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INFORME YOUTH AND THE LABOUR MARKET IN SPAIN

CONCLUSIONS AND PROPOSALS



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Full social integration for young people that allows them to transition to autonomous lives and achieve basic targets of independence are key to their wellbeing and are also essential conditions for the sustainability of societies, with consequences for all in the long term. And key to their integration as independent adults and a sense of belonging to society as a whole are employment, availability of jobs and the characteristics of such employment.

The financial and economic crisis that began in 2008 seriously held back expectations for prosperity for people in general, and for young people in particular, and brought with it great social and collective costs and risks. After a number of years of recovery after that crisis, the situation created by the impact of the COVID-19 pandemic is once again a source of worry for many young people. The intense and fast deterioration of their position in the labour market and its effects in the medium and long term raise the risk that social imbalance will be aggravated. Today's young people, and particular those who are somewhat older, have lived through two devastating crises, practically one after another, which have dampened their hopes and their real options for achieving a full transition to an independent adult life.

However, the problems faced by young people are not just an effect of these crises, which have undoubtedly aggravated them, but have been seen over several decades and have slowed down the calendar for leaving home. All this indicates that there are more structural causes for the position of young people in the labour market and, consequently, for their real possibilities of gaining access to lasting basic commodities.

It is precisely these basic trends that have taken root, as have the structural causes of the hurdles faced by many young people in their transition towards adult life. These should be the subject of a set of economic, educational, labour and social policies targeting young people over the next few years.

In the current context, priority should be given to reinforcing economic, educational, labour and social policies that address young people. Such policies should aim to prevent the negative effects that are destroying economic prospects for the short and medium term from having yet again a profound effect on the young, especially considering that the effects on them of the great recession have not yet been allayed; it spoils their future and their possibilities of moving satisfactorily into adulthood and achieving full and fair social integration.

It is therefore important to adopt a broad overview of the many factors that lead to shortcomings and threats for young people, while not forgetting that today they have strengths and opportunities especially in the sphere of education and the labour market that should be enhanced.

Demographic characteristics and attitudes of young people in Spain

Patterns among the Spanish population are not very different from those in neighbouring countries. In fact, they are similar to socio-demographic trends in most of the European Union countries. The decrease in the size of the young population, a corollary to the ageing process, is one of the most important aspects of this pattern and it is in Spain that the decline in the young population is taking place fastest.

This segment of population (from ages 15 to 29) today represents 15 per cent of the Spanish population, with a total of 7,145,673 people, indicating a decrease in both size (of almost 2 million) and weight over total population (seven percentage points) since 2002. Since 2010, young people in Europe have lost one and a half points in demographic representation, but Spanish young people have lost twice that, from 18 to 15 per cent.

Spain's demographic complexity can be seen in, among other aspects, the unequal territorial distribution of young people, with marked differences among the different autonomous communities but also, and above all, between the rural and urban environments. The communities in the south of Spain's mainland and in the island regions have higher than average proportions of young people, whereas almost all those in the north have lower ratios.

Uneven territorial distribution

This heterogeneity is very visible in rural and urban environments, with a clear imbalance between the large cities and rural areas. Only 12 per cent of young people live in the latter, a lower proportion than in the EU as a whole (23 per cent). So almost 90 per cent of young people live in large urban hubs and intermediate areas.

These differences can be explained in part by the lack of educational opportunities at post-compulsory levels and by fewer opportunities for entering the local labour market under good working conditions and/or in line with young people's skill levels and training. But another reason is the lack of public services and poorer provision of infrastructure, such as broadband, in small towns. The lack of public investment in areas with low population makes them less attractive as places to live for young people, multiplying the impact of under-population.

This circumstance makes it advisable to revitalise rural environments along the lines suggested in ESC report 1/2018, The rural environment and its social and territorial structure, including a greater effort in public investment in infrastructure, among other areas. In education and training, diagnoses should be drawn up on local training needs, district centres should be promoted to serve rural young people, offering career and occupational guidance

and facilitating potential employment and development. It would also be necessary to adapt the educational and training measures laid down in the Young People's Guarantee Plan to the reality of rural areas.

The weight of non-Spanish nationals among the young population has been very closely linked to the economic cycle, with a great increase during the period of expansion and a not inconsiderable decrease during the latest crisis. In 2019, 14 per cent of the population aged 15 to 29 were not of Spanish nationality, while in 2009 the figure was 18 per cent.

*Non-Spanish nationals
as an integral part of the
young population*

The declaration of the state of alarm and the closing of frontiers in the EU in March 2020 led to a drastic reduction in the number of foreigners coming into Spain. However, the information from the European Asylum Seekers Office (EASO) reveals an increase in asylum-seekers. In the context of the negative trend in the pandemic in many of their countries of origin, this may point to a rise in entries which, in the medium term, would increase the weight of foreigners among the young population.

It therefore seems necessary to strengthen measures to integrate this group which in itself is heterogeneous. Even when foreigners form part of the structure of Spanish society, they face extra difficulties in acquiring the elements they need for full development of an independent life, from every angle of social life. From the point of view of training, it would be appropriate to strengthen the perspective of diverse origins in policies dealing with inequality in various areas of social reality, in order to take advantage of the potential of second generations and avoid educational gaps. Regarding employment, active policies should help resolve excessive concentration in certain unskilled occupations, improving employability.

The possibility for young people to set up their own homes, a milestone in the transition towards adulthood, largely depends on their relationship with the labour market. The average age at which young people leave home in Spain (29.5) is later than in the EU as a whole, where it is 26. In Spain it has been delayed by more than one year over the last decade and, in the current context of crisis caused by the pandemic, it can be expected to be delayed even further, or at least to remain as it is.

*Late home leaving
and few children*

Similarly, the constant increase in the age at which young people have their first child, which is currently at age 31, is reflected in the lower fertility rate of young people, whose rate of reproduction means they have increasingly lower weight in Spain's birth rate. Moreover, if the crisis triggered by the pandemic continues, it may also have effects on the birth rate over coming years because of the worse position for young people in the labour market.

The financial and economic crisis that began in 2008, with serious consequences for employment, had a negative effect on the position of young people in the labour market in Spain. This in turn has affected their perceptions and attitudes with regard to aspects of the economy, their own work and even the role of the authorities and other agents. Many of these effects are lasting and have been visible during the years of recovery, leaving their mark in the subjectivity of the most affected cohorts.

*Perceptions, opinions
and attitudes*

The health crisis that began in March 2020 will probably reinforce the attitudes that arose during the previous period of economic decline and may lead the most pessimistic of them to become entrenched. So, depending on how the reality brought by the pandemic is perceived and on the duration of the economic and employment crisis, attitudes will become more or less negative.

During youth, the main sources of wellbeing are control over one's own life and autonomy in decision-making. Therefore, worse conditions for these lead to less optimistic perceptions of reality. It therefore comes as no surprise that work and the economic situation are the elements that cause the greatest dissatisfaction with their lives among young people in Spain, with unemployment being the greatest concern.

*The key importance
of work*

Confidence in the future, the possibility of achieving goals and making plans, and the economic situation have all, according to young people themselves, been seriously affected. This means that during the previous crisis this left its imprint on the social segment of young people in Spain. So much so that most young people consider that they have been affected worse than any other sector by that crisis. And it is no surprise that they are in favour of far-reaching changes in society, with a majority of them calling for profound, radical reforms, irrespective of their social, economic and ideological positions.

It may be that the perception of employment as a scarce commodity has led to its being considered an end in itself for young people, thus dissipating its instrumental nature as a means for achieving other goals that depend on the income obtained from it. But this does not mean that this dimension of their lives does not retain its basic elements in the mindset of young people. In fact, data from the Spanish Sociological Research Centre (*Centro de Investigaciones Sociológicas, CIS*) point to earnings having greater importance, because half the under-25s would be prepared to work longer hours to earn more, a preference that disappears in other age groups.

Attitudes to work

Among these elements is a concern about security, which seems to be of prime importance: 97 per cent of the population considers "job security" to be very important, and this is a common concern among all age groups, including the youngest.

The same can be said for other elements such as pay, promotion opportunities, or interesting content, which are particularly relevant throughout society. There are, how-

ever, some relevant elements such as flexible working hours that seem to be less important when young people consider a possible job. This can probably be explained by their taking second place in an environment in which, as we have already seen, employment is considered a scarce commodity.

Most young people (85 per cent) are in favour of the public authorities adopting an active approach in reducing social inequality, which they see as unfair. This very high demand for institutional intervention is strikingly different from that in some neighbouring countries, such as France (63 per cent) or the United Kingdom (66 per cent), and can perhaps be partly explained by increasing detachment from institutions in Spain in a context in which the government is considered by young people to have the main role in managing the crisis. And this is perhaps why they hold the government responsible for creating jobs for all.

*The role of institutions
in the mindset of
young people*

Education and training

In Spain there is still a high degree of polarisation in the levels of education of young people, to the extent that even though the proportion of young people with high-level qualifications is slightly higher than the EU average, that of young people with a low level of education is still very high. This concentration at the two extremes reflects the limited comparable weight of the population with intermediate levels of training plus the high rate of early school leavers (ESL), which was 17.2 per cent in 2019.

*Persistent polarisation
in educational levels and
lower skill levels among
young people*

Moreover, in Spain young people have lower levels of basic skills, irrespective of the educational level reached. Nor are prospects for progress good because their level of skills when they complete their compulsory education is very similar. These low levels of skills during compulsory education continue into post-compulsory levels, in both secondary education (Bachillerato and vocational training) and at university.

It is considered necessary to continue to analyse the factors behind these problems, and greater efforts and a greater consensus are needed to improve the quality of the educational system and of lifelong learning.

The main challenges for Spain are to increase the level of qualification of its less well-trained young people and to raise their skills at every level of education, while also reducing the high rates of ESL.

The role of educational administrations to reduce ESL and promote post-compulsory education is important. On the one hand, all those who have obtained their secondary school

qualification (Educación Secundaria Obligatoria, ESO) should be encouraged to continue studying. On the other, all those who did not obtain this qualification should receive guidance on the Basic Vocational Training schemes, because trends in enrolment show that this alternative is not very attractive. Where such measures fail, it would be necessary to develop an education policy that is both more accessible and more efficient to facilitate returning to the education system for all young people who decided at one time to leave it, especially those with lower levels of education.

In addition, an increase in the rate of participation in lifelong learning (LL) for young adults might help to overcome some of the problems associated with early leavers, and with low levels of education and skills.

Some key tools for promoting participation in lifelong learning through the education system are distance learning, modular programmes, credit-based qualifications, flexible pathways and improved evaluation and recognition of prior learning, both formal and informal. To encourage greater participation in LL, adult education including training for employment should be more flexible and should be available outside the formal education system or in formats compatible with working hours.

In Spain, initial vocational education and training (VET) faces several challenges, both quantitative and qualitative, which are closely related. The former include the lower proportion of people in Spain, in comparison with the European average, who choose and complete such training, in spite of the improvement seen in recent years, as well as lower numbers of women following such courses.

The current challenges faced by vocational training require reactivation of pending reforms

Social recognition of VET has improved, but among other factors there is still a propensity to associate it with low-performing students and with fewer socio-economic opportunities.

It is important to raise the number of people who obtain their VET qualifications so the choice of such training should be encouraged and a greater proportion of students should complete them, with such vocational learning being strengthened to make it more efficient, better-quality and adapted to the production environment.

To achieve this, it is also necessary to improve performance in educational stages prior to VET, so that new entrants in it are in a better position to be able to successfully complete such studies.

Amongst other measures, it is also advisable to adopt a global quality approach that includes clear performance markers, and to strengthen cooperation among the various Administration bodies that have educational, employment and social competencies in order to provide support to students and their families, VET centres and firms.

For guidance on training paths to be more efficient in leading young people to opt for VET, it should place greater emphasis on the socio-cultural factors that influence individuals' decisions, acknowledging the role played by parents in the vocational and professional advice that young people receive. Also, guidance systems should include psychological and educational advice and occupational information.

A second challenge lies in the persistence of a significant concentration of students in certain professional areas, which leads to a lack of alignment with the needs of the production system.

This concentration of demand in certain professional areas has decreased but still is not always in line with job opportunities on offer. The fact that students are less inclined to sign up for STEM courses stems from previous educational levels, because problems relating to low levels of competence in mathematics and science in compulsory schooling continue into post-compulsory levels and, therefore, into their choice of vocational and university studies.

It is therefore necessary to investigate and act more effectively in prior educational levels on the causes of the lack of attractiveness of certain studies and on the factors that help reproduce segregation and segmentation by gender in STEM courses, as well as in other disciplines.

It must not be forgotten that, in spite of the relevance of the latest measures to modernise and improve Vocational Training, the situation in the Spanish parliament over recent years has led to a standstill in certain essential reforms which would make such options more attractive. These reforms should go ahead.

The importance and acceptance of Dual Vocational Training in Spain has, however, not prevented both the education and production systems from considering that the current legal framework does not provide properly for the monitoring and control of the adoption and development of dual VET, the assessment of training pathways or the methods and tools for assessing learning processes.

Promotion of dual vocational training

It is therefore necessary to set up a standardised framework of reference for the implementation in firms and educational centres of high-quality dual VET projects, based on criteria of functionality, efficiency and effectiveness.

The structure of the business fabric in Spain, with a predominance of small and micro enterprises, is often considered one of the main obstacles to better functioning, yet in other countries with a similar fabric this system functions better.

Among other measures, financial support should be provided based on mechanisms for sharing costs among employers, apprentices and the public authorities. Action by “interme-

diate structures” (such as employers’ organisations) and other institutions could contribute to this aim, as they do in countries in which this type of training is better established. Non-financial support measures are also needed to help SMEs in procedures for adopting this system, such as the collaboration offered by the Alliance for dual vocational training.

In 2018, the rate of tertiary education attainment was slightly higher than the average of the EU-28 but was still far from reaching the national target of the European Strategy for Training and Education 2020. Graduate students have been decreasing since the 2012-2013 academic year, in parallel with the reduction in the population with the typical age of students in this stage, although this might also be influenced by other factors such as over-qualification, the poor net financial profitability of such studies and changing conditions for obtaining and retaining grants.

Improve the rate of tertiary education attainment in line with the target of the 2020 Strategy

More efficient action would be required by educational and employment Administrations in this respect to change this downward trend in numbers of students. It is also necessary to improve the academic performance of university students at all levels, in view of the differences between enrolment and graduation, and other indicators. Such improvements should aim to achieve the target of attainment in tertiary education laid down in the Education and Training Strategy 2020, while also improving the efficiency of public university expenditure.

The low variability over time in distribution of students by field of study points to a high level of concentration and segmentation by gender, thus preventing achievement of the target of increasing the proportion of graduates in STEM courses, which in Spain is slightly below the EU average. In addition, the availability of university places by field of study is not being used dynamically or even, in some cases, correctly because it seems to be unrelated to the top-priority sectors defined by the Ministry of the Economy up to 2027, or to demand from the labour market.

As already stated, it is important to act in prior stages of the education system which, by influencing the subsequent choice of the field of university studies, determine such concentration and segmentation.

The shortcomings that persist in university-level education lie not only in the quality and pertinence of the knowledge and professional skills acquired in the various areas of study and universities, but also in cross-cutting skills which are a

Persistence of certain shortcomings in university education

key element in university education in view of their importance for employability. The reform of the Spanish University System to adapt to the European Higher Education Area led to the formal admission of the importance of cross-cutting skills which, however, have not been evaluated systematically for the system as a whole.

The public Administrations are trying to promote cooperation between universities and firms in order to improve professional skills and to make university graduates more employable but, although such collaboration is improving, it is still insufficient.

Academic and business circles consider that certain challenges in collaboration still need to be resolved. Some of these, which are shared by the ESC, were recently pointed out by the European Commission in the Education and Training Monitor for 2019 for Spain.

At non-university, post-compulsory levels, grants aim not only to guarantee equal opportunities for access but also to break down the link between early school leavers and low-income levels, to make up for the opportunity cost of continuing to study and even to stimulate academic performance. However, the average amounts for grants in all studies at what are considered non-university, post-compulsory levels have remained the same since 2011-2012. Moreover, there is a large territorial difference in the rates of coverage and the amounts of grants.

Improve the grants and scholarship system

Since 2013, when the grants and scholarship system was reformed, the State School Council has been making recommendations with the aim of mitigating some of the effects of this important change, as explained in the main body of this Report.

In addition, although the impact of university grants for improving equal opportunities has been fairly great, there are certain factors that reduce their influence, such as the insufficient amounts and the lack of a review or updating of income thresholds. Such limitations, together with a serious lack of information and guidance on university grants may have a negative effect on the continuation of university studies by students in a more vulnerable financial position.

The economic effects on families of the pandemic, together with the anomalous circumstances of the second part of the 2019-2020 academic year, will probably also affect the numbers of applicants for scholarships and study grants.

It is hoped that agreements resulting from the Observatory on scholarships, study grants and academic performance will help to mitigate some of the shortcomings that exist. The annual royal decree for the year 2020-2021 establishing income thresholds and the amount of the various components of scholarships and study grants (Royal Decree 688/2020, dated 21 July) has come together with an increase in funding and a partial reform of the current scholarship system in line with some of the proposed reforms and with the exceptional academic, social and economic situation caused by the pandemic. Some of the reinforcement

measures approved may therefore be a step in the right direction. However, a more stable and structural reform of scholarships and study aids, based on a consensus among the whole education community, should not be delayed, especially bearing in mind the serious economic, social and academic consequences of COVID-19 for many families.

Added to the more structural problems already described are the effects of the COVID-19 pandemic and the measures adopted to contain it. When all schools were closed in the first half of the month of March, keeping classes going and guaranteeing their quality amounted to a huge challenge for educational institutions, students and families, who had to change in just three months from face-to-face teaching to on-line, distance learning. This disruption cast light on the many needs for quality and equity in education that existed prior to the pandemic as well as other new needs for improving educational results and skills for all students.

COVID-19: unprecedented disruption of education and some opportunities

However, the pandemic has also enhanced social recognition of the value of education and research, pinpointed the importance of overcoming social inequalities in education, speeded up digitisation and shown the relevance of collaboration between educational institutions and families.

The ministerial departments and education authorities in the autonomous communities have, though with poor coordination or standardisation, adopted many measures of an exceptional and temporary nature to try to adapt both university and non-university teaching to this new scenario, attending to the needs of both students and their families.

The start and continuation of the coming academic year will amount to a new challenge for the education system as a whole, which also has to prepare for the safe re-opening of education institutions, strengthen programmes for remedial classes and compensation for educational inequality, reduce the curriculum, promote the acquisition of cross-cutting and digital skills among students and teachers, increase the autonomy of schools and make a greater effort to provide the latter with the physical, human and organisational resources they need to make the new school year a success.

However, in spite of the measures and precautions adopted and the efforts made by the whole education community to facilitate the change from classroom teaching to distance learning, the lockdown for children and young people and the change in learning and teaching methods have probably had a direct impact on students' academic performance, even though such effects will only be seen clearly during the coming school year.

It is essential to assess the impact of this situation on educational performance and young people's skills in order to correct any deficiencies and educational inequity resulting from this

overnight, radical change in teaching, creating the conditions for re-opening schools safely and establishing measures to improve distance learning as there may well be a trend during the coming year to adopt a bimodal education system.

Participation in the labour market

Unemployment is the main problem for young people in Spain's labour market. Rates in 2019 were close to 25 per cent for under-30s, as opposed to 14 per cent for all under 65s. Although the gap closed somewhat during growth periods, rates have always been substantially higher for young people, which points to the existence of specific and structural problems in the employment situation for this age group.

Unemployment is the main problem for young people in the labour market

From the start, the crisis triggered by the COVID-19 pandemic led to a sharp rise in unemployment for young people. Although the figures are still very partial, and it is difficult to predict the possible mid-term effect of a global crisis that has no clear end, the initial impact for young people has been great, with more negative effects than for the working population as a whole. During the second quarter of 2020, the rate of unemployment for young people according to the Survey on the Working Population had grown by 5.2 points over the previous year and was once again above 30 per cent, while the rate for all ages had grown by 1.3 points and was at 15.3 per cent. This is because COVID-19 led to a rapid drop in employment for young people, associated with the fact that many young people have temporary, short-term contracts and with sectoral and occupational distribution concentrated in activities that have been seriously hit by the pandemic.

Job creation, based on sustainable economic growth and a sound productive base, is the essential starting point for dealing with unemployment, and it is on this that post-pandemic recovery efforts should focus. However, apart from measures adopted in the short term to alleviate the immediate impact of the COVID-19 crisis, reconstruction measures should take into account its serious effect on the employment situation of young people and should correctly identify the factors underlying the higher rates of unemployment for young people which, in the case of Spain, is of a structural nature.

Analysis of youth unemployment points to two main characteristics which are also closely related to the importance of educational level as the main factor for greater or lesser employability: on the one hand, low participation in the labour market, especially among the younger groups and, on the other, the presence of relatively long periods of unemployment indicating that it is difficult not only to gain access to employment but also to hold onto it.

The main factors behind youth unemployment

Participation in the labour market for young people measured in terms of activity rates is low in Spain, in comparison with the EU-28 and with data for over-30s. In the long term it is decreasing but with the focus on people aged 16-24 rather than those aged 25-29.

This is because, firstly (almost 86 per cent of those who declare they are not working among under-30s), they are studying. Therefore, two questions must be asked: why do the younger group not study while also working, as they do in several European countries with better data on employment for young people; and in the older group, what is the meaning of that exclusive way of extending their studies unless it is also a way of trying to overcome the difficulties of finding employment.

But low participation in the labour market also stems from the presence of a not inconsiderable group of young people (6 per cent of all people aged 16-29) who neither study nor work and are not actively searching for employment.

These two situations signal a distance from the labour market that compounds the actual problem of unemployment for young people. And, although the figures are small (about 20,000 people in 2019), these situations include the so-called “discouraged” young people, that is, those who would like to find a job immediately (for which reason they are called “potential workers”) but are not actively job searching because they believe they would not find anything. This discouragement, which is mainly present at lower educational levels and has probably been generated by longish periods of unproductive job searching, reflects exclusion from the labour market which may, in many cases, become chronic and lead to social exclusion.

If we look at the 2019 figures for NEET, that is, for young people not in education, employment or training, which are behind the design of youth employment policies throughout the European Union, we see that in Spain, in comparison with European averages, the problem to date was not that they were outside the labour market but that unemployment was higher. But if a situation of very high, or even massive, unemployment continues after COVID-19, it may be necessary to deal with greater problems, not only of lower employability and fewer job opportunities for young people but also, and above all, worse social integration during the transition to adulthood when work is key.

During the most recent process of recovery since the crisis of 2008 and until the start of the pandemic, the downward trend in youth unemployment was slowing down, and had almost stopped. In addition to the possible effect of a lower rate of economic growth on job creation, this stop in the decrease in unemployment reflected two circumstances. On the one hand, the gradual rise in activity as a consequence of the increasing flow of labour immigration and, on the other, the increase in temporary work which, as we shall see below, is related to a high rate of turnover between employment and unemployment. The inclusion of new job-seekers arising from both of these circumstances raises the frictional unemployment that comes from the time that necessarily has to be spent between starting to search and actually obtaining a job.

Unemployment and temporary employment: reducing turnover

This fact tallies with the trend in duration of unemployment. In 2019, periods of less than a year rose, as did figures for unemployed young people with work experience which had been rising since 2015. Most of them were aged 20-24, but the rate was also high among the youngest group. This infers not only difficulties in acquiring a job (which is what unemployment by job-seeking time shows) but also difficulties for keeping a job.

So, it is not only necessary to restore the rate of job creation but also to review the efficiency of pathways towards employment and the capacity of improvement mechanisms in labour market supply and demand in order to avoid yet another negative effect of excessive temporary employment, that of youth unemployment becoming structurally higher.

Trends in youth employment between 2014 and 2019, after the serious crisis before then, returned to a generalised growth path, although there were important differences, both quantitative and qualitative, among the different under-30 age groups and, in general, with slightly better results for males. But a new key factor arose in participation in the labour market for young people in Spain, that of nationality, with greater relative weight in the working population for people of immigrant origin among the under-30s, especially, among the youngest group.

Immigration is the newest factor in youth employment trends up to 2019

The youngest group has a very low rate of employment, combined with a low level of completed studies, to the extent that those who had completed primary or Compulsory Secondary Education (*ESO*) amounted to 55 per cent of the working population aged 16-19 in 2019; if we remember that in this group there is very limited presence in the labour market of work done simultaneously with education or training, we can deduce that such low-skilled employment is for those who have dropped out of the education system. This signals specificities and problems of real integration that should be analysed and carefully dealt with.

These employment data are influenced by immigrant origin, for which there is a larger presence than for Spanish nationals in the labour market, as well as better results in terms of unemployment, in that same age group. In 2019, one quarter of people aged 16-19 were of immigrant origin (foreign or dual nationality), and their rate of unemployment was considerably lower. In the other groups, the advantage was for people of Spanish nationality.

This indicates that among the youngest group, the presence of Spanish nationality in the labour market is limited, but that those that are working come more from situations of school failure and are more often early school leavers than those with foreign nationality. This explains their worse position in employment and unemployment.

This situation should be studied in depth as it points to specificities and problems for the youngest Spanish nationals to find jobs, which should be carefully dealt with in order to avoid undesired, long-term social consequences.

The relation between educational level achieved and position in the labour market is clear for all age groups, including young people. Low-level qualifications (up to ESO) systematically lead to a much lower rate of employment than higher (university) ones.

This has become clearer after the crisis that began in 2008 and after the subsequent years of recovery. The same is true of unemployment rates, which are about twice as large for lower levels of studies than for higher ones. Where it is most evident is where young people do not have even the compulsory secondary qualification, but there is also a considerable difference between intermediate and higher levels. The difference between the results for the 20-24 and 25-29 age groups points to the length of the job-finding process for young people. In addition, when broken down by gender, the data show that only in higher education are unemployment rates similar for men and women, with a noticeable disadvantage for women at other levels.

It should be stressed that secondary studies with general content show a slight advantage, at least in unemployment rates, over studies with vocational content at the same level. This is a very relevant point, to be studied together with the type of specialisation by occupational areas in such studies, the importance of which as an explanatory factor may stem from the large gender differences in them in unemployment rates. It is among women, at least at present, that unemployment is highest at vocational secondary level than at general level; in men, this is not found. The gender biases that are still present in the choice of vocational studies are still leading to worse results in female youth unemployment for people with this type of training.

The distribution of youth employment by sectors of activity and by type of occupation, which in many cases are closely related, has seen significant changes in the last 15 years. These have stemmed from the 2008 crisis and, above all, have been in line with far-reaching transformations in the production system which, in turn, have been the consequence of factors such as digitisation (and, in general, fast technical change), demographic and social changes (which create new needs and new demands), gradual inclusion in global value chains of key activities in developed economies and the need to adapt processes and products to the requirements of the fight against climate change.

Generally speaking, youth employment shows, as does employment for all ages, a gradual tertiarization, with a high presence of the services sector and with a similar weight for the main branches of activity that dominate production in Spain.

However, if considered from a different angle, the weight of young people in employment has dropped in almost all activities, both because of the decrease of this group in the population in general and because of their lower participation in the labour market.

*The importance
of training*

*Sectors and occupations
in youth employment:
far-reaching changes
and problems to be
resolved*

Also, because of the differential impact of the crisis on employment for young people, especially in manufacturing and construction.

In construction, the decrease associated with the 2008 crisis which lasted until almost 2017 and the low level of job creation during those years are the reasons for this lower weight of young people. But in manufacturing, in which by 2019 there had been a significant period of about 5 years of job creation, there are also other factors relating to the lower presence of women in the sector and their concentration in traditional, less skilled jobs than the men. Technical change and digitisation in the sector may have concentrated job creation in occupations with greater requirements for general skills of a technical nature (associated with the application of digital technologies) and specific, new vocational skills which reduced positions in basic occupations, which is precisely where women had previously been in the majority.

More in general, the above is observed in the analysis of occupations, where the polarisation generated by the great transformations just mentioned led to a very different gender profile in 2019, with women, especially those of immigrant origin, being in a worse relative position.

*Greater polarisation
in women's occupations*

Among young men, until 2019, the trend converged with that of other age groups, with more balanced distribution between the main categories (although specific skills associated with production sectors are being replaced by more general qualifications of a technical nature, both higher-level or vocational, or of a supporting nature). In young women, there was also convergence with other age groups. This is not altogether positive because it infers a polarised structure, with three areas: high-skilled, which now has a larger share of the total and is very much centred on health care and education; occupations in services dominated by hospitality and commerce; and unskilled work, where the weight is lower than for older women. The area with the greatest weight in total female employment in 2019 was those intermediate occupations, associated with women of immigrant origin, above all in hospitality but also, among Spanish young women, with a phenomenon tied to their training profile, namely over-qualification.

The lower weight of industry in youth employment, most marked among women, and the polarisation of occupations point to the need to increase their presence in education and training areas related to industrial activities, from STEM professions in the most highly skilled categories to industry occupations in vocational training.

Moreover, the initial effects of COVID-19 on the decrease in employment, which have been especially pronounced in activities in which female employment, especially for young women, carries the greatest weight, reinforce the importance of this idea for increasing the position of young women in less vulnerable jobs. It is therefore necessary to promote greater diversification and to open up to technical-professional content in training pathways, especially for young women, in line with some of the proposals made in the section on education and training.

The majority of employed young people are wage-earners. Their weight (93 per cent in 2019) was slightly higher than the figure for all age groups (84 per cent also in 2019) and was greater for women and for the lower age groups. The differences are not large but clearly young self-employed workers hold a smaller weight, which has been decreasing slightly in the medium term. This led above all to a steep downward trend between 2008 and 2013, and to stagnation from then and up to 2019 for young self-employed workers signed up to the Special Regime for Self-Employed Workers (*Régimen Especial de Trabajadores Autónomos, RETA*), with a relatively low rate of new young people signing up for this regime. Self-employed work seems not to have been an alternative in the crisis when so much wage-earning work was being destroyed, and an increase in new forms of work for young people was not perceptible in affiliation of self-employed workers, although in theory this should have been the case.

Greater frequency of wage-earners: decline in self-employed workers

Specific studies should be carried out to determine where there actually is a lack of coverage in the affiliation of young people in some of these new forms of work and, if appropriate, to draw up more efficient solutions, in accordance with what is stated below regarding working conditions and social protection in new jobs in the field of digital platforms.

Within self-employed work, although just a small part of it, is entrepreneurial activity by young people. This is of special interest for job creation and, above all, for entrepreneurial dynamism, because it is related to innovative initiatives that are often associated with technology. International data indicate that in recent years there has been a certain increase in the case of young people in Spain, above the figures for ten years ago and with results above those for all ages together. In fact, the figures are similar to those of some of the large EU countries, although they are quite far below the best European figures.

To ensure that progress continues, greater efforts should be made in the fields of education and training to integrate entrepreneurship in the basic skills that the system should provide. In addition, participation by young people, especially women, in entrepreneurship should be promoted, strengthening and developing measures to meet the goals of the Plan for Implementation of the Youth Guarantee, as well as the Emergency Plan for youth employment: guidance and backing, financial incentives, training in administration, dissemination and promotion of an entrepreneurial culture, and “second opportunity” programmes for entrepreneurs.

One of the most prominent features of youth employment is the high frequency of temporary jobs. There was a marked decline in this situation during

High and persistent levels of temporary employment

the crisis of 2008 in the wake of the destruction of employment that took place at that time, and a fast subsequent recovery, which was even greater during the years of greatest job creation for young people up to 2019 and which may have enlarged the considerable gender gap, with a higher rate of temporary work for women. That year, the rate of temporary employment for young people aged under 30 was 55 per cent; when broken down by 5-year age groups, it was 87 per cent for ages 16-19, 67 per cent for ages 20-24 and 47 per cent for ages 25-29.

This is behind the greater initial impact for young people mentioned above of the COVID-19 crisis which initially affected temporary employment. But this consequence of reduced temporary employment means that the conclusions for 2019 will be greatly affected by the new situation. It will be necessary to wait for several months to see firmer trends because in the short term they vary greatly with, for example, in July 2020, a spike in the numbers of young people affiliated to the general regime with temporary contracts.

However, the data until then pointed to a level of temporary employment for young people that was lower than its record peak in 1995. If the three five-yearly age groups are considered separately, both the 20-24 and 25-29 groups reached a situation that was better than then, but the rate for the 16-19 group was still equally high. And it is probably especially relevant that this comparison over the long term shows that almost all the decrease that had accumulated between 1997 and 2007 has been lost (partly, probably, the effect of the promotion of open-ended contracts, especially through conversions).

This indicates that in the long-term measures to promote open-ended contracts have been relatively inefficient even though the results for 2018 and 2019 are more positive in this respect. This perhaps suggests that a period of sustained job creation might be necessary to appreciate the adoption, in comparable moments of the economic cycle, of such measures and policies designed to cut back excessive temporary employment. Moreover, a longitudinal reading of rates of temporary work for these young groups indicates that, in spite of its great frequency and the fact that this is a structural problem associated with a high degree of involuntary temporality (72 per cent in the most recent data, which is lower than during the crisis years after 2008 but still high and above EU figures), as a phenomenon it is not more persistent now than thirty years ago, so such policies are having a certain effect in the long term.

In part, the high figures for youth unemployment stem from the process of joining the labour market and during progress (or at least movement) in their careers. In fact, the labour market for young people, everywhere, always shows greater mobility than the market for adults between the basic positions (occupation, unemployment and inactivity), because of moments marked by access to and subsequent activity within the market, and in the best cases between jobs. In other words,

*Temporary employment,
turnover and short-
term contracts: greater
frictional unemployment*

there is greater mobility because new groups of young people are entering their working life, either in employment or as unemployed workers, and are beginning or leaving work because of the greater combination of work and training episodes.

But in the case of Spain a very relevant role is also played by the high level of temporary employment and the short duration of jobs accumulated one after another by young people. This is seen in the large proportion of very short contracts of less than a week that are signed every year in these age groups and in the weight of young people in total short-duration contracts.

Very short contracts lead to greater fluctuation between employment and unemployment or inactivity, after each episode with a short-term contract. This is especially true at times of change in the economic cycle, when the adjustment of employment involves greater fluctuations in the short term, precisely because of their temporary nature. It might, therefore, be considered that unemployment is systematically higher in young people because of the high levels of temporary employment in Spain over recent decades.

In round figures, in 2019, 5 million short-term contracts were recorded for a total of 1.4 million young wage-earners with temporary contracts. 31 per cent of them were for one week or less. At the other extreme, open-ended contracts were less frequent among young people, although it is striking that the greatest weight of such contracts was in the 25-29 age group, in which open-ended contracts were even above the figure for all ages together, because of the conversion effect. This underlines two key, but very different, considerations: one is the greater turnover among young people already mentioned; the other is the importance of the move from temporary to open-ended contracts through conversions.

It might be appropriate, as in the first years after the Inter-confederation Agreement for Job Stability of 1997, to consider two stages for recovery after COVID-19. In the first, greater incentives would be given to the conversion of temporary contracts for young people, subject to sectoral agreements or actually in collective negotiation, to achieve greater initial stability for young wage-earners than in 2019. In the second, requirements for access to funding or to resources from the post-pandemic reconstruction fund might be adjusted, to promote more stable initial hiring.

Since the 2008 crisis, the trend in part-time work for young people and in total employment has been an upward one, although the rise has slowed down in the most recent years. This trend has increased the weight of part-time work in young people (26 per cent), to a level more than twice as high as in the growth period before the 2008 crisis, and well above the level for all ages together. The data for part-time work in young people are now close to the Eu-

Greater weight of part-time, but often involuntary, employment

ropean Union averages, and it should be stressed that for young women, especially in the under-25 age group, the part-time proportion is higher in Spain.

This circumstance is important because the degree of involuntary part-time work in youth employment is almost double in the case of Spain, and is even greater for all ages, while in the EU-28, though high, young people have a better figure than all ages together. Although the rate fell during the years of recovery, the majority (58 per cent) is involuntary for young people in Spain, while in the EU-28 it is slightly over one quarter of the total. The data for several European countries, some of which have the highest rates of youth employment, are even more divergent, with the majority of part-time work being voluntary. It is true that these same comparative differences are found for the total working population at any age, but it must be remembered that, on the one hand, it is precisely young people who carry most weight in part-time work and, on the other, this type of work, if the option existed, would allow for more flexible types of work during the years when young people are entering the labour market.

Transitions from education to employment

Given the importance of access to the labour market for a person's subsequent career, the different positions achieved by young people during the start of their working lives reflect one of the most important times in the transition towards adulthood. The duration and quality of the education they receive, the skills they acquire and their families' and their own personal motivations have an important impact on the transition from education to work. In a globalised, uncertain and changing world, also relevant are the characteristics and conditions of the labour market they are entering, the socio-economic context, institutional policies and economic resources used to achieve success in this process.

COVID-19, at least in the short term, can be expected to have serious consequences for the initial entry into the labour market for young graduates, especially regarding the time needed to find work, although it is still too early to determine what will happen in the medium and long term.

Over recent years, the transition between education and work in Spain has become longer and increasingly unpredictable, because young people change jobs more frequently and take longer to find their place in the labour market, either out of choice or because it is unavoidable. Generally speaking, finding work is more difficult for women than for men, and the higher the educational level of individuals the easier it is for them to find work. Other personal characteristics, such as foreign nationality or the parents' labour situation, especially unemployment or low-skilled work, may also be significant when searching for a job.

*A prolonged transition
from education to work*

There is no single transition between school and work, with several itineraries or initial pathways being identifiable. These are closely linked to training options and the individual's success in these, job opportunities existing in the economic and territorial

context, decisions taken in the family regarding the opportunity cost of different training courses, whether or not schooling is continued, subjective perceptions and expectations of studies, among other factors.

The impact of globalisation, digitisation, robotisation and even population ageing are leading to changes in the demand for work, which in turn lead to a great risk of misalignment between the qualifications required by employers and those obtained by young people through formal education. Moreover, the speed of change is transforming the business fabric, which will therefore demand new professional skills and even new professions. Such changes mean that young people have to face changes in the transition from education to work, and perhaps losing some of the “traditional” pathways.

The impact on job profiles of technological and other changes

In view of these challenges and their socio-economic and employment consequences, young people have to be equipped with higher levels of basic skills, but also both professional and cross-cutting skills. In this context, language skills and technological or digital skills become especially relevant.

Some of these skills are included formally in curricula in the education system, but no assessment is available on the degree to which they are actually acquired. They are important for employability, so acquiring them should be reinforced through vocational training.

It is also necessary to rapidly adapt the pathways of official training to occupational requirements in order to strengthen the employability of young people and provide them with the tools that will enable them to take up new occupations that do not exist today.

Although the impact of the double recession over the period 2008 to 2012 on employment in Spain must be taken with caution, employment rates in 2018 for newly-qualified young people in Spain were especially low at all educational levels in comparison with the EU-28, especially among those with higher-level studies, but also among those with vocational training. These lower rates of employment, particularly for more skilled young people, point to serious under-utilisation of human capital. This has effects in both the short and long term, and influences future professional careers, because of both the depreciation of qualifications acquired in the educational system and the lower acquisition of professional and cross-cutting skills that are learnt on the job.

The inclusion of young people with higher and vocational studies is lower in Spain

Situations of unemployment at the start of a working life are costly, as when young people do not have the opportunity to apply their skills relatively soon after graduation, such skills run the risk of being lost or becoming

Greater unemployment for new graduates

obsolete, reducing short and medium-term employability. Moreover, this may hinder the worker's productivity throughout their working life and make it difficult to recover costs. Unemployment after graduation has consequences not only for future careers but when a young person goes through long periods in this situation, they become discouraged, less employable and more likely to be unemployed in the future. This seriously reduces their opportunities throughout their working lives.

The economic crisis that began in 2008 had a particularly great impact on youth unemployment in Spain, and this spread to all levels. During the period of recovery, this unemployment decreased more among graduates with intermediate and higher-level studies, but today the rate of unemployment among new graduates at these stages is still high.

Moreover, the duration of unemployment for young people who neither study nor are actively searching for work is higher than the EU average. And once young Spaniards have left their educational institutions, they need more time to find a stable job, with a large proportion of them (20 per cent) still not finding such employment after four or five years.

The degree to which a worker's skills and educational level tally with those required by their job is fundamental and on them depend optimisation of investment in human capital, labour productivity, pay and job satisfaction. The characteristics of the production structure and business fabric are very relevant in this respect because they determine the type of jobs, but so are educational structure and training options for young people. In Spain in 2018, the proportion of young people working in an area different from their studies was 33.7 per cent

When young people do find work, it is often not in line with their skills

In addition to strictly educational problems of horizontal and vertical misalignment, there are others linked to insufficient skills actually acquired by graduates. These are perceived on both sides of the process of integration in the labour market, by employers and job applicants.

In Spain there has been no analysis of the degree to which basic skills are acquired at every educational level, nor of either the alignment or use at work of certain professional skills (such as languages or ICT) or of the cross-cutting skills acquired by young people and to what extent they are used at different educational levels. Such analyses are important in transitions because shortcomings need to be identified and resolved in order to better align skills to the needs of the production fabric.

In spite of the lack of specific analyses, on the employer side it is widely perceived that the knowledge, skills and attitudes that they demand are not in line with those provided by education and training. Moreover, firms are very concerned about the change in profiles that the digital revolution makes necessary for university and vocational training graduates, and about the need for them to have cross-cutting skills related to more col-

laborative working methods, as well as certain personal attitudes such as adaptability, resilience, engagement and a capacity to work in uncertain environments. The acquisition of certain skills and personal attitudes that are valued by the production system does not correspond exclusively to formal education as many of them can be acquired at work. Lack of experience is an important factor and has a negative effect in the case of Spain because of the time needed for young people to find work and shortcomings in the field of internships and on-the-job training.

There is plenty of room for improvement in policies for vocational training with regard to skills, also in cooperation between academic and business spheres. It would also be necessary to develop a nationwide guidance strategy at this level, unifying information on educational and training needs and improving the use of data on needs for occupational and cross-cutting skills in the drafting of policies.

Information on the entry into the labour market of young people with vocational training qualifications indicates that there is misalignment between the occupational areas chosen by students and the needs of production, which is particularly significant considering the qualifications obtained.

Misalignment between vocational training qualifications and the needs of the production fabric

A shortage of qualifications or specialisations in official VET has been detected (such as industrial activities, facilities and maintenance, and logistics) and this needs to be corrected.

Young people with VET qualifications may be overqualified or face a horizontal imbalance, but since the data are limited, it is not possible to perform a proper analysis. This situation of insufficient information should be resolved as such an analysis would make it possible to ascertain the degree of misalignment and adopt measures to correct it. It would also indicate the individual, economic and social costs of such horizontal and vertical misalignment.

It is necessary to develop and give priority to training actions in certain areas in order to anticipate the future needs of the production model and in, for example, business internationalisation, entrepreneurship, innovation, technological development of production processes, digitisation, energy efficiency, environmental management, sustainable mobility, regulated professions and activities, industry-related activities and logistics activities.

In Spain there are structural problems that make it difficult for university graduates to find jobs, with rates of unemployment and over-qualification that are above those of the EU-28. Over-qualification is relat-

The transition for university graduates and over-qualification

ed to many factors, including the functioning and results of the educational system, the labour market, the productive structure of an economy and economic situations. But the problem of over-qualification in Spain also seems to be related to a lack of actual skills in graduates, to the extent that the percentages of over-qualified persons vary greatly depending on their level of performance in basic skills. Over-qualification entails high individual, social and economic costs.

The data provided by the relevant ministries allow for observation of the transition from education to work for Spanish university graduates, that is, during the four years after they obtain their qualifications and in two different economic periods (2009-10 and 2013-14). They show that, in general, the rate of affiliation of Spanish graduates increases over the years after completion of their studies for both cohorts. This information makes it possible to identify educational misalignment for those who wish to work but cannot, and to observe the risk of over-qualification in the early stages of their working careers. Being unemployed for a few years after becoming qualified (4 years after completion of studies) is not particularly worrying if it is a matter of (voluntary) inactivity rather than (involuntary) unemployment. But persistent over-qualification (4 years after completion of studies) leads to obsolescence of knowledge and skills and may make it difficult to obtain a job in line with such studies.

The type of training chosen by university students clearly affects their subsequent entry into the labour force, as in both cohorts differences in entry and in alignment with qualifications are noted, but entry depends not only on training but also on factors in the environment and the economic situation. The quality of training received, the design of training pathways and the organisation of universities also affect students' entry into the labour force. In addition, aspects related to individuals' personal training (foreign stays, work placements or language or ICT skills) also have positive effects on the job-finding process.

In general, by branch of study, students who completed their courses in 2013-2014 found initial and final jobs (4 years after qualification) more or to a similar degree than those who completed their courses in 2009-10.

Those who completed studies in Arts and Humanities and in Science in 2013-14 showed the lowest rate of affiliation every year, with those from Health Sciences, Engineering and Architecture showing the highest. The distribution of people by branch of study, has not only

remained constant over recent years but does not correspond to the fields of study with the best rate of entry into the labour market. Just above half of those who qualified in 2013-14 were from the branch of Social and Legal Sciences, about 22 per cent from Engineering and Architecture, 12 per cent from Health Sciences, 6.7 and 8.4 per cent from Arts and Humanities and 5 per cent from Science. The rate of affiliation of women who

Distribution by branch of study of people completing their qualifications does not tally with the fields of study in which most jobs are available

completed their qualifications in 2013-14 exceeded that of men over the four years, with the exception of the branch of Engineering and Architecture, the only one in which women were the minority.

For both cohorts, the proportion of graduates who had a job in line with their qualification was higher, in both the first and the fourth year, in the branches of Health Sciences and Engineering and Architecture, and lower in those of Social and Legal Sciences, and Arts and Humanities. In all fields of knowledge, fewer women work as graduates in both the first and fourth year after graduation, with the exception of the field of Health Sciences. However, the data given in both reports do not indicate whether or not the graduates work in their field of study.

This heterogeneity in job-finding and over-qualification by areas of study is seen to be similar in the analysis of graduates' areas of study, which as a category that is more similar to qualifications.

Working conditions and social protection

The results of national surveys on working conditions show certain age differences which, in some aspects, reflect conditions that are less favourable for young people. The latter have a greater perception of job insecurity, more short or short-term working hours which are largely involuntary, greater relative frequency of changes in working-hour organisation with little advance notice and work during non-standard hours, as well as higher rates for certain risks associated with speed of work and with the emotional requirements of the job. Some characteristics of their work, such as high rates of temporary work as analysed above, lead to working conditions that are less favourable in certain of the above-mentioned aspects. However, young workers present more positive indicators in some aspects, such as personal conditions for health and wellbeing, while in others there are no significant differences by age.

There is room for improvement in health and safety conditions for young workers, not only in the degree of information they possess on risks at work, but also because they still show a higher rate of accidents at work in spite of the drop that can be seen in historic records. Differences can be observed by age and gender sub-groups, with higher rates for younger persons (aged 16-24), especially younger males. This circumstance is associated with a different occupational sector structure between the groups.

It would be desirable for actions within the framework of the Spanish Strategy for Health and Safety at Work 2015-2020, which identifies young people among groups that require specific analysis and measures, more specifically the reports forming part of the Plan of Action 2019-2020, to consider in greater depth possible links between the increase in temporary work and worker turnover and comparatively higher accident rates.

Reinforce health and safety at work for young workers

During the period 2008-2013, that is, the years of the previous financial and economic crisis, the average earnings of young workers decreased but did not recover in the years after the double recession, unlike those of all ages taken together. In 2017, the average annual wage for young people was 11.4 per cent less than ten years before in the 20-24 age group, and 5.7 per cent less in the 25-29 age group, with growth in the gap between them and older workers. Figures were even worse for young female workers, and gender gaps thus became more marked and lasted longer.

Young people's earnings: greater negative impact of the 2008-2013 crisis followed by an insufficient recovery

Various markers, including a growing trend towards low-earning young people, point to an unfavourable panorama from the point of view of wages for young people in Spain. Their position on the wage scale has gradually worsened, and the years of recovery did not bring a substantial improvement. At the end of the previous crisis period, young people tended to be concentrated in the lower deciles of the scale, which correspond to lower earnings, and their proportion decreased at higher wage levels.

All this shows that the impact of the financial and economic crisis of 2008-2013 was greater for young people's wages and that these are taking longer to recover. This context helps explain the relatively large proportion of workers aged under 30 who are at risk of poverty. During those years and the first years of the recovery, young people in Spain saw that proportion increase, by 10.1 points, more than doubling its size over eight years until it reached 19.2 per cent in 2017 as opposed to an average for the EU-28 of 8.8 per cent.

From a generational point of view, some studies indicate that there was a gradual worsening in wages for young people in successive age cohorts. These sources place the turning point at the financial and economic crisis, showing how, before it, each new generation on average achieved annual earnings that were higher than those of the previous generation. They stress the effect of unemployment and the high rate of temporary employment which still exists for today's groups of young people. In both cases, these lead to a loss of experience and skills or at least make it more difficult to acquire them.

These poor wage prospects for young people may well be aggravated by the new COVID-19 crisis, which threatens to push down their wage levels even further in parallel with their lower position in the labour market.

Therefore, if prior to this new crisis, it was clearly necessary to strengthen economic, educational and labour policies for young people in Spain, with the prospects of another recession this has become even more pressing. It is important to prevent the accumulated effect of the two crises from creating a chronic situation of low wages for young people, which will affect them to a greater proportion.

A tool that can help strengthen the working careers of young people is training offered by firms. This can provide them with the capacity to adapt that is needed when they have less work experience and in a context of fast-changing production. The youngest workers, aged 16-25, are one of the groups that have a relatively lower level of participation in training organised by firms for various reasons, including occupational factors and their high levels of temporary work, among others.

Greater participation in training run by business

Special attention should therefore be paid to improving their rates of participation in such training, in order to enhance their working lives.

In Spain, poverty, the most extreme indicator of social inequality, has an intense impact on young people, especially those living in households with low employment intensity and with burdens related to payment for housing. This vulnerability is greater among the youngest group (aged 18-24), who have only just entered the labour market. But it is also great for young people aged over 25, which indicates that their greater access to the labour market is not sufficient to mitigate situations of poverty and social exclusion, as we have already seen.

Rethinking social protection for young people

This is a tremendously important problem if we remember that a large percentage of young people today, who have inherited the previous crisis, have lived most of their lives in situations of social vulnerability. They now have to face the negative economic and employment consequences of the situation generated by COVID-19, which are already being seen in more acute terms in higher volumes of unemployment for young people. The extraordinary measures adopted to preserve jobs and guarantee earnings are therefore very important (including furlough schemes for reasons of temporary force majeure or aid for self-employed workers who have had to suspend their activity), and in many cases have benefited young workers.

Poverty is often lifelong. The risk of poverty and social exclusion often marks the stages of personal and professional growth and development of many young people, possibly leaving scars on their future working lives, as well as on other key areas of life. This situation stems in part from the fact that the poor protective capacity of the social protection system is accentuated for young people. They have lower levels of access than other population groups to unemployment protection and minimum income.

Such social protection mechanisms have anyway had limited effects on poverty reduction, except for the most severe cases, because the amounts involved are low (below poverty thresholds).

It is therefore necessary to develop broader, more ambitious measures to fight poverty and inequality, as stated repeatedly by the European Commission in its recommendations for Spain in the framework of the European Semester.

March 2019 saw approval of the Spanish National Strategy to Prevent and Combat Poverty and Social Exclusion 2019-2023, a necessary step in the fight against situations of social vulnerability and inequality in Spain. It was a positive starting point but its effectiveness will depend on the drafting of policies that specifically cover the needs of the young population.

For this purpose, it will be necessary to ensure that any social measures developed tie in with those in the fields of the labour market, income policy, education and health, among others. In addition, progress must continue along the lines already seen on a community level (in the framework of the European Pillar for Social Rights) to guarantee that economic transfers are sufficient as a tool for fighting poverty.

Essentially, measures must be adopted that try to overcome the limitations of social protection policies in general and that target young people (and children) in particular. Such measures should aim to guarantee social cohesion in a more stable, structural way, not only resolving situations that arise from the most serious economic crises, however important such solutions are.

Social policies to decrease the vulnerability of young people may be strengthened by the recent adoption of the new instrument to guarantee income, namely the Minimum Income (*Ingreso Mínimo Vital, IMV*). This new subjective right to protection (Royal Decree-Law 20/2020, dated 29 May) may help reduce such vulnerability as part of its broader aims of eradication and mitigation of poverty. It has been designed to link up protection policies and active employment policies, with the aim of promoting employment for beneficiaries, who include young people, based on certain compatibilities and obligations. This might help to attenuate situations of working poverty in some young people.

Linking income guarantees to policies to promote both labour market participation and inclusion of people in poverty seems to be a step in the right direction of integrating social and labour policies in substantive terms and in cooperation and collaboration between the relevant administrative bodies that have powers in these areas.

They should therefore be based on intense cooperation and collaboration with territorial and local administrations, the most representative trade union and business organisations and social entities. And some of the measures planned will have to be implemented through regulations and initiatives by the appropriate Administration bodies to make them truly effective and operational.

New forms of employment in the context of digitisation, especially the provision of services via digital platforms, are growing activities that have advantages and bring opportunities but also risks and problems. Quantitative studies point to fast growth in new models over recent years and unanimously indicate that such jobs are taken by young people, both globally and in all of Spain's neighbouring countries. In Spain, the small number of studies available to date show a profile that is very similar to that in European countries in general. Young people predominate in work on platforms that is considered intensive (at least once a week) and when the work is considered principal (when more than half the worker's income comes from work on such digital platforms), so they bear the greatest weight in the age structure in this type of work.

Various studies touch on the need to improve employment conditions, working conditions and access to social protection in this type of work. Therefore, not only is it important to classify such work from a legal point of view as subordinate or self-employed work, the solutions found to this very diverse and changing economic reality, which incurs complex problems, will have important effects for many young people because the data show that this is a large source of activity for a growing proportion of young people in Spain.

It would therefore be desirable, in such types of work as well as in other more conventional types, for the efforts of all agents involved and for the goals of policies to aim to treat them as sources of wealth creation and jobs with guarantees, balancing the opportunities and risks involved by means of instruments to govern working relations.

*New forms of
employment and work
on young people's
platforms*

Policies for youth employment

Active employment policies that target young people have an important role to play in overall employment policy. Over the years, they have become more stable and systematic. They identify the problems faced in the labour market by under-30s and set up concrete measures to resolve them.

In addition to the specific problems and needs of young people during their transition from education to working life and access to a first job is the fact that, as stated recently by the ILO, it was young people that suffered everywhere the greatest consequences of the previous economic crisis and who are now suffering those of the COVID-19 crisis. With the aggravation of the structural problem of youth unemployment which can be assumed to stem from the effects of the two recent crises, young people are still facing serious uncertainty and challenges.

*The need for a specific
employment policy for
young people*

All this leads to the need to grant strategic importance to active policies for young people and to draw up a broad employment policy that can meet their problems and needs in the labour market. For this purpose, a leading role should be taken by dialogue with the social partners, which would be the necessary framework for efficient, consistent measures.

This policy should be coordinated with education and training policies and should be framed in a general policy for youth, based on an economic policy that promotes a framework of stability and sustainable growth with job creation. And this will take place in the context of a strategy to restore activity and employment after the pandemic, with young people receiving special attention.

The fight against youth unemployment has been one of the cornerstones of the European employment policy over the last decade. Many initiatives and measures have been adopted to guide, promote, coordinate and fund national policies, including above all the Youth Guarantee or the Youth Employment Initiative both of which were set up in 2013, but also the recommendation for a European framework for apprenticeships.

*The european framework
as a reference for a youth
employment policy*

In particular, implementation of the Youth Guarantee in Member States has been important for fighting youth unemployment, although some deficiencies, such as insufficient funding and the need to adapt it to the specificities of each Member State, have prevented it from reaching its full potential.

The turning-point represented by the Youth Guarantee as a firm response to the employment needs of young people makes it necessary to transform this instrument, which was initially designed for particular circumstances, into one that is permanent and stable. The aim should be to combat structural youth unemployment so that, in the context of a new and far-reaching crisis like the current one, effective responses can be offered. The youth employment initiative recently launched by the European Commission with the presentation of a new package of measures including reinforcement of the Youth Guarantee is in line with the above, and a prompt agreement from the Council is desirable so that it can be fleshed out and implemented. In addition, in order to take up all the opportunities presented by this new initiative, it should be reflected in the youth employment policies of the different Member States.

At the same time, funds must still be allocated to the Youth Employment Initiative within the forthcoming multi-annual financial framework, especially in Member States in which youth unemployment is, and can be expected to remain high, thus avoiding the risk of vulnerable groups becoming alienated from the training system and the labour market.

Over the last decade, many measures have been adopted targeting young people, some of them of a general nature and others specifically for under-30s and, in

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some cases, within the framework of broader strategies such as the Strategy for Entrepreneurship and Youth Employment or the Youth Guarantee. Although their initial design did not tie in exactly with the needs of young people in Spain, this country has been one of their main beneficiaries. This has led to a clear improvement in the employment situation of young people although this cannot be seen separately from the improvement in the economic cycle.

Any additional efforts to be made in the adoption of the Youth Guarantee in Spain should consider the specific characteristics of young people and their needs, focusing more on promoting actions for both training and employment rather than only on the latter which has been the case so far.

In turn, the Spanish Strategy for Activating Employment 2017-2020 explicitly covers the much-needed improvement in employability for young people but also the importance of linking and coordinating active employment policies and the education system, thus helping to enhance the transition from school to work and preventing the situations of insecurity often faced by this group.

Undoubtedly, the most decisive element was approval in 2019 of the Emergency Plan for Youth Employment, which included for the first time an integrated and consistent employment strategy that addressed young people.

In this respect, the ESC considers it necessary to continue developing this Plan that specifically targets young people, although the funds assigned to the period 2019-2021 may be affected by the current uncertainty caused by the pandemic. But this should not alter the validity of the Plan, which should also be reinforced so that the consequences of the current crisis can also be considered.

Regarding resources assigned to active employment policies for young people, it is difficult to identify how much is channelled to actions for this group because budgetary allocations, except for certain specific programmes, are not determined in terms of the beneficiaries. Moreover, there are no standard criteria in the management of the autonomous communities for assigning groups to specific actions, and many actions of a general nature are devised that do not specifically target young people. This reflects a lack of specialisation in programmes and services for specific groups.

A catalogue of common services for young people should therefore be established. This should be flexible and dynamic so that it can be adapted to the needs of specific territories and the different groups within the young population.

Actions in the area of active employment policies targeting young people should facilitate successful transition between school and work, promote integration in the labour force and alignment between the demand for labour and the capabilities that young people offer, and encourage the necessary job stability to allow young people to set out on their adult working life, participating in the labour market and in the production system.

Measures to promote early integration in the labour force

The inclusion of young people in the labour market needs the transition from school to work to be agile and must offer the right tools for facilitating entry into employment. Work experience is key for this initial inclusion and it is necessary to have instruments that will facilitate practical, on-the-job experience and a subsequent first job.

In line with this, the ESC considers it necessary to firmly support dual vocational training, as mentioned above.

It is also necessary to overcome the marginal role played today by contracts for training and apprenticeship and internships as tools to facilitate the transition from school to work. They should become a real, effective path leading young people into the labour market.

Such contracts for training and apprenticeship should be subject to transparent, assessable development of their training content and a regulatory framework that can be adapted as required, without affecting its quality, to the needs of apprentices and firms. For internship contracts, it would be advisable to consider new stimuli, especially in view of the foreseeable consequences of the pandemic for youth employment.

It would also be advisable to prolong the effort in programmes for on-the-job training and extend them to a larger number of young people, placing priority on projects related to sectors and activities in which there are unmet needs relating to sustainable development, services to the community or new technologies.

Guarantees should also be provided for unpaid work practice to be clearly based on training, for which purpose there should be mechanisms for supervision and control. In order to recognise the value as training of work practice periods, the regulation should be simplified in a framework of quality for unpaid work practice. Since the Emergency Plan for youth employment provides in its measure 31 for the drafting of a Statute for unpaid work practice to guarantee the training-based nature of such practice, it would be desirable to speed up this process in the framework of social dialogue so that a tool of this sort will be made available soon.

Actions in the fields of career guidance, information and support in job-searching are key for helping young people to enter the labour market.

Other active measures for youth employment

Personalised attention and monitoring of unemployed persons requires appropriate funding and efficient use of such resources, as well as a sufficient number of career guid-

ance professionals in job centres, who should be allotted in line with the profile of each job-seeker.

It is also necessary to promote greater coordination and collaboration among all the entities that are involved in the situation of young people, namely, employment services, career guidance suppliers, educational institutions and universities, municipal entities and offices or youth support services, bearing in mind their proximity and knowledge of the realities of the labour market and of specific needs.

Employment incentives are a common tool to promote hiring among certain groups, including young people, who are at a disadvantage for gaining access to the labour market.

In view of the current situation of employment resulting from the COVID-19 crisis, it would be advisable to devise new incentives for employment for young people who have lost their jobs or for whom it has become more difficult to find work because of the pandemic.

Vocational training for employment is the tool that makes the most effective contribution to improving employability. It is strategic for building up firms' productivity and competitiveness and for enhancing the employability of young people.

A system of vocational training for employment must therefore be based on greater participation and autonomy for firms and the social partners. They are directly aware of the needs for qualifications and occupational skills and can infer what would be the most suitable training for different sectors and firms in the context of a changing labour market.

Social dialogue and participation by the social partners and by the autonomous communities in the design of the system are essential for achieving a model for vocational training that will improve workers' skills and help boost firms' competitiveness.

Finally, there are also actions to support and promote self-employment and entrepreneurship that target young people. These include a wide range of activities covering guidance and advice, training, dissemination and promotion or incentives for self-employment and entrepreneurship, which in many cases exist in the different areas of central, regional and local administration.

In order to avoid duplication, it would be advisable to draw up a detailed map showing all the assistance available for this purpose in the different territorial areas. It is also necessary to properly assess the efficiency of such measures to promote self-employment and to contribute to its survival.

To complement the actions carried out by the central Administration, the autonomous communities draw up specific measures for young people in the framework of their own programmes, which are often co-funded by the European Social Fund. Local entities also act to promote and support initiatives for job creation on a local level, adjusting policies to the different territorial circumstances and needs.

Territorial perspective of active labour market policies for young people

The map is therefore a heterogeneous one covering actions for young people that are carried out by a wide range of agents but are difficult to grasp fully because the information on measures and results is often scattered and not sufficiently standardised.

In fact, the Independent Authority for Fiscal Responsibility (*Autoridad Independiente de Responsabilidad Fiscal, AIReF*) has signalled that there is a problem of territorial adjustment, regarding both competence and funding, in active employment policies. The fact that local entities have autonomy to design their own programmes and services because they are close to citizens should be the basis for designing the employment strategy, scaling it up from there to the other bodies with powers in this field, autonomous communities and the central Administration.

Since this wide range of actions may lead, in some cases, to overlapping and duplication, it would be necessary to reach a more precise definition of the needs of the labour market and of the measures and agents available in order to achieve maximum complementarity, synergy and efficiency in the use of public resources. All this requires sufficient consolidated and aggregated information so that the coverage and effectiveness of the package of measures adopted can be properly evaluated.

Moreover, while over recent years communication and collaboration between regional public employment services has been intensified through the exchange of good practices and the sharing of the challenges faced and solutions to them, a greater effort at coordination is still needed with other administrations and specific entities that draw up measures addressing young people.

Evaluation of all the above measures targeting young people is essential to determine that actions are suitable and to assess whether resources have addressed existing needs and achieved the goals set in their design.

The importance of evaluating youth employment policies

The ESC has often insisted on the need to establish a culture of systematic, detailed evaluation of active employment policies, going beyond the mechanisms for supervision and assessment laid down in specific programmes or plans. This would include detailed evaluations of all actions carried out in terms of methods, management and resources used, but also the profile of beneficiaries, in line with the needs of different groups within the young

population as a whole, and the mid-term impact of the measures in terms of entry into the labour market, enhanced employability and job stability.

For all of this, it is important to have a complete, systematic data base as well as standard information systems throughout the country to guarantee fluid, transparent communication among all the agents participating in accordance with their areas of competence. This should allow for thorough evaluation of the process at different times so that the suitability of the measures and the need to redesign them can be assessed, together with the efficient use of the public resources allocated to them.



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