same way, with young people being particularly hard hit. This has also been the case in the rest of Europe, although not to such a pronounced degree, thereby confirming the general principle of »the last person hired is the first to be laid off«. The result is a number of 922,000 young unemployed (below 25 years of age) in 2012 and a youth unemployment rate of 52 per cent, the second highest in the EU, after Greece.²

The main aim of this report is to study the phenomenon of youth unemployment in Spain by examining its characteristics and causes, and suggesting possible measures to tackle it. To this end, the content is structured as follows:

Section 1 includes a *diagnosis of youth unemployment in Spain*, and the main factors responsible for the greater vulnerability of young people in the current economic crisis.

Section 2 offers a *general assessment of the labour market reforms* approved in Spain since the beginning of the crisis.

Section 3 focuses on a series of possible measures aimed at encouraging the creation of jobs for young people.

Finally, the report includes a *statistical annex*, with data on youth unemployment for the period 2000–2012, which is not fully reflected in the text.

1. Eurostat (2012, first quarter), data 15–64 years.

2. Eurostat (2012, first quarter).

1. Youth Unemployment in Spain: A Diagnosis

1.1 Note on Methodology

The term »young people« is not standardised and its meaning varies significantly in accordance with the institutional, economic, social and cultural context of each country.

Regarding the labour market, *in Spain the concept »young people« conventionally refers to those aged between 16 and 29*, both in terms of statistical analysis³ and employment policies. The report takes this age group as an overall reference, but differentiates two sub-groups: 16–24 and 25–29.⁴

The main statistical data source used in this report is the Labour Force Survey (*Encuesta de Población Activa, EPA*), compiled by the National Institute for Statistics (*Instituto Nacional de Estadística, INE*). The reference data are taken from the second quarter of each year, as this period is less affected by seasonal factors, except in the case of 2012. This information is complemented with Eurostat data for comparisons with other European countries.

The analysis is structured around three sections: first, we look at the evolution of youth unemployment between 2000 and 2012, highlighting its connection with the economic cycle and differences from the dynamics of adult unemployment. This is followed by a more detailed analysis of the changes in the employment of young people during 2008 to 2012, outlining the main factors behind their greater vulnerability to the crisis. Finally, we address the main characteristics of unemployment in young people at the end of this period.

1.2 Evolution of Youth Unemployment (2000–2012)

The evolution of unemployment among people under 25 in Spain since the beginning of the decade follows similar patterns to those of the European Union (EU) as a whole,

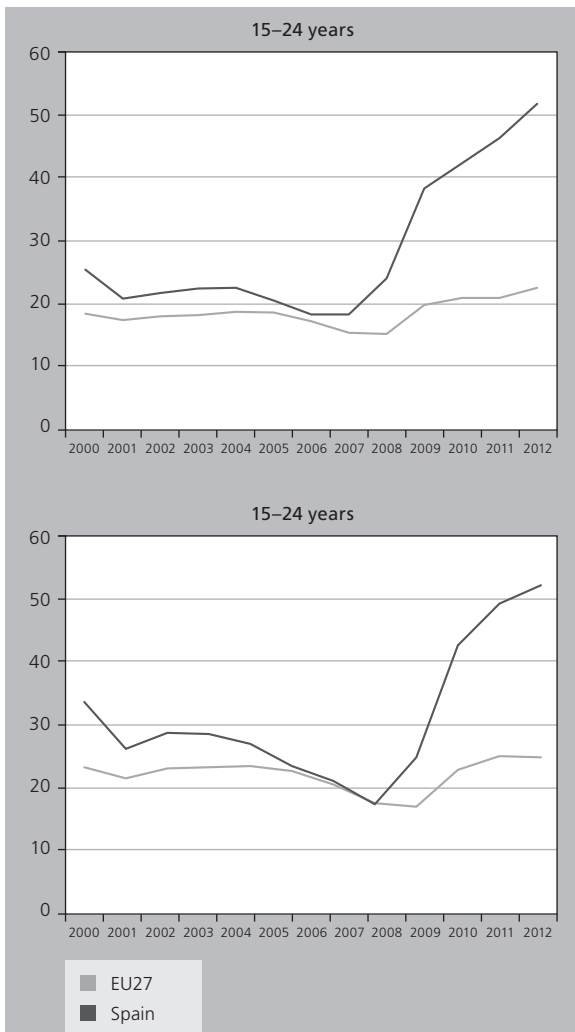
3. Compulsory education in Spain continues until the age of 16, so people younger than this are not included in employment statistics.

4. This group is referred to in the EU as »young adults«. European Commission: *Recent Developments in the EU-27 Labour Markets for Young People Aged 15–29* (September 2010).

although there are differences in terms of the annual unemployment rate which is higher in Spain and has seen a significant increase since 2008, coinciding with the onset of the economic crisis (Figure 1).

A similar pattern can be seen when we compare the situation of »young adults« (25–29 years old), although unemployment figures are significantly lower than those for the younger group.

Figure 1: Youth unemployment rates in the EU27 and Spain, by age group, 2000–2012 (%)

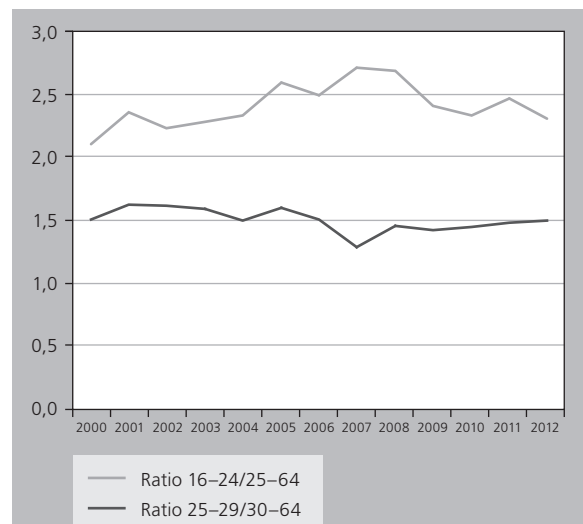


Source: Eurostat, author's calculations (second quarters, except 2012 April data).

When focusing on Spain, it is important to analyse the nature of unemployment in young people by comparing it to that of the adult population. In order to do this, we take the ratio between the different rates of unemployment of young people and adults as a reference indicator.⁵

The evolution of these rates during the specified period permits us to highlight, first, the fact that the level of unemployment among people aged between 16 and 24 years is twice as high as that of the adult population (figures for which are close to the European average). On the other hand, the ratio between both rates dropped between 2008 and 2012, in the context of the economic crisis (Figure 2).

Figure 2: Ratio between unemployment rates among young people and adults in Spain, 2000–2012



Source: EPA, INE (second quarters, except 2012 = first quarter).

The decline of the ratio between youth and adult unemployment is a trend which has also been observed in other European countries and has led some commentators to argue that both groups have been affected in a similar way during the present crisis.

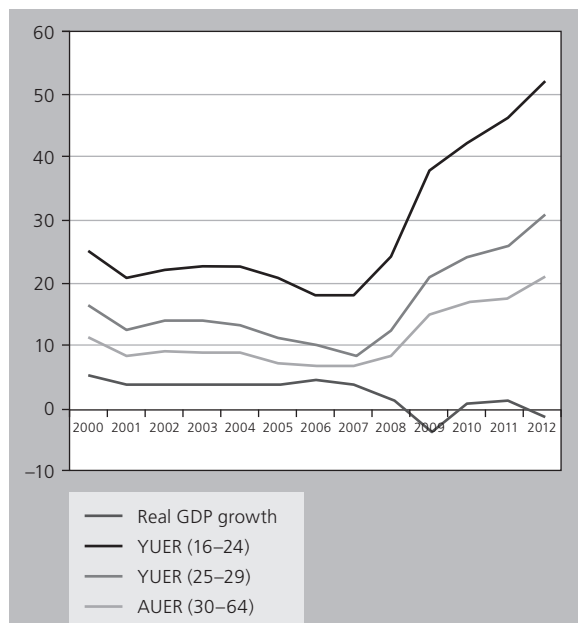
5. With the aim of facilitating a comparison with the analysis in other European countries, two types of ratio have been calculated. On the one hand, the unemployment ratio between the 16–24 and the 25–64 age groups, and on the other the ratio between the 25–29 and 30–64 age groups.

An in-depth analysis, however, reveals that this trend would be better explained by other factors; particularly by the differing evolution of labour force activity in Spain, which, since the beginning of the crisis, has declined in the case of young people, and increased among adults.

If we analyse the evolution of the 25 to 29 age group, we observe two distinctive features: on the one hand, a lower rate, with a ratio of 1.5 between both rates of unemployment; and slight growth since the beginning of the crisis, which would also be due to the increase of the labour force activity rate in this section of the population.

Finally, another interesting aspect of the long-term analysis is the connection between the evolution of the economic cycle – measured by the annual variation of real GDP – and the rate of unemployment among young people.

Figure 3: Annual variation of real GDP and unemployment rates by age groups in Spain, 2000–2012 (%)



Notes: Corr YUER-GDP growth (16–24) = –0,7947. Corr YUER-GDP growth (25–64) = –0,7520. Corr YUER-GDP growth (25–29) = –0,7280. Corr YUER-GDP growth (30–64) = –0,7615
 Source: Eurostat (GDP, 2012 estimated) and EPA, author's calculations.

An examination of the data reveals that Spain's results coincide with those obtained by several international studies and reports, in two respects. On the one hand, they show the sensitivity of the youth unemployment rate to the variations in the economic cycle, especially during this time of crisis. On the other, they reveal that the negative correlation is greater than that of the adult population, particularly in the case of the youngest group (Figure 3).

In short, empirical evidence confirms that the evolution of unemployment in young people over the past decade has followed a similar trend to that of the EU average. However, the analysis also clearly shows that the change in the economic cycle in Spain has led to growth in unemployment among young people, which is much more intense than that of other European countries.

The main question is therefore to identify the specific causes which make the employment situation of young people more volatile in Spain. The answer to this requires a more detailed analysis of the evolution of youth unemployment during the crisis.

1.3 Evolution of Youth Employment in Times of Crisis (2008–2012)⁶

Between 2008 and 2012 Spain has seen a decline of 1.9 million young people in employment, a figure which represents 67 per cent of all those who have lost their jobs during this period. This tendency can be seen in both age groups, but it is the youngest group – 16 to 24 years – which has been worse affected (Table 1).

Table 1: Employment by age group in Spain, 2008 and 2012 ('000)

Age group	2008	2012	Dif	%
16–24	1,849.9	850.5	–999.4	–54.0
25–29	2,773.3	1,789.8	–983.5	–35.5
30–64	15,629.7	14,641.5	–988.2	–6.3
Total	20,252.9	17,281.8	–2,971.1	–14.7

Source: EPA, INE (first quarter).

6. In this section, the data refer to the first quarters of 2008 and 2012.

As can be seen, the effect of the crisis has been a steep decline in the number of young people working, and a rapid increase in unemployment, above all in the youngest age group – 16 to 24 years – for which unemployment figures rose to 52 per cent in 2012 (Table 2). Nevertheless, in certain respects it is more interesting to observe the evolution of the situation for those between 25 and 29 since this group shares many of the characteristics of the adult population. A rise in the unemployment rate of 20 per cent over a four-year period among this group is particularly worrying.

Table 2: Labour market indicators in Spain, by age group, 2008 and 2012 (%)

16–24 years	2008	2012	Dif
Activity rate	50.9	42.2	–8.7
Employment rate	40.1	20.3	–19.8
Unemployment rate	21.3	52.0	30.7
25–29 years	2008	2012	Dif
Activity rate	86.1	86.4	0.3
Employment rate	76.4	59.5	–16.9
Unemployment rate	11.3	31.2	19.9
30–64 years	2008	2012	Dif
Activity rate	75.6	79.3	3.7
Employment rate	69.7	62.6	–7.1
Unemployment rate	7.8	21.0	13.3

Source: EPA, INE (first quarter).

An in-depth analysis allows us to identify the key factors in the greater vulnerability of youth employment to the crisis:

(1) There are three factors related to the *characteristics of the jobs done by young people* during the period of expansion which took place in the Spanish economy from the mid-1990s until 2007.⁷

On the one hand, there is the *high concentration of young people in sectors which have been particularly badly affected by the crisis*, such as construction, manufacturing, and retail sales. These three sectors accounted for 66 per cent of the jobs lost by young people – in the two age groups – between 2008 and 2012 (Table 3).

7. Between 1996 and 2007, 7.5 million jobs were created in Spain, of which 1.5 million – 20 per cent of the total – were taken up by young people (16 to 29 years).

Gender analysis of the sectoral evolution of employment reveals some differences between men and women. It is particularly significant among men in the construction industry, accounting for 41 per cent of the jobs lost during this period by both age groups. Most of the jobs lost by women come from manufacturing, retail sales and the hotel and catering industry.

On the other hand, there is a high concentration of young people in occupations which have been particularly badly affected by the crisis and/or have medium to low qualification requirements (Table 4).

Thus, four occupations account for 76 per cent of the jobs lost by young people aged 16 to 24 years during this period. Of these, one requires medium-high qualification levels: *Craft and related trade workers*; two have medium to low qualification requirements: *Service and sale workers* and *Clerical support workers*; and one has low qualification requirements: *Elementary occupations*.

Similarly, in the 25 to 29 group there is a significant presence of technicians and service or support workers and the number of jobs which have been lost is also significant.

If we itemise the differences by gender, we find differences related to the sectoral composition of employment, with a greater relative significance of occupations connected with the construction industry in the case of men, and services among women.

However, the most influential factor with regard to the vulnerability of young people to the crisis in Spain is the high level of precarious work, which is such a key structural characteristic of the labour market for this group of the population that it could almost be said to be endemic.

An important aspect of this situation is the fact that the number of temporary jobs has remained high over the years. This has facilitated the incorporation into the labour market of young people during periods of economic expansion, but has also led to a greater degree of vulnerability, since temporary jobs have suffered the worst effects of the crisis (particularly during the first year).

In 2008, 59 per cent of the 16 to 24 age group and 41.8 per cent of the 25 to 29 age group were employed

Table 3: Youth employment in Spain, by age group and economic activity, 2008 and 2012 (1000)

Economic activity	2008		2012	
	16-24	25-29	16-24	25-29
Agriculture, forestry and fishing	64.9	81.4	45.5	63.1
Mining and quarrying	4.6	6.8	0.8	3.7
Manufacturing	280.8	401.3	80.0	208.0
Electricity, gas, steam and air conditioning supply	5.0	12.6	7.2	11.1
Water supply; sewerage, waste management and remediation activities	6.6	15.0	3.0	9.0
Construction	291.4	415.6	49.7	107.5
Wholesale and retail trade; repair of motor vehicles and motorcycles	417.2	475.4	203.6	328.9
Transportation and storage	56.0	110.8	27.5	60.9
Accommodation and food service activities	189.9	203.5	113.9	170.1
Information and communication	47.6	99.3	22.7	89.4
Financial and insurance activities	20.7	82.2	9.1	37.6
Real estate activities	5.1	14.3	1.4	5.3
Professional, scientific and technical activities	58.7	148.4	21.3	117.2
Administrative and support service activities	68.3	114.7	31.5	74.0
Public administration and defence; compulsory social security	53.8	96.4	32.1	88.2
Education	54.6	132.7	50.4	116.9
Human health and social work activities	72.1	142.5	54.4	143.2
Arts, entertainment and recreation	45.3	41.3	33.3	34.1
Other service activities	53.1	72.2	32.8	55.3
Activities of households as employers;	54.2	106.8	30.3	65.6
Activities of extraterritorial organisations and bodies	0.1	0.0	0.0	0.9
TOTAL	1,849.9	2,773.3	850.5	1,789.8

Source: EPA, INE (first quarter).

in temporary jobs. In the four following years, 57 per cent of paid jobs lost by 16 to 24 year olds were temporary, whereas for those between 25 and 29 the figure was 45 per cent.⁸

The significant destruction of temporary jobs brought about by the present crisis does not seem to support the conventional assumptions about the rigidity of the Spanish labour market. On the contrary, its evolution during the crisis seems to confirm that it is characterised by a high degree of external flexibility, which means that companies tend to adapt to times of change by reducing the number of staff, rather than, for example, adjusting

8. This tendency was most evident during the first year of the crisis, which saw the most rapid growth in unemployment. Between 2008 and 2009, 80 per cent of the jobs lost by 16–24 years olds, and 67 per cent of those lost by 25 to 29 year olds were temporary.

work times (as is the case in other European countries, particularly in the early stages of the crisis).⁹

It is also important to note that, in addition to the temporary nature of employment, precarious work has other, equally important dimensions that have a negative impact on the quality of youth employment in Spain. These include: (a) the high significance of forms of unpaid work, such as work placements or scholarships; (b) the increasing number of false »self-employed workers«; (c) the large number of young people in situations of

9. This situation has its basis in Spain in a model of business competition which is focused on the reduction of costs and prices, and is reflected in aspects such as: the limited development of innovation processes, the emphasis on creating jobs which require workers with low qualifications, low levels of in-company training and an unjustified predominance of temporary employment.

Table 4: Youth employment in Spain, by age group and occupation, 2008 and 2012 ('000)

Occupation	2008		2012	
	16-24	25-29	16-24	25-29
Managers	19.6	89.8	3.8	28.6
Professionals	91.2	366.7	76.6	339.2
Technicians and associate professionals	170.2	382.6	73.8	183.4
Clerical support workers	201.4	286.9	70.1	188.0
Service and sales workers	470.2	508.7	315.3	464.4
Skilled agricultural, forestry and fishery workers	24.2	31.2	19.1	27.2
Craft and related trades workers	368.9	473.0	98.3	205.7
Plant and machine operators, and assemblers	144.6	246.1	48.7	107.9
Elementary occupations	334.6	370.9	130.6	218.3
Armed forces occupations	25.0	17.2	14.2	27.2
TOTAL	1,849.9	2,773.3	850.5	1,789.8

Source: EPA, INE (first quarter).

undeclared work; (d) poor working conditions, including low wages, mismatch between levels of training and skills required, the length and flexibility of the working day and the high incidence of work-related accidents; (e) reduced access to social protection; and (f) weaker collective protection due to recent labour market reforms in terms of rights protected by international regulations, including freedom to join unions, collective bargaining and protection against harassment and discrimination.

(2) Two factors can be highlighted that are related to *socio-demographic characteristics*:

On the one hand, the *level of education*, since the crisis has had a greater impact on the employment of people with medium to low levels of education, a high percentage of whom are young people (Table 5).¹⁰

10. UNESCO developed the International Standard Classification of Education (ISCED) to facilitate comparisons of education statistics and indicators across countries on the basis of uniform and internationally agreed definitions. The reference for the tables included in this report is ISCED-97, which provides six levels of education: 0 (Pre-primary education); 1 (Primary education or first stage of basic education); 2 (Lower secondary or second stage of basic education) 3 (Upper secondary education); 4 (Post-secondary non-tertiary education); 5 (First stage of tertiary education); 6 (Second stage of tertiary education)

Table 5: Youth employment by age groups and highest level of education attained, Spain, 2008 and 2012 ('000)

Educational level*	2008		2012	
	16-24	25-29	16-24	25-29
iscled 0-2	257.4	202.2	88.4	109.0
iscled 3-4	1,259.3	1,479.0	548.5	912.6
iscled 5-6	332.2	1,092.1	213.4	768.2
TOTAL	1,848.9	2,773.3	850.3	1,789.8

ISCED-1997

Source: EPA, INE (first quarter).

On the other hand, *nationality*, since there is more vulnerability among young people in the 16 to 24 years old group¹¹ who are not Spanish nationals (Table 6); this is particularly the case among men who are employed in the construction sector.

11. The itemised data for the 25-29 age group were not available at the time of writing this report.

Table 6: Youth employment (1624 years) by citizenship in Spain

Citizenship	2008	2012	Dif	%
Country citizens	1,524.3	714.4	-809.9	-53.1
Foreigners citizens	325.6	136.1	-189.5	-58.2
	1,849.9	850.5		

Source: EPA, INE (first quarter).

Table 7: Youth employment (16–24 years) by Autonomous Community, Spain, 2008 and 2012 ('000)

Autonomous Community	2008	2012	Dif	%
Andalucía	367.4	151.7	-215.7	-58.7
Aragón	48.5	25.6	-22.9	-47.2
Asturias	30.9	11.1	-19.8	-64.1
Balears, Illes	42.9	25.7	-17.2	-40.1
Canarias	77.4	40.5	-36.9	-47.7
Cantabria	18.9	8.6	-10.3	-54.5
Castilla y León	83.7	37.1	-46.6	-55.7
Castilla – La Mancha	97.2	42.1	-55.1	-56.7
Cataluña	304.9	151.3	-153.6	-50.4
Comunitat Valenciana	217.4	81.5	-135.9	-62.5
Extremadura	42.3	19.8	-22.5	-53.2
Galicia	89.4	49.1	-40.3	-45.1
Madrid	253.3	120.4	-132.9	-52.5
Murcia	75.4	32.7	-42.7	-56.6
Navarra	21.7	12.1	-9.6	-44.2
País Vasco	62.2	34.6	-27.6	-44.4
Rioja, La	12.6	4.8	-7.8	-61.9
Ceuta*	2.4	0.9	-1.5	-62.5
Melilla*	1.6	0.9	-0.7	-43.8
Total National	1,849.9	850.5	-999.4	-54.0

* Ceuta and Melilla= Automous cities.

Source: EPA, INE (first quarter).

(3) Finally, it is important to draw attention to the fact that Spain's socioeconomic structure is characterised by a *pronounced geographical diversity*, with the different Autonomous Regions¹² having significantly different situations in terms of a whole range of variables, including population, productive structure and level of income.

There is also a high degree of heterogeneity in the labour market, with significant differences in terms of both employment and unemployment rates between neighbouring regions. These differences have been historically persistent.

Acknowledgement of this diversity is important when addressing the diagnosis of problems associated with the current economic climate, and consequently for the policies which are adopted to tackle them. The reason for this is that, although the crisis has affected youth employment throughout Spain, the extent of its impact has not been the same in all the different Autonomous Regions (Table 7).

This differential behaviour is explained mainly by *regional differences in the productive structure*, so that Regions which before the crisis had higher levels of specialisation in activities such as construction and related industries, and services with lower added value, have been particularly badly affected. There are additional associated factors, such as the *level of regional debt* or the *different policies adopted to deal with the crisis* by the various Regional Governments.

1.4 Profile of Youth Unemployment (2012)

An analysis of the data allows us to identify the main features characteristic of youth unemployment in Spain, after four years of the crisis and its impact on the labour market.¹³

The first important variable to be considered is gender: the number of men out of work is higher than that of women in both age groups (Figure 4).

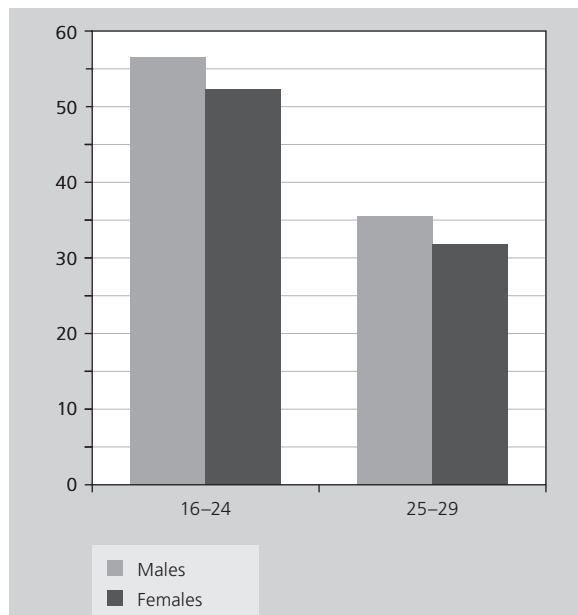
12. The administrative structure in Spain is organised on three different levels: the Central Government; 17 Regional Autonomous Communities; and 52 Provinces. There are also more than 8,000 local municipalities.

13. The effects of the crisis on employment began to be felt in the second half of 2008. The annex includes a series of data for 2000–2012.

This situation can be explained by two main factors. First, the differences in the sectoral composition of employment, with a higher concentration of men in the sectors which are particularly badly affected by the crisis (such as construction). On the other hand, women tend to be more present in sectors which have endured the crisis better (such the health service and education).

Second, there are differences in levels of education, with a greater proportion of women in the labour market who have better qualifications and have been less badly affected by the decline in employment.

Figure 4: Rate of youth unemployment in Spain, by age groups and gender, 2012 (%)



Source: EPA, INE (first quarter), author's calculations.

The second important variable is *training*, with much higher levels of unemployment affecting young people with poorer qualifications (Table 8).

The reason is the significant concentration of this group of the population in temporary jobs, with low qualification requirements and lower productivity, which are also more vulnerable to the adjustments made by companies in times of crisis. In addition, this group has greater difficulty seeking jobs in comparison with people with higher levels of education or training.

Table 8: Youth unemployment rate by age groups, sex and highest level of education attained, Spain, 2012 (%)

Both sexes		
Educational level	16-24	25-29
ISCED 0-2	58.8	42.0
ISCED 3-4	49.5	27.7
ISCED 5-6	37.0	22.8
Total	52.0	31.2
Males		
Educational level	16-24	25-29
ISCED 0-2	57.7	42.2
ISCED 3-4	53.7	28.3
ISCED 5-6	37.5	23.2
Total	54.0	32.9
Females		
Educational level	16-24	25-29
ISCED 0-2	60.7	41.7
ISCED 3-4	45.9	27.1
ISCED 5-6	36.7	22.6
Total	49.8	29.3

Source: EPA, INE (first quarter).

The level of unemployment also shows differences in terms of nationality, with the highest figures being those for young foreigners –16 to 24 year olds – 59 per cent in 2012, against 50 per cent for Spanish nationals (including those with double nationality).

This can be explained by the greater relative concentration of this group in sectors particularly badly hit by the crisis – especially in the case of men (construction) – and in jobs which are temporary or have low qualification requirements.

Another important variable is the duration of unemployment, since the percentage of young people who are out of work for an extended period of time –1 year or longer – has risen significantly, reaching up to 40 per cent and even 50 per cent among younger adult males (Table 9).

Table 9: Youth unemployment by sex, age group and duration of unemployment, Spain, 2012 ('000)

	Total	Has already found a job	<6 months	6 to 12	12 and over
Both sexes					
16–24	921.8	26.1	296.9	190.8	408
25–29	810.5	32.9	263	145.1	369.6
Males					
16–24	503.8	14.5	154.6	89.5	245.2
25–29	447.2	16.5	146.6	81.1	202.8
Females					
16–24	418	11.6	142.3	101.3	162.7
25–29	363.4	16.4	116.2	64	166.8

Source: EPA, INE (first quarter).

This suggests an extremely worrying scenario, since long-term unemployment contributes significantly to increasing the risk of poverty and social exclusion (especially if we take into account that these people stop receiving unemployment benefits and other subsidies such as job seeker's allowance).

Finally, it is important to highlight a phenomenon that has become particularly widespread over the past few years, that of *young people not in employment, education or training* (NEET). The EU institutions recognise this section of the population as people who are unemployed and inactive, and are not studying or receiving any training. Using this definition, in Spain in 2012, 19 per cent of 16 to 24 years olds and 27 per cent of 25 to 29 year olds come into this category.

However, it is important to note that there are many doubts about this concept, in terms of its theoretical delimitation and statistical quantification, as well as the measures proposed to address it. As such, it is possible to offer a critical view of the way this phenomenon is being addressed, based on two dimensions:

On the one hand, an in-depth analysis of the available statistics leads us to the conclusion that the supposed growth of this so-called »ni-ni« generation – *ni trabajan, ni estudian* (»they are not working, they are not studying«) – over the past few years in Spain lacks a sound empirical foundation.

For example, if we analyse the evolution of the indicator for people out of work in terms of their inactivity, we observe that the figure for »students« has risen significantly since the beginning of the crisis, accounting in 2012 for 88 per cent of the total for 16 to 24 year olds, and 41 per cent of 25 to 29 year olds. An itemised analysis reveals that this tendency is the same for both genders. However, we see different behaviour in the category of people – particularly women – who are economically inactive due to »housework«, which has declined over the period.

On the other hand, it is important to highlight the fact that the political and media perception of this phenomenon tends to focus mainly on the psychological aspects of the people affected and to blame them for their situation. This contributes to hiding the real working and social situation of young people in Spain.¹⁴

As an alternative, it would seem more reasonable to address the structural factors that contribute to situations of inactivity among young people in terms of both work and education. These factors are related to both the participation of young people in the labour market – the most significant characteristic of which is, as we said ear-

14. For example, the media, which contributed significantly to exaggerating the importance of this phenomenon – focusing on aspects such as the »indifference« and »apathy« of Spanish youth – has nevertheless failed to reflect the increasing number of protests and social mobilisations which contributed to the success of the *indignados* movement, which began on 15 May 2011 and has attracted international attention.

lier, the high level of precarious work – and the lack and poor management of training, employment and social counselling resources.

2. Labour Market Reforms: An Overview

Employment legislation in Spain has been subject to continuous and intense modification since the beginning of this crisis, which has culminated – for the moment – in the reform of the labour market approved by the current conservative government in 2012.¹⁵

The various rules and regulations approved during this period are diverse in both character and scope, but essentially they are aimed at one target: to promote greater deregulation of the labour market, based on the premise that this is essential to encourage the generation of jobs (particularly among groups with higher levels of unemployment, which includes young people).

The application of these reforms has been requested by various international bodies and institutions that have repeatedly argued over the past few years that the greater impact of the crisis in Spain – compared to other European countries – is due mainly to the rigidity of employment regulations.

However, this assertion fails to take into account the fact that – with the same labour legislation which is now seen as rigid and considered to be the reason for the rise in unemployment – during the period 1995–2007, Spain was the most successful European country in terms of job creation. Another aspect which is overlooked is that, since then, the levels of unemployment in Spain have shown significant geographical diversity, which can hardly be attributed to common legal regulations for the whole country.¹⁶

Apart from this, it is clear that, as the results of different studies confirm, the successive labour reforms introduced in Spain over the past three decades – which, with a few

exceptions, have been clearly oriented towards »greater flexibility« – have not had a significant impact on the net creation of jobs, contributing instead to increasing the level of precarious work.¹⁷

Among the various reforms adopted within the context of the Great Recession, the most relevant and far reaching – in terms of both its aims and scope – is without doubt the most recent legislation, that is, the reform approved by the current conservative government in 2012.

Law 3/2012 provides for key elements of the deregulation of labour relations and clearly undermines the effectiveness of trade union activity. It contains a series of measures, including: (a) consolidation of the unilateral decision of the employer as the arbiter of practices in the workplace, instead of collective negotiation; (b) the reinforcement of discipline based on low compensation for dismissal, without arbitration and contracts increasingly with reduced wages; (c) subordination of collective agreements to management decisions; and (d) a dramatic reduction of the right to work in terms of its institutional recognition. In this way, labour law is becoming subject to the needs of economic growth, business productivity and employability rather than a question of security.

A detailed analysis of the overall content of this reform goes beyond the scope of this report. Nevertheless, it is important to highlight those aspects that most affect the employment situation of young people:

- *New types of indefinite contracts to support entrepreneurs.* This is a contract which is only applicable to companies with less than 50 employees. It establishes a compulsory probationary period of one year, during which time a worker can be made redundant for any reason whatever, without any compensation. Apart from the implications for workers' rights, this potentially leads to a situation in which companies use this one-year probationary period simply as a form of low quality temporary contract.
- *Greater flexibility of apprenticeships and training contracts.* This has various implications: the extension of the

15. Royal Decree Law 3/2012 of February 10 concerning urgent measures aimed at reforming the labour market. Following debate at the Congress and the Senate, the text was finally approved in July: Law 3/2012 of 6 July on urgent measures for labour market reform.

16. The unemployment rate in Spain during the first quarter of 2012 was 24.6 per cent, with a 19.6 per cent difference between the Region with the highest level of unemployment, Andalucía, 35.5 per cent, and the one with the lowest, the Basque Country, 13.6 per cent.

17. The Workers' Statute underwent 52 different reforms between its original approval in 1980 and 2011. For an in-depth analysis of these reforms and their effects on employment, see Fundación 1º de Mayo: *52 reformas del Estatuto de los Trabajadores en 1980* (1º de Mayo Fundación: *52 reforms of the Workers' Statute in 1980*) Fundación 1º de Mayo. Madrid, 2012 (available at www.1mayo.ccoo.es).

maximum length of this type of contract to three years; raising the age limit to 30 years, which in practice may mean that the contracted person is over 33 years old (if it lasts three years);¹⁸ the possibility that the apprentice contract can be renewed by the same employer or another, for a different activity or occupation; and the removal of the relationship between the apprenticeship or training period and an eventual qualification. The risk is that the apprenticeship system can lead to a situation in which young people simply provide a cheap form of labour and that this type of contract obliges them to remain for years in unskilled jobs with reduced levels of stability and low wages, without being able to obtain any real and certifiable skills or job specialisation.

- *Modification of the regulations affecting part-time jobs*, which includes the elimination of the prohibition of overtime or complementary work.
- *Greater flexibility in the legal process for dismissals* by increasing the number of causes, phasing out administrative requirements, and considerably reducing the levels of compensation.
- *Significant increase in the power of employers to substantially modify working conditions*. The reform establishes a non-negotiated internal flexibility model, which eliminates the participation of workers' representatives and favours the unilateral decision of employers when modifying or imposing working conditions (in aspects related to salaries, working hours, professional classification and so on).
- *Reform of the collective bargaining process* in order to: (a) increase the possibilities for companies to ignore collective agreements (b) encourage the decentralisation of the collective bargaining system, thereby reinforcing the role of individual companies. This is a counterproductive change which will have an extremely negative impact on the right to collective bargaining, particularly because of the number of small companies in Spain;¹⁹ and (c) the limitation of the automatic renewal of collective bargaining.²⁰

18. Before this reform, the age limit was 21 years.

19. 90 per cent of Spanish companies have fewer than 10 workers, and something like 60 per cent have only one or two. This is why the sectoral collective agreements are so important, since in Spain they are *erga omnes*, in other words, they imply obligations or rights for all.

20. The concept of automatic renewal implies that, when the stipulated period for a particular agreement runs out, it continues to be in effect

The approval of this reform has been expressly rejected by the trade unions, which have actively supported increasing opposition to the measures (including calling for a general strike).²¹

The unions have strongly emphasised the fact that the legislation will not have a significant effect on net employment creation, leading instead to higher levels of precariousness, in terms of both working conditions and the protection of the individual and collective rights of workers (including the right of union affiliation and collective bargaining).

They have also drawn attention to the fact that the manner in which this legislation was passed shows contempt for democratic procedures, since the government did not respect the right of information and previous consultation with the main unions, which are guaranteed under the Spanish and European social policy regulations. Furthermore, the legislation did not meet the urgent necessity criteria required to entitle the government to pass it by means of an emergency procedure.

Finally, the trade union organisations have emphasised that these reforms ultimately encourage a business competition model based on the reduction of prices and labour costs, which is detrimental to innovation and added value. It is a model which will hinder the necessary progression towards a more sustainable economic model, while leading to greater job instability, which will in turn have a particularly negative effect on young people.

3. The Challenge of Youth Employment in Spain: Policy Pointers

Employment policies can play a significant role in the present crisis because they have a positive – albeit limited – impact on the generation of jobs and the consequent reduction of unemployment (as is confirmed by the results of the various evaluation studies carried out both at international and national levels). Their impact depends, however, on the development of other policies – such as

until any new agreement is put in place. Before the 2012 reforms there were no time limits to any such continuation, but now a one-year limit has been applied.

21. The general strike took place on 29 March 2012. It was the second general strike to be called during the period of the crisis, the first being held on 29 September 2010 in protest against the employment legislation passed by the then socialist government.

the adoption of macroeconomic policies to stimulate the economy as a whole, as well as specific policies to boost industry, education and innovation – which all contribute to enhancing economic recovery in the various different productive sectors.

There is not one single or *magic* solution which guarantees success in facing the challenges posed by youth unemployment, especially considering the scale of the current worldwide crisis. In any case, as pointed out by the International Labour Organisation (ILO), to tackle this situation it is necessary to adopt an approach aimed at combining micro and macroeconomic interventions that would address both the demand and supply sides of the labour market and the quantity and quality of employment.²²

The objective of this chapter is to propose measures that can help to boost the creation of jobs for young people in Spain. These are based on two main principles:

First, in the current situation of budgetary restrictions, the design and application of measures should be based on a more precise identification of the different groups of young people, which would then permit us to prioritise and customise solutions by adapting the available resources to specific needs and areas of vulnerability.

Second, to maximise potential the development of employment policies should be planned over two time scales: in *the short term*, by adopting direct impact measures aimed at mitigating the immediate consequences of the crisis which focus specially on the most vulnerable sections of the population; and in *the medium term*, by promoting a reorientation of these policies to improve their effectiveness – both at national and regional level – and thus contribute to guaranteeing a more equal transition in terms of the impact caused by the multiple challenges we face in the coming decades – demographic, social, environmental – and offering new opportunities for improving professional skills and qualifications, thereby helping to create an economy which is more productive, sustainable and inclusive.

22. International Labour Office: *The youth employment crisis: Time for action*. ILO, Geneva, 2012.

3.1 Short-term Measures

Better Identification of Target Groups

Precarious work is in general terms the distinctive structural – almost *endemic* – characteristic which defines the participation of young people in the labour market in Spain. The crisis has accentuated this problem, since as we have stated on various occasions, it is precisely young people who have been most adversely affected. Nevertheless, within this general framework, it is possible to identify different situations and the existence of groups of young people with specific characteristics and requirements (Box 1).

In the short term the Public Employment Services should prioritise young people with low levels of education or training

For two reasons, in the current crisis the most vulnerable group is that formed by young people with the lowest level of education or training: first, because it is this group which has been most seriously affected by unemployment, while also suffering from a lower level of social protection (which is associated with their higher level of job instability). Second, because they are clearly going to be in a disadvantageous position in terms of accessing new jobs when the economic recovery becomes more consolidated (especially since the strategic changes in productive models is associated with an increasing demand for people with high and intermediate levels of qualifications).

The main conclusion which can be drawn from this diagnosis is that it is fundamental in the short term to prioritise the measures aimed at this group. In order to do this, it is necessary first to reinforce and improve the effectiveness of the Public Employment Services (PES), so that rapid, individualised and comprehensive attention is provided for people who are looking for a job. It is also of paramount importance to make information as accessible as possible to all those people who have given up their studies prematurely and are unemployed, so that they can become integrated into the PES circuit of services.

Second, the main objective of the measures which are put in place should be to broaden and improve the skills

Box 1. The working situations of young people in Spain

1. Unemployed. These can be split into two groups: **(a)** young people who cannot find their first job and seek to integrate themselves into the labour market in the best possible conditions, who in some cases prolong their period of education or training because of the impossibility of finding employment; and **(b)** young people who lose their jobs, and either opt for completing their studies (the youngest), or have no intention to return to studying or improving their level of education, and therefore add to the figures for inactivity.

Likewise, among the young people who are actively seeking employment, we can differentiate: **(a)** those with a lower level of education or training, who have rapidly lost their jobs and have greater difficulties in finding other work, and **(b)** those with a high level of education or training, who have lost their job and show significant disparities between their level of qualification and the job they have been carrying out.

It is important to underline this point: the economic crisis has led to a group of young people (the youngest) returning to their studies. However, another significant group does not consider this option.

2. Employed. These include: **(a)** those whose work record is heavily influenced by job instability, with the following characteristics: lower job security and employment stability (they are stuck in temporary contracts with heavy job rotation); greater presence in informal types of work (such as grants, work placements and »false freelance« jobs); poor working conditions (in terms of promotion, salary, working timetables, work-related accidents and so on); and a tendency to have discontinuous employment records, with various short-term jobs (in times of crisis there is also pressure to accept low quality jobs and worse working conditions); and **(b)** those with a stable job record, who, unlike the previous group, have greater job stability, better prospects for promotion within the company and better working conditions. We can also perceive different situations within both groups in terms of the level of education or training (high and medium-low).

3. People out of work who have given up their studies prematurely, *have never worked*, and have not received any kind of training which permits them to improve their qualifications and thus increase their potential to find employment.

Source: Jorge Aragón, Alicia Martínez, Jesús Cruces and Fernando Rocha: *Las políticas de empleo para jóvenes en España. Una aproximación territorial* (Employment policies aimed at young people in Spain. A territorial approach), Ministry of Employment and Immigration, Madrid, 2012.

and qualification levels of this section of population. Education and training are essential elements in fulfilling this objective, although efforts should be made to adapt the content of training programmes so that they cater as much as possible to the demands of the production system. Logically, this needs to be carried out having previously identified and analysed the characteristics and needs of each region.²³

Third, it has been proposed that young people aged 16 to 18 who have left education prematurely mainly for reasons associated with the labour market should be encouraged to go back to studying. If this were to take place, it would be essential to offer interesting and at-

tractive alternatives to encourage them to return, by offering flexible training courses, with the added attraction of income support. There should also be a more personalised advice service so as to increase the possibilities of re-entering employment.

Various bodies and international institutions – including the ILO – have highlighted the efficiency of dual education systems. In this respect, although ideally young people would return voluntarily to the education system, perhaps, as an alternative to extending the age of compulsory education, it would be advisable to consider setting up programmes that permit young people to combine school education with a more practical or job-related form of training.

23. In Spain, competence for training policy lies with regional governments.

Finally, it is important to consider the needs of those who, despite being unemployed, have no desire to go back to studying. For this group, as is the case with those who gave up studying at an early age, the most effective tool could be educational and employment orientation and advice, with personalised programmes to encourage them to return either to the education system or the labour market.

Promoting careers advice for people with high or intermediate levels of education and training, and re-orienting temporary measures for employment creation

A second area of activity needs to be focused on young people with intermediate levels of education and training by promoting information and advisory services that help to facilitate their integration into the labour market. This should also be made available to young people with university degrees who are out of work.

On the other hand, it has been suggested that the objectives of the programmes designed to create temporary public employment which have been adopted because of the crisis could be modified. The idea would be to reorient them to focus on public services – which would permit them to cater for social needs such as disability care, and also generate jobs based on higher qualification – and on the development of activities with potential for medium-term growth in both emerging and existing sectors.

3.2 Medium-term Measures

In the medium term, there should be three general areas of focus: (a) improving the transition from education to the productive system; (b) reinforcing and improving active employment policies; and (c) strengthening the role of collective bargaining.

Two priorities for improving the transition of young people to the labour market: reducing school drop-out figures and increasing participation in vocational training systems

Over the past few decades Spain's education system has seen significant advances which are confirmed by a number of indicators including widespread literacy, schooling for everyone, increasing female education and the growth of higher education.

However, there are still some persistent structural problems or imbalances, two of which need to be mentioned here since they particularly affect the transition of young people to the labour force:

(1) The *high number of early school leavers*, which in 2011 accounted for 26.5 per cent of all pupils. The figures are higher for males (31 per cent) than females (22 per cent).²⁴ This is specially worrying in two respects: first, because it tends to lead to a greater degree of precariousness in the employment patterns of those affected; and second, because it has a high social and economic cost in terms of the increase in poverty and social exclusion (caused by the increased vulnerability of this section of the population to situations such as the current crisis).

In this respect, intervention strategies should focus on aspects such as: (a) improving the understanding of the causes of the phenomenon; (b) reinforcing the role of career guidance during compulsory secondary education; (c) guaranteeing an adequate supply of alternative training programmes; (d) making post-compulsory training programmes more flexible and fostering an education system which is more interconnected and facilitates the passage from occupational training to general education and vice versa, while increasing permeability between the education/training system and the job market with the aim of encouraging young people to go back to courses and training cycles they abandoned prematurely; (e) increasing compatibility between work and training by offering more intensive courses; (f) increasing the availability of distance learning and increasing the number of adult education centres; and (g) setting up a system which recognises, evaluates and certifies qualifications

24. Data drawn from 18 to 24 year olds who have not completed the second part of secondary education and are not currently in any form of education or training (source: Eurostat).

acquired through work experience or non-formal ways of learning.

(2) *The insufficient participation of young people in vocational training.* Developed economies need professionally-run vocational training systems (VT) which meet social and productive requirements in contexts of rapid transformation, growing competition and economic expansion. This context and these needs are particularly visible in the case of Spain.

Consequently, it is of paramount importance to adopt measures aimed at fostering the participation of young people in vocational training. These measures can be structured in terms of three main objectives: (a) making VT more attractive by means of institutional intervention that diversifies supply, creates itineraries for less talented students, offers options for returning to general education, both at secondary and higher education levels, fosters modularisation, applies a quality guarantee system and encourages interaction between stakeholders and organisations involved in the local productive system; (b) fostering quality lecturers and tutors by encouraging competition between them; and finally (c) improving the information, advice and career guidance services so that any decisions which may be made can take education and past employment history into account.

Reinforcing and improving the effectiveness of Public Employment Services

A key point is the increase in the budget and number of workers in the Public Employment Service (PES), because the ratio of resources allocated in Spain per unemployed person is much lower than that in the most advanced countries and clearly insufficient to meet the current and future needs of users. This is particularly evident when we consider the Community guidelines on waiting times in terms of attending to people who have lost their jobs (which in the case of Spain are certainly not adhered to, especially in the case of young people).

Also, it would be necessary to focus on ways of improving PES performance by clarifying objectives such as: (a) encouraging young people to register with the PES, even when they are not eligible to receive unemployment benefits; (b) establishing greater specialisation in the PES so as to improve support mechanisms for first-time job

seekers while developing comprehensive personalised programmes aimed at integrating unemployed young people in the labour market within four months of losing their job; (c) centralising information regarding both users and the activities of collaborating organisations; (d) modernising services by maximising the advantages offered by information and communication technologies; (e) fostering coordination and cooperation between the different administrations responsible for managing employment – the National Employment Service and the Autonomous Regions' Services – as well as between the different private organisations that are involved.

Reinforcing career guidance and information services

The career guidance and information service is of key importance because it is the first service with which the unemployed person should come into contact. Career guidance should therefore be treated as a general service which should be extended to young people by guaranteeing its presence in education centres.

Specialisation of incentives for job creation

Studies have revealed that policies to incentivise job creation have had a minimal macroeconomic impact – in terms of job creation or a reduction in unemployment – and are largely ineffective when the target population is so large.

The proposed solution is to redesign incentive policies, which, in the case of young people, should focus on fostering stable employment (immediate indefinite contracts or conversion from temporary contracts). On the other hand, it is also proposed that the incentives for work placement contracts be limited exclusively to cases in which they are converted into indefinite rather than provisional contracts – as a means of encouraging both employment stability and the consolidation of a professional career for young people.

Fostering job stability

Support for job creation should be coupled with measures aimed at reducing the large number of unjustified temporary jobs, which still persist in Spain, although the

number has fallen over the past two years. This is a structural problem that affects young people in particular. It contributes to a deepening of the segmentation of the Spanish labour market and has important implications in terms of both social cohesion and the competitiveness of companies themselves.

The high level of temporary employment is results from a number of factors and thus cannot be explained by any single issue (such as the cost of dismissal). Therefore, any attempt to address it must necessarily be multidimensional.

In general, potential solutions should be based on three main objectives: (a) fostering job stability, thereby fulfilling the double objective of guaranteeing workers' security and at the same time catering for the needs of a new production model based on higher qualifications and innovation; (b) putting in place measures aimed at reducing unjustified temporary contracts and, where necessary, using temporary jobs in a more constructive way; and (c) encouraging the development of negotiated forms of internal flexibility – essentially through collective bargaining – as an alternative to the more disruptive option of external flexibility.

Reinforcement and improvement of occupational training

An area of paramount importance in the current situation is the *reinforcement and improvement of occupational training*, focusing on aspects such as: (a) a more precise identification of the target groups for the different areas of activity; (b) the adoption of a more proactive approach in the design of training programmes, which should be based on diagnosis of the characteristics of the productive structure in the different regions and clearly aimed at broadening and improving the population's level of education and training (especially in view of a strategic context in which, as we mentioned earlier, there is an increasing medium- and long-term demand for high- and medium-level qualifications); (c) the articulation of efficient planning and coordination processes, as well as systematic, homogenous and shared evaluation mechanisms that permit the identification of best practices at regional level and, at the same time, link funding to a certain extent to the results obtained in terms of labour integration; and (d) the development of an efficient in-

formation and career guidance service for unemployed people which offers them access to updated information about the available training and employment opportunities, thereby offering them a more efficient way of planning their integration into the labour market.

Reinforcement of training/employment programmes

There are a number of specific programmes which are particularly interesting for young people. They combine training with employment and have had notable success in terms of labour integration in Spain. We are referring to Workshop Schools and Craft Centres²⁵ and Employment Workshops.²⁶

The development of these programmes does have a series of weaknesses, however, and by evaluating them a number of areas of improvement can be identified:

- Regulations should be open with respect to activities, without limiting them, and based on two general principles, social interest and local employment requirements, so as to be able to be more specific in each new programme. The ideal situation would be to combine public service activities with others that are more closely connected with the local productive fabric, focusing on emerging sectors and others that generate employment and therefore require a growing workforce. The organisers could either be public or non-for-profit private bodies.
- Public Employment Services should be more proactive in orienting activities towards creating employment and encouraging local development.
- Since the ultimate aim should be the integration of students into the labour market, the involvement of pri-

25. Workshop schools and craft centres are part of a publicly-funded employment/training programme designed to improve the employment opportunities of young unemployed people under the age of 25 and to make it easier for them to enter the labour market. In the case of workshop schools, the projects can last a minimum of one year and a maximum of two years. For craft centres, the duration is one year. In both cases, the total time is divided into two stages: a first stage of six months solely for training and a second stage that lasts until the end of the project and for which training contracts are applied, with a minimum of six months and a maximum of eighteen for workshop schools and six months for craft centres.

26. This is a mixed programme aimed at young unemployed people aged 25 or older that combines training and employment in new sources of jobs related to public services and social activities. It is promoted by public or private non-for-profit organisations that facilitate the participants' integration in the labour market, either by working for companies or forming cooperatives, or for themselves in the creation of business projects. These programmes are open to young people aged between 25 and 29.

vate companies with the projects would seem the best option, always bearing in mind the following: priority should be given to projects that guarantee a commitment by the companies involved to contract students after the programme is completed; a network of companies should be created that are interested in a project's particular specialisation; a three-month tutorial period needs to be established after the completion of the project to support integration into the labour market; a compulsory integration quota needs to be established.

- Reviewing the initial training phase in workshop schools and craft centres. One of the objectives could be to offer theoretical training in parallel with productive activity. Most of the participants in these programmes are students who have dropped out of school and in some cases find themselves at risk of social exclusion. In both cases, theoretical training can be a total failure and sometimes the required learning method is connected more with gaining socio-labour skills than acquiring a theoretical knowledge of the activity to be carried out.
- The PES must play a more significant role in promoting projects, as well as carrying out follow-ups and evaluations of the programmes themselves and assessing the degree of labour integration attained by the students.

Encouraging self-employment and the social economy among people with high levels of education or training

In general, evaluation of the programmes designed to encourage self-employment and the social economy does not reveal particularly positive data. Added to this is the fact that the crisis has had a significant impact on entrepreneurial activity in Spain, which in the case of young people has led to an increase in the amount of debts incurred both personally and by their families.

Encouraging self-employment may make sense for specific groups, such as those with a high level of education or training, or those who live in rural areas, helping to reduce the migration of young people from the countryside.

In this respect, the measures that have been suggested to encourage self-employment include: (a) increasing the number of training and career guidance services that of-

fer information about the opportunities and risks associated with each activity; (b) putting tutorial and financial services in place – including access to credit and venture capital – supported by mechanisms to facilitate bureaucratic procedures (including the registration of new companies), while introducing partial exemptions to social security contributions during the first years; (c) complementing this with the development of financial support measures and instruments especially aimed at young unemployed people who wish to set up their own business.

Strengthening the role of collective bargaining

Collective bargaining plays a particularly important role in promoting employment and improving working conditions for young people. The measures that could be adopted in this field must be properly identified and adapted to the agreements reached by social partners in the different areas of negotiation (sectoral, territorial or within individual companies). However, it is possible to outline a series of objectives of special importance, which include:

- fostering job stability and eliminating unjustified temporary employment;
- encouraging the implementation of plans aimed at maintaining employment and staff renovation by means of the appropriate use of partial retirement schemes, combined with replacement contracts;
- encouraging the development of contracts associated with training or work placements as an alternative to the growing use of grants and non-remunerated work practice, as a means of integrating new graduates into the workplace (this should be combined with the improvement of the employment conditions associated with these contracts; the control of the fraudulent use of both training contracts and non-formalised types of work also needs to be reinforced);
- guaranteeing access to training programmes for young people in temporary employment while ensuring that the courses provided meet the specific requirements of real professional advancement (rather than limiting them to the improvement of skills for the post currently held);

- improving working conditions, especially in terms of payment, professional category and promotion, working hours and occupational health and safety;
- guaranteeing compliance with principles of equality and non-discrimination.

4. Six Final Points for Reflection

(1) The scale of the challenges we face as a result of the current crisis means that it is necessary to make sufficient funding available to support the development of policies in numerous different fields. However, financial resources have been particularly badly affected by the budgetary restrictions imposed since 2010 within the framework of the Austerity Plans. This implies the need for greater effort in defining priorities, and in this respect, employment policies aimed at young people should focus on those with the lowest level of education or training.

The approach to this restrictive scenario should be combined with collective reflection on how the different European governments have not hesitated to allocate huge sums of public money to bail out the banks, without even demanding that they make firm commitments in terms of investment in productive areas or greater regulation of the sector. This is in stark contrast to the numerous obstacles which emerge whenever demands are made about investment in social policies.²⁷ In addition to this reflection there should be a serious and rigorous debate to examine the significant potential for growth in the income generated by the Public Administrations through taxes.

(2) When planning the different measures aimed at fostering job creation that could be adopted in Spain, one important element which needs to be taken into account is the constitutional situation of the various Regional Autonomous governments. This is particularly complex, in that the different Administrations do not all have the same powers in their respective territories, and it is made even more complicated by the guidelines and directives established by EU institutions. In this respect, in order to maximise the efficiency of the measures implemented

27. For example, the Plan Anual de Política de Empleo (Annual Employment Policy Plan) for 2012, passed by the Spanish Government, establishes a 21 per cent reduction in funds allocated to active employment policies and this has a particular impact on projects that offer greater support in the integration of young people into the labour market, such as training, training/employment programmes and support for self-employment and business creation.

it is essential to improve coordination between the different Regions – and within the Administrations themselves – on the basis of respect for the principles of equity and territorial cohesion.

(3) The implementation of evaluation and follow-up mechanisms continues to be one of the recurring deficiencies detected in the development of active employment policies in Spain. In this respect, all processes of implementing new measures should include a commitment to developing evaluation systems, which include assessments before, during and after.

(4) Instead of the unilateral procedures for the adoption of labour reforms and measures that are commonly used by the various European governments, it is essential to promote and strengthen the role of social dialogue – and the participation of social partners – so that this becomes a central element of European policies. This is absolutely fundamental in the particularly critical context in which the crisis – and the clearly unsuccessful efforts to find a consensual solution to it at Community level – has contributed to increasing public disaffection among citizens with the European integration project.

(5) The labour reforms approved in Spain since the beginning of the crisis have been oriented towards deregulating the labour market and making it more flexible, based on the premise that this will contribute to creating employment.

In this respect, it is important to draw attention to the fact that the labour market does not itself create or destroy employment, but is nevertheless affected by the evolution of the economy. This mechanism may be more or less effective, but its evaluation requires an examination of the factors that hinder economic activity – especially from the point of view of demand – and of how the labour market reacts to them.

The conclusion of this premise is that the solution to the crisis does not depend mainly on labour policies and that priority should be given to measures that confront the structural challenges which the current crisis poses to the Spanish economy. Such measures – even if they are not directly connected with employment – have a significant impact on the creation of jobs and without them the efficiency of the measures directly related to employment will be drastically reduced. On the other hand, if these

policies are correctly implemented, measures to boost employment will attain their maximum potential.

Therefore, on the one hand, we suggest that more short-term measures are put in place to mitigate the most immediate consequences of the crisis. These would include: increasing public and private spending to stop the destruction of jobs; adopting financial measures to ease access to funding for companies and individuals; and reinforcing social protection by introducing complementary measures for people who are no longer eligible for benefits, and families whose members are all out of work.

On the other hand, it is important that a longer term strategy is put in place to restructure the productive model and give it a more solid economic basis so as to create more and better employment, while increasing social justice and environmental sustainability. This is clearly an ambitious strategic objective since its fulfilment would require a combination of policies and measures at various levels. These need to be based on the premise that the change in the productive model implies both support for potential emerging activities in the different sectors, and substantial transformation in the management policies of Spanish companies (which traditionally tend to focus entirely on reducing prices and labour costs as a means of increasing their competitiveness).

(6) The effects of policies to deregulate the labour market are particularly negative for the employment situation of young people, since in a situation of crisis such as the current one they lead not to a net increase of employment for this section of the population, but instead to greater precariousness and therefore greater social vulnerability.

As the ILO has indicated, the difference between the youth employment challenge and the general employment challenge is that helping young people get the right start helps to ensure they follow a pathway to decent work. The longer it takes to get on that path, or if a pathway does not exist, the challenge becomes more difficult.²⁸

Based on this argument, the fundamental question that needs to be faced by European governments is whether the solution to the crisis for young people must neces-

sarily imply worse conditions and more insecurity – following the principle *»any job is better than none«* – or if all possible means should be used to facilitate their emancipation and access to decent living and working conditions.

28. ILO, *Youth: Pathways to decent work*, Geneva, 2005.



1. Youth population by age groups and relation with economic activity in Spain. 2000–2012 (1000)

Age group/economic activity	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
16–24													
Total population	5,376.5	5,249.4	5,127.1	5,017.0	4,902.7	4,795.6	4,703.5	4,648.9	4,600.6	4,506.7	4,379.7	4,266.9	4,198.20
Active	2,495.8	2,404.6	2,408.4	2,409.9	2,392.9	2,491.2	2,478.1	2,430.7	2,402.8	2,241.7	2,071.0	1,922.4	1,772.30
Employed	1,868.6	1,906.8	1,887.0	1,873.3	1,856.9	1,983.1	2,026.3	1,988.5	1,828.8	1,386.5	1,199.9	1,035.8	850.50
Unemployed	627.3	497.7	521.4	536.6	536.0	508.1	451.8	442.2	574.0	855.2	871.1	886.6	921.80
Inactive	2,809.4	2,806.9	2,718.7	2,607.1	2,509.8	2,304.4	2,225.4	2,218.2	2,197.8	2,265.0	2,308.7	2,344.5	2,425.90
Population counted separately*	71.3	37.9											
25–29													
Total population	3,357.7	3,436.2	3,517.2	3,597.4	3,650.6	3,678.0	3,678.7	3,661.4	3,607.4	3,482.7	3,306.4	3,131.6	3,009.6
Active	2,779.8	2,780.2	2,896.7	3,020.9	3,092.5	3,103.1	3,147.8	3,143.3	3,118.6	3,000.6	2,858.7	2,716.1	2,600.4
Employed	2,320.8	2,423.3	2,488.9	2,597.4	2,684.3	2,748.6	2,828.2	2,883.5	2,740.9	2,364.5	2,156.1	2,008.3	1,789.8
Unemployed	459.0	356.9	407.9	423.6	408.1	354.5	319.6	259.8	377.7	636.0	702.5	707.8	810.5
Inactive	558.7	647.7	620.5	576.5	558.1	574.9	530.8	518.1	488.7	482.2	447.8	415.5	409.2
Population counted separately*	19.2	8.3											

* Only from 2000 to 2002

Source: National Labour Force Survey (2° quarter, except 2012, first quarter)

2. Youth labour market rates in Spain, by age groups. 2000–2012

Activity rate													
Age group	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
16–24	46.4	45.8	47.0	48.0	48.8	51.9	52.7	52.3	52.2	49.7	47.3	45.1	42.2
25–29	82.8	80.9	82.4	84.0	84.7	84.4	85.6	85.8	86.5	86.2	86.5	86.7	86.4
Employment rate													
Age group	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
16–24	34.8	36.3	36.8	37.3	37.9	41.4	43.1	42.8	39.8	30.8	27.4	24.3	20.3
25–29	69.1	70.5	70.8	72.2	73.5	74.7	76.9	78.8	76.0	67.9	65.2	64.1	59.5
Unemployment rate													
Age group	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
16–24	25.1	20.7	21.6	22.3	22.4	20.4	18.2	18.2	23.9	38.1	42.1	46.1	52.0
25–29	13.7	10.4	11.6	11.8	11.2	11.4	10.2	8.3	12.1	21.2	24.6	26.1	31.2

Source: National Labour Force Survey (2^o quarter, except 2012, first quarter)

3. Ratio of youth unemployment rate to adult unemployment rate in Spain. 2000–2012

Age group	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Ratio 16–24/25–64	2.1	2.4	2.2	2.3	2.3	2.6	2.5	2.7	2.7	2.4	2.3	2.5	2.3
Ratio 25–29/30–64	1.5	1.6	1.6	1.6	1.5	1.6	1.5	1.3	1.5	1.4	1.4	1.5	1.5

4. Youth unemployment rate by age groups and sex in Spain. 2000–2012 (%)

Age group	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
16–24													
Female	32.0	26.3	27.9	26.4	26.4	24.1	16.7	13.5	22.5	27.9	38.4	41.6	49.8
Male	19.5	16.4	16.9	19.1	19.3	17.4	15.3	15.2	22.2	39.9	43.5	48.2	54.0
25–29													
Female	21.9	16.9	18.4	18.4	16.8	13.9	13.0	11.9	10.4	12.8	20.2	24.4	29.3
Male	12.0	9.6	10.6	10.4	10.2	9.3	7.8	6.8	11.8	22.5	25.8	26.7	32.9

Source: National Labour Force Survey (2^o quarter, except 2012, first quarter)

5. Youth unemployment rate by age groups and highest level of education attained in Spain. 2000–2012 (%)

Age group/ educational level	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
16–24													
ISCED 0–2	24.4	20.5	21.7	23.3	23.2	22.3	19.9	20.3	28.5	45.1	50.8	52.6	58.8
ISCED 3–4	25.7	21.6	21.5	22.0	21.0	18.7	16.9	17.8	20.1	32.0	34.1	42.3	49.5
ISCED 5–6	26.4	20.0	21.6	19.6	22.1	17.1	15.4	11.9	14.9	24.7	28.3	33.1	37.0
25–29													
ISCED 0–2	17.2	13.8	15.3	15	14.5	13.4	11.9	10.3	17.0	30.0	33.8	33.5	42.0
ISCED 3–4	14.1	11.6	12.7	12.9	12.5	10.0	10.2	7.9	10.8	20.0	23.1	25.0	27.7
ISCED 5–6	17.2	12.7	13.7	13.8	12.5	10.8	8.7	6.8	8.8	13.8	16.6	19.3	22.8

6. Youth unemployment rate by age groups and citizenship in Spain. 2000–2012 (%)

Age group	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
16–24													
Country citizens	25.1	20.6	21.4	22.2	22.4	20.1	18.6	17.4	23.1	37.3	41.4	45.3	50.3
Foreigners citizens	25.7	23.6	24.4	22.8	22.7	22.0	16.6	21.9	27.3	41.3	44.7	49.4	59.3
25–29*													
Country citizens	16.6	12.6	14.0	13.8	13.0	11.4	9.6	8.2	11.2	19.8	23.8	25.4	
Foreigners citizens	13.8	16.9	15.2	16.4	14.9	11.7	12.7	8.5	15.4	26.3	27.5	28.6	

Source: National Labour Force Survey (2^o quarter, except 2012, first quarter)

* Data not available for 2012

7. Unemployment by age groups and duration of unemployment in Spain. 2000–2012 (1000)

Age group/duration	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
16–24													
total	627.3	497.7	521.4	536.6	536	508.1	451.8	442.2	574.0	855.2	871.1	886.6	921.8
Has already found a job	22.7	45	34.7	35.5	39.5	70.3	77.2	78.9	78.2	57.9	66.2	61.1	26.1
Less than 6 months	246.3	198	239	222.9	241.4	273.9	248.5	247	341.7	404.3	332.5	307.5	296.9
From 6 to 11 months	140.3	108.9	113.9	135.1	115.4	76.4	58.5	61	81.7	203	163.2	178.2	190.8
12 months or over	218	145.9	133.6	143.1	139.6	87.6	67.6	55.2	72.3	190	309.2	339.6	408.0
25–29													
total	459	356.9	407.9	423.6	408.1	354.5	319.6	259.8	377.7	636.0	702.5	707.8	810.5
Has already found a job	17.6	29.3	32.8	24	27.7	51.6	51.2	41	46.9	48.9	43.2	41.7	32.9
Less than 6 months	139.6	136	147.5	158.7	161.5	170.4	153.6	130	220	304.2	246.5	226.9	263
From 6 to 11 months	89.3	63.4	85.8	87.6	89.1	46.3	44.5	34.8	50.5	144.1	154.6	119.1	145.1
12 months or over	212.5	128.3	141.6	153.3	129.8	86.3	70.4	54	60.4	138.7	258.2	320.2	369.6

8. Youth neither in employment nor education and training (NEET) in Spain by age group. 2000–2012 (1000 and %)

Age group	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
16–24													
Total	644.4	616.6	638.4	637.7	629.9	581.2	523.0	533.5	644.8	853.1	818.4	831.9	815.7
NEET rate	12.0	11.7	12.5	12.7	12.8	12.1	11.1	11.5	14.0	18.9	18.7	19.5	19.4
25–29													
Total	661.8	652.7	669.4	640.3	630.8	596.4	527.7	496.5	566.5	782.5	773.3	745.5	817.8
NEET rate	19.7	19.0	19.0	17.8	17.3	16.2	14.3	13.6	15.7	22.5	23.4	23.8	27.2

Source: National Labour Force Survey (2^o quarter, except 2012, first quarter)

9. Youth unemployment rate (16–24) in Spain, by Autonomous Community. 2000–2012 (%)

Autonomous Community	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total National	25.1	20.7	21.7	22.3	22.4	20.4	18.2	18.2	23.9	38.2	42.1	46.1	52.0
Andalucía	36.4	31.4	29.6	29.8	28.8	26.0	21.9	22.6	28.7	45.9	51.4	55.9	57.7
Aragón	16.6	9.2	12.4	14.7	13.6	12.1	12.4	14.5	21.1	33.1	30.6	44.1	40.0
Asturias	34.4	17.0	23.2	24.4	29.9	25.5	22.5	18.4	21.2	37.6	33.0	47.9	52.5
Balears, Illes	9.2	14.5	15.0	24.5	17.5	16.1	13.3	15.4	25.9	32.1	45.4	40.4	51.1
Canarias	24.3	21.2	20.7	24.1	27.4	28.0	24.5	22.7	35.6	47.3	54.9	52.6	54.1
Cantabria	30.8	12.6	22.4	18.7	21.9	18.4	16.2	14.6	22.9	30.3	36.6	40.0	45.4
Castilla y León	29.0	24.1	24.8	25.0	22.7	20.1	19.0	18.6	23.1	30.7	36.3	34.7	50.5
Castilla – La Mancha	19.6	18.9	17.7	16.3	15.4	18.3	18.3	16.7	21.4	38.2	44.7	47.8	52.3
Cataluña	18.6	15.9	19.6	23.0	22.8	15.1	14.7	13.0	16.7	36.4	40.4	41.9	50.1
Comunitat Valenciana	20.6	17.8	21.4	20.2	19.6	21.0	17.7	19.1	27.8	38.4	40.5	50.4	57.1
Extremadura	33.8	22.1	27.5	21.3	27.9	27.3	25.7	22.9	26.0	39.6	44.4	51.5	59.2
Galicia	27.6	25.8	24.9	24.7	27.9	23.8	17.8	15.5	19.7	31.4	34.8	37.9	42.0
Madrid	22.9	18.0	14.5	14.3	14.0	17.0	15.2	18.1	21.4	36.4	37.2	40.9	50.6
Murcia	22.2	18.1	20.6	17.3	21.2	15.8	16.7	14.8	24.9	33.7	35.2	47.0	49.8
Navarra	12.6	11.0	12.6	14.2	12.9	11.6	12.6	16.9	16.9	39.5	33.6	29.1	39.8
País Vasco	24.5	21.5	21.2	23.6	24.1	21.5	21.3	18.7	20.1	28.5	31.5	34.1	36.6
Rioja, La	19.1	9.1	14.7	10.1	9.6	15.8	12.3	19.7	18.0	32.2	36.2	49.7	56.9
Ceuta + Melilla	41.9	13.4	8.2	19.0	38.9								
Ceuta*						50.3	56.4	29.0	40.1	30.7	65.8	70.5	77.9
Melilla*						48.4	26.2	39.2	41.8	32.7	56.4	60.9	72.5

* Ceuta and Melilla= Automous cities.

Source: National Labour Force Survey (2^o quarter, except 2012, first quarter)



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Imprint

Friedrich-Ebert-Stiftung | International Dialogue
Hiroshimastraße 28 | 10785 Berlin | Germany

Responsible:
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This publication is printed on paper from sustainable forestry.



ISBN 978-3-86498-313-9