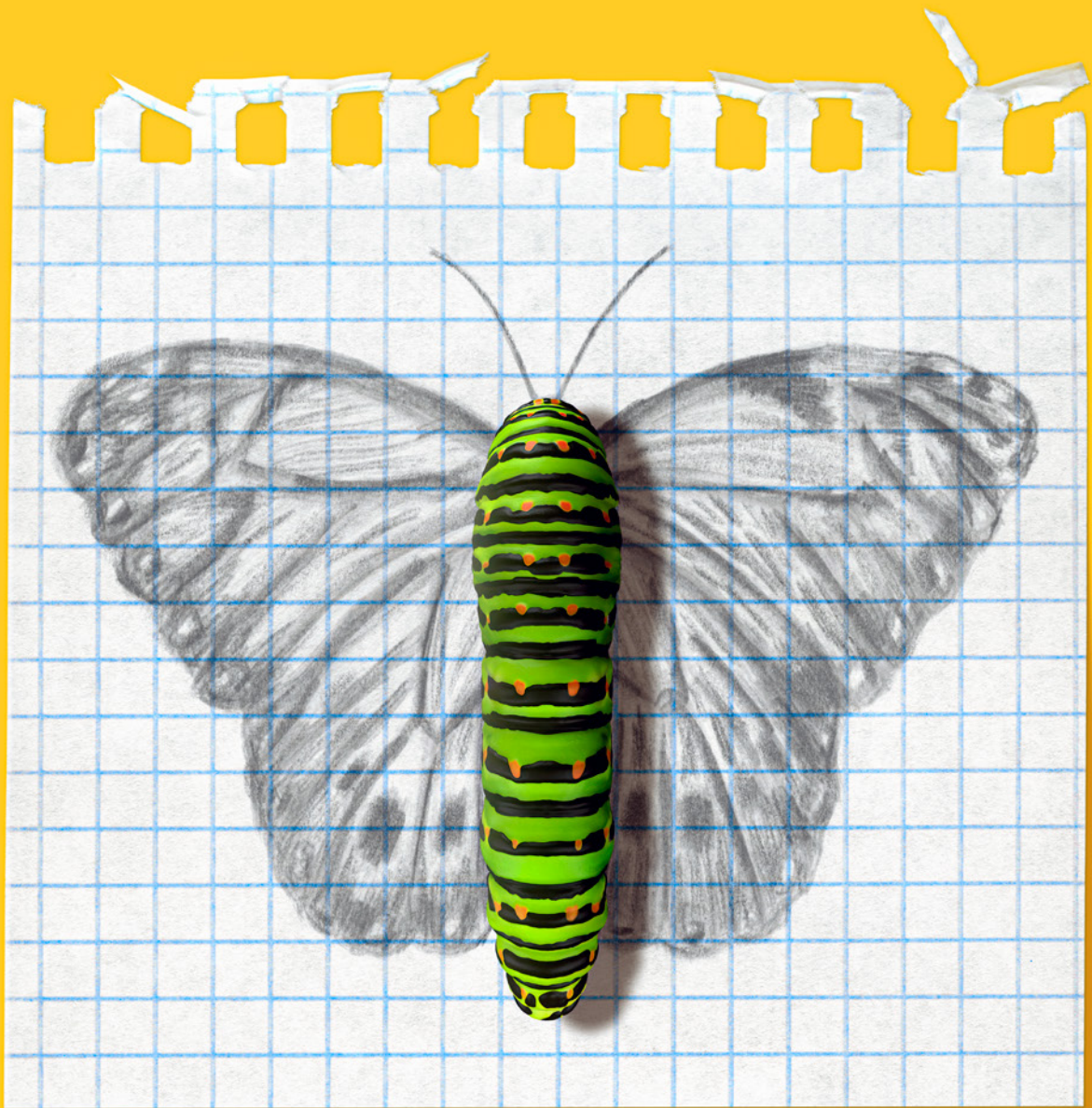


Spain and Portugal

Young people, opportunities and future





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Editorial

Open futures for young people in Spain and Portugal

Youth is a pivotal time in all of our lives; a period when a more realistic view of the world and the future is adopted. The experiences lived and decisions made during these years will be essential for initiating or decanting development pathways in one direction or another, pathways that may be extended over the life course. However, beyond personal decisions, each new generation of young people faces particular socio-historical circumstances that define it. In the case of today's youth, they have grown up in a globalised and fully digital world, one that has generated new leisure opportunities, possibilities for access to information, and modalities of social contact. On the other hand, they are also children of the global crisis of 2008, whose implications in terms of precarity in the labour market still persist today, and they experienced the great shock of the restrictions linked to the pandemic of 2020.

The consequences of these events are shaping the current situation for young people, their well-being, and their prospects for development. Their situation also changes depending on context. Thus, young people in Spain and Portugal face specific challenges in matters such as their participation and performance in the education system, their incorporation into the jobs market, or their possibilities for leaving the parental home, challenges that differ to some extent from those faced by their peers in other European countries.

In combination, these historical, social, and geographical circumstances determine both the enabling aspects and the obstacles present in the lives of young people, and have an important impact on their living conditions and the very nature of the households they will form in the future. Thus, knowledge of their situation and of the challenges they face will make it possible to design effective policies to help channel the adult realisation of significant life projects, and therefore not only facilitate the present and future well-being of today's younger generation, but also, based on the intergenerational connections inherent to any society, contribute to the welfare of the general population.

The *Dossier* presented here aims to provide research results and elements for reflection in this regard. To this end, it includes a series of indicators and data that offer a broad yet in-depth vision of key aspects in the life circumstances of Spanish and Portuguese young people from a European comparative perspective.

General context indicators

Global and temporal view of the situation in Spain and Portugal within the European context

Diederik Boertien, researcher at the Centre d'Estudis Demogràfics (CED-CERCA)

Level of economic development in 2022

Gross domestic product (GDP) per capita in purchasing power standards Spain, Portugal, and EU-27 (=100)



Source: Eurostat, 2023.

The volume of GDP per capita in purchasing power standards is expressed in relation with the average of the 27-Member Europe (EU-27), which takes the value of 100. If a country's index is higher than 100, the level of GDP per capita of that country is higher than the average value of the EU-27, and vice versa.

People at risk of poverty or social exclusion in 2022

AROPE indicator of poverty or social exclusion Spain, Portugal and EU-27



Source: Eurostat, 2023.

The AROPE indicator is used to identify the percentage of people at risk of poverty or social exclusion. This group includes people who live in households with very low incomes, with material deprivation and extreme social exclusion, or where paid work is scarce.

Unemployment rate in August 2023



Source: Eurostat, 2023.

The unemployment rate indicates the percentage of people who are out of work with respect to the total of people who are available to work.

Average annual household income adjusted by number of members, 2022



Source: Eurostat, 2023.

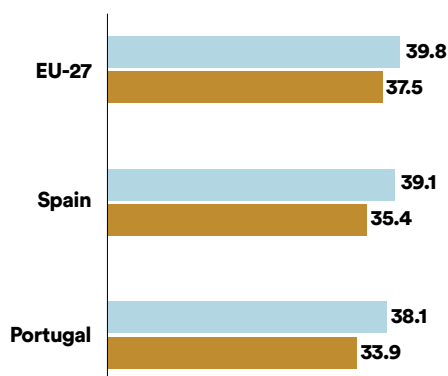
Household incomes are calculated based on the sum of incomes of all household members. This figure is adjusted by the number of household members using a formula that takes into account which members usually share expenses (for example, the rent).

Indicators on youth

This section presents a series of key indicators on the youth population of Spain and Portugal. The indicators originate from European and international databases (Eurostat and OECD).

Diederik Boertien, researcher at the Centre d'Estudis Demogràfics (CED-CERCA)

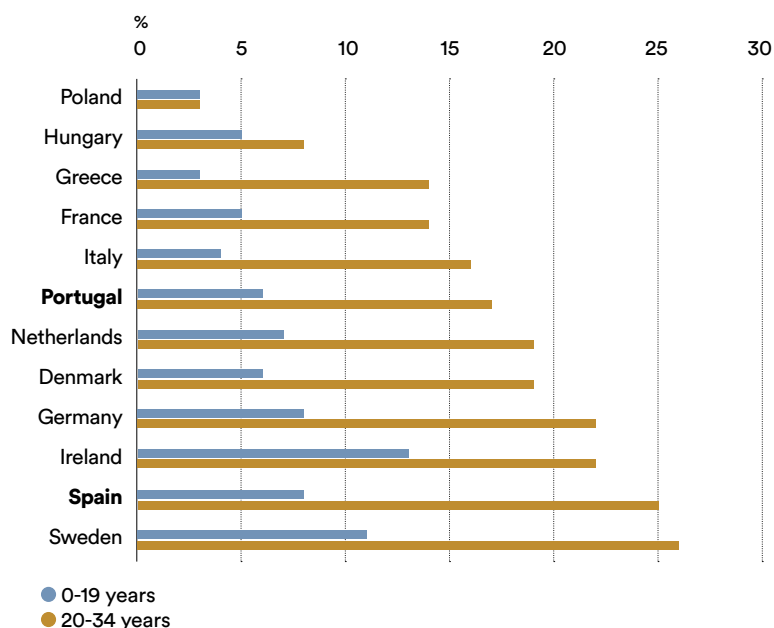
● Volume of **youth population** (percentage of the population aged under 35 years)



● 2013
● 2022

Source: Eurostat, 2023.

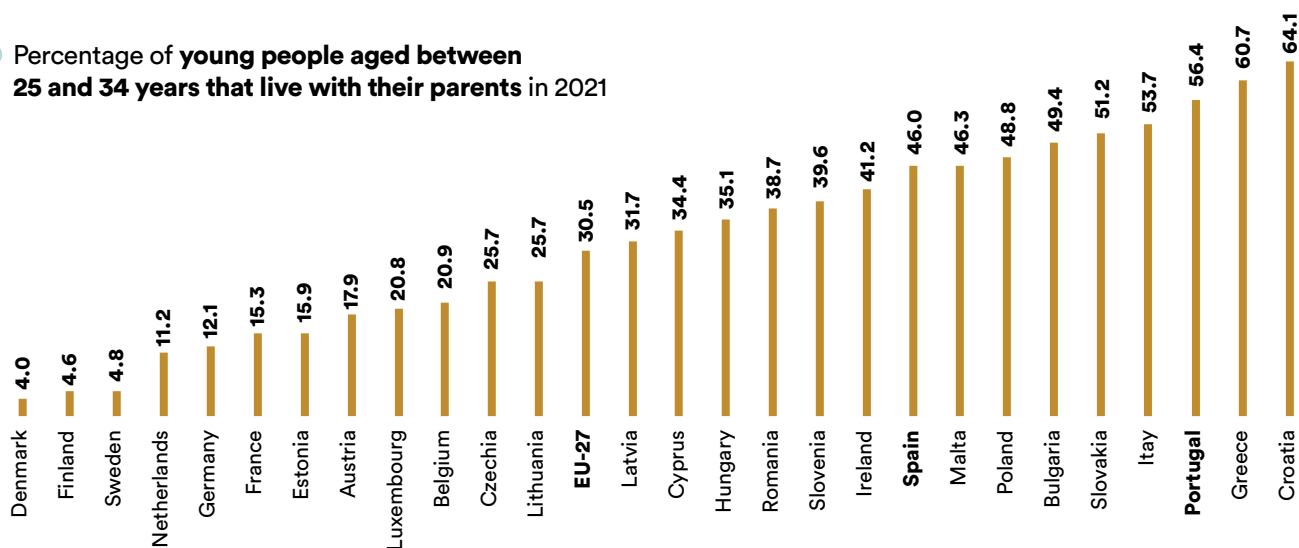
● Percentage of **young people born abroad**, 2022



● 0-19 years
● 20-34 years

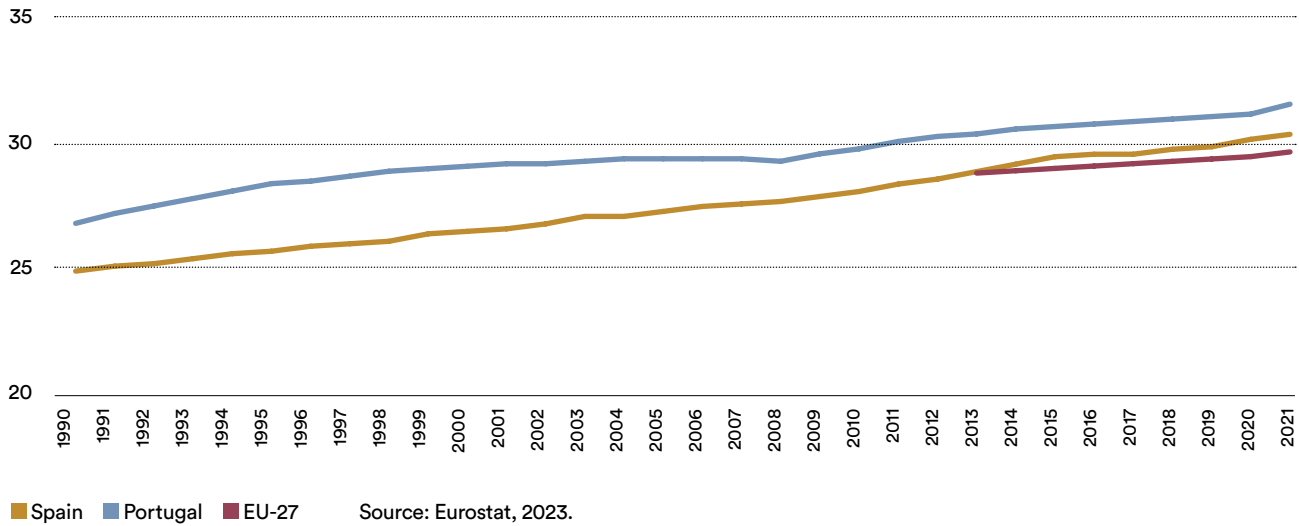
Source: Eurostat, 2023.

● Percentage of **young people aged between 25 and 34 years that live with their parents** in 2021

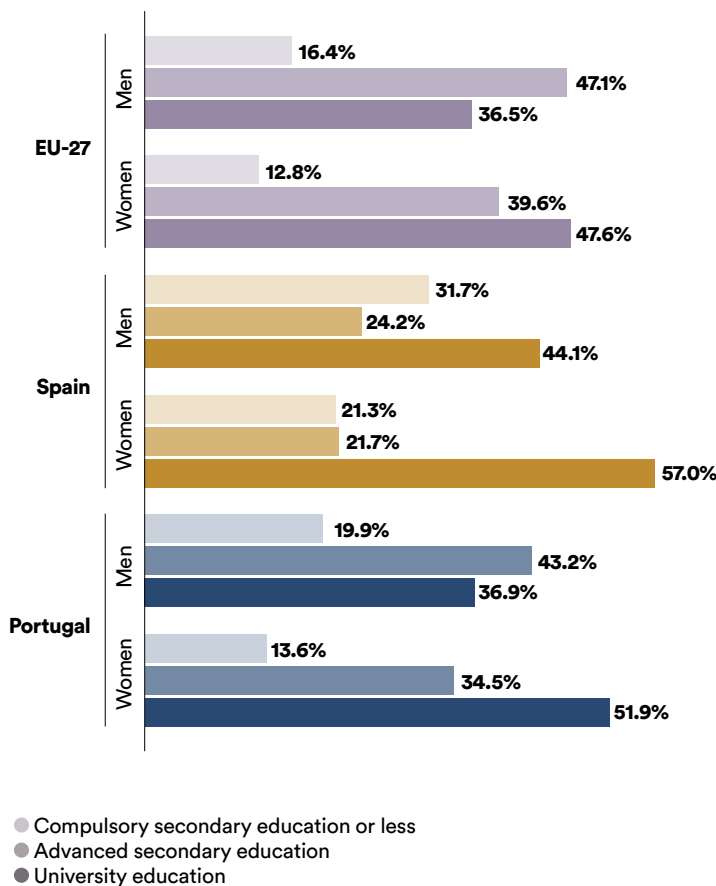


Source: Eurostat, 2023.

● Average age of **women at the birth of their first child**, in years



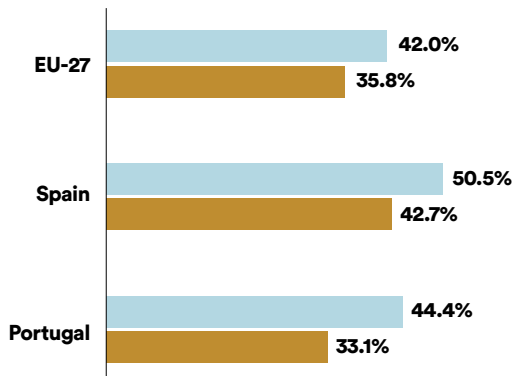
● Educational level of young people aged between 25 and 34 years by gender, 2022



Young people in Spain and Portugal: high levels of education, but also of unemployment

Young people as a percentage of the population in Spain and Portugal are decreasing faster than in other European countries, especially in Portugal where there are fewer foreign-born young people than in Spain. A large part of the young adult population in both countries has university studies, but there are also high levels of inactivity and unemployment. These disadvantages are more visible in Spain, where there is also an important part of the population that only has Compulsory Secondary Education (ESO) or less. This situation will improve significantly in the next few years, because the percentage of people that have only completed ESO is lower among younger age groups. Another challenge for the youth population in both countries is the low level of young people leaving their parental home, in comparison with other countries in the European Union.

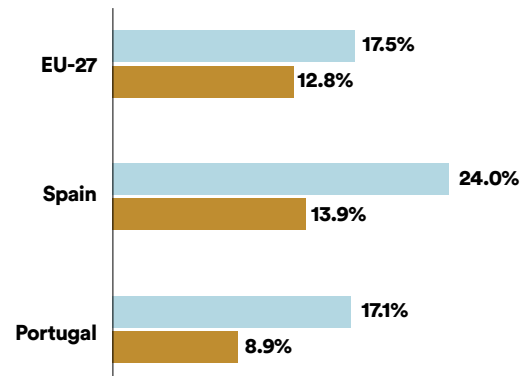
● Percentage of population with **university studies** by age, 2022



● 25-34 years
● 34-54 years

Source: Eurostat, 2023.

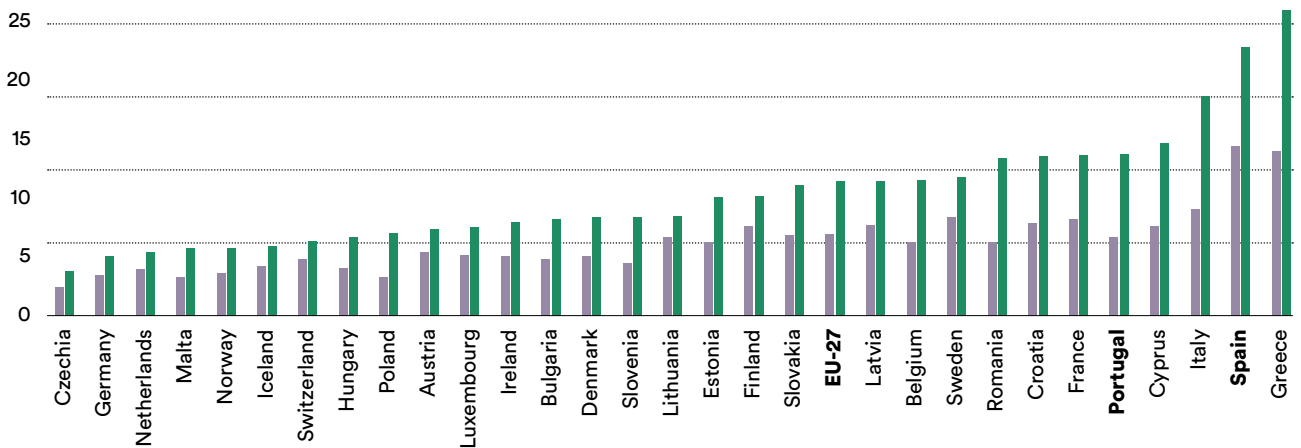
● Percentage of young people aged between 15 and 34 years who **neither work nor study**



● 2013
● 2022

Source: Eurostat, 2023.

● **Unemployment among young people aged 20-29 years** in comparison with the global population in 2022, %



● Total
● 20-29 years

Source: Eurostat, 2023.

● **Hourly wage of people aged under 30 years** as a percentage of the hourly wage of the whole population (=100), 2022

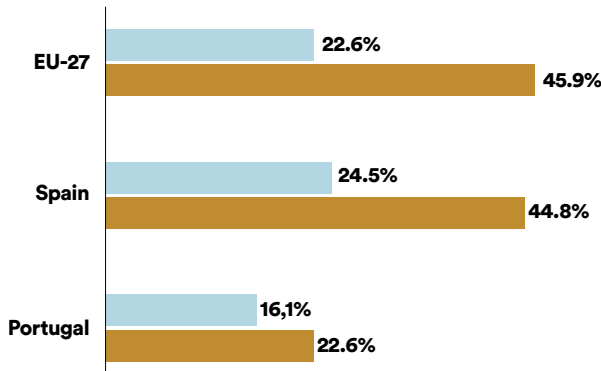
84.7%
EU-27

81.3%
Spain

87.7%
Portugal

Source: Eurostat, 2021.

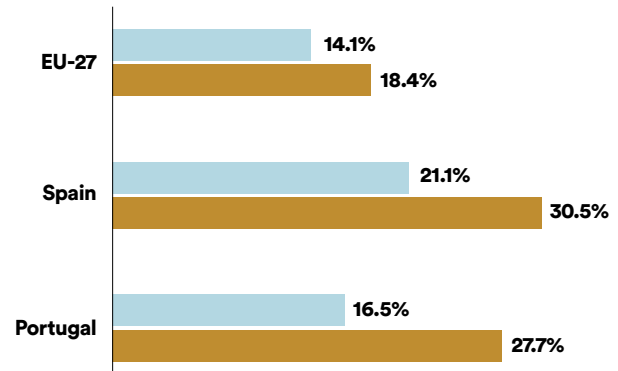
● Percentage of young people aged between 19 and 29 years at **risk of poverty or social exclusion** according to place of birth, 2022



● Born in the country
● Born abroad

Source: Eurostat, 2023.

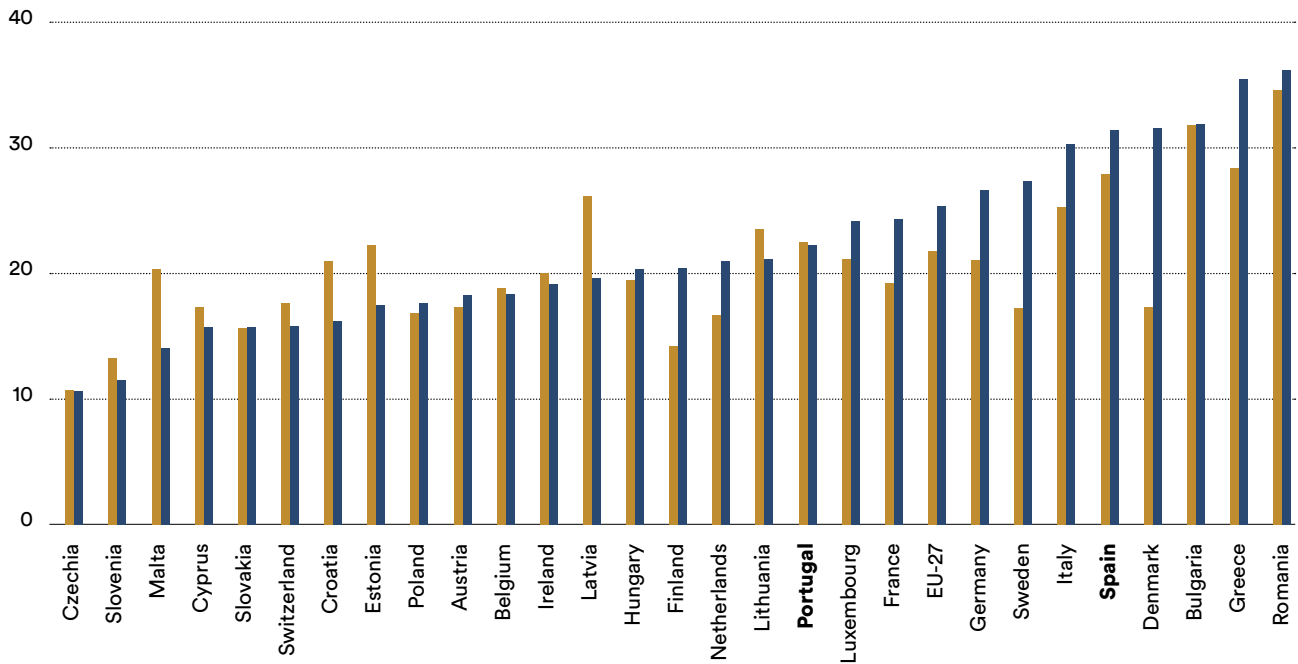
● Percentage of people with a **temporary employment contract**, by age group, 2022



● All ages
● 25-34 years

Source: Eurostat, 2023.

● Percentage of people at **risk of poverty or social exclusion** by age group and country

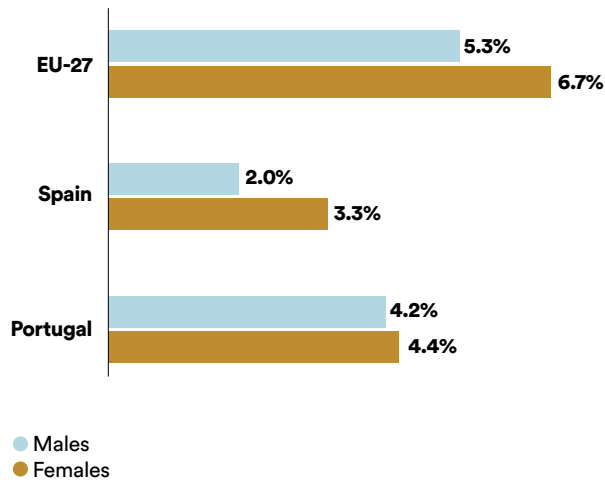


● All ages
● From 15 to 29 years

Source: Eurostat, 2023.

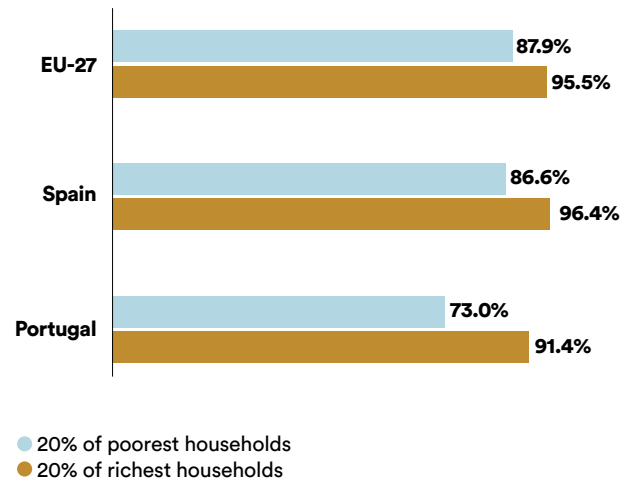
The AROPE indicator is used to identify the percentage of people at risk of poverty or social exclusion. This group includes people who live in households 1) with very low incomes, 2) with severe material deprivation or extreme social exclusion, or 3) with low intensity of paid work.

● Percentage of people aged between 25 and 34 years with **symptoms of depression**, 2022



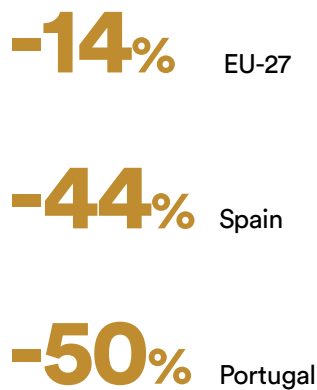
Source: Eurostat, 2023.

● Percentage of young people aged between 16 and 29 years who claim that they are in **good health**, according to the level of income of the household where they live, 2022



Source: Eurostat, 2023.

● **Probability of suffering from depressive symptoms** for young people aged 25 to 34 years (reduction in relation with the group aged 35-54 years), 2019



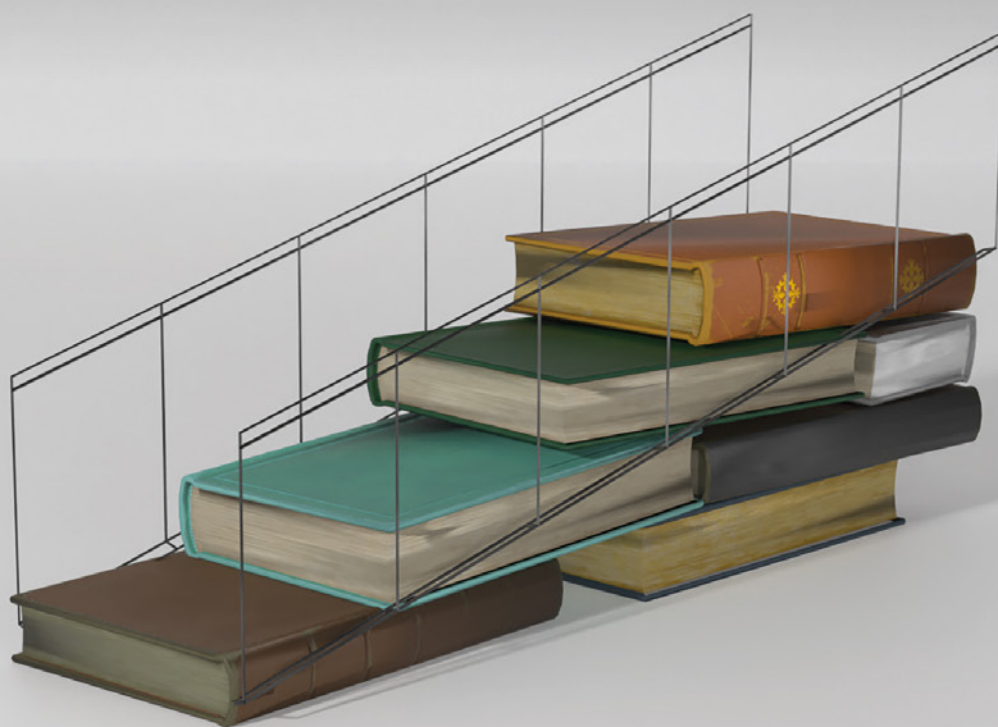
Source: Eurostat, 2019.

Good mental health, but with a high risk of temporary employment, of poverty and of social exclusion

In comparison with the European average, among the youth population of Portugal and Spain there is a high risk of temporary employment. In Spain there is also a high risk of poverty, while in Portugal the percentage is situated below the European average. In both countries alike, the risk of poverty or of social exclusion is higher among young people than among the adult population in general. This risk is especially high among people born abroad. The good news is that depression levels are relatively low in both countries, despite the fact that there are significant differences between women and men.

Education and its impact on young people's opportunities

Lígia Ferro, Universidade do Porto and Pedro Abrantes, Universidade Aberta and ISCTE–
Instituto Universitário de Lisboa



Using two key indicators (early school leaving and educational levels obtained by young people), the evolution of young people's educational paths in Portugal and Spain is interpreted. Based on comparative data from Eurostat and the OECD, the figures explore the impact of the education levels achieved, both on the employment opportunities of the young adult population in Portugal and in Spain and on their participation in social, community, cultural, sporting, and artistic life.

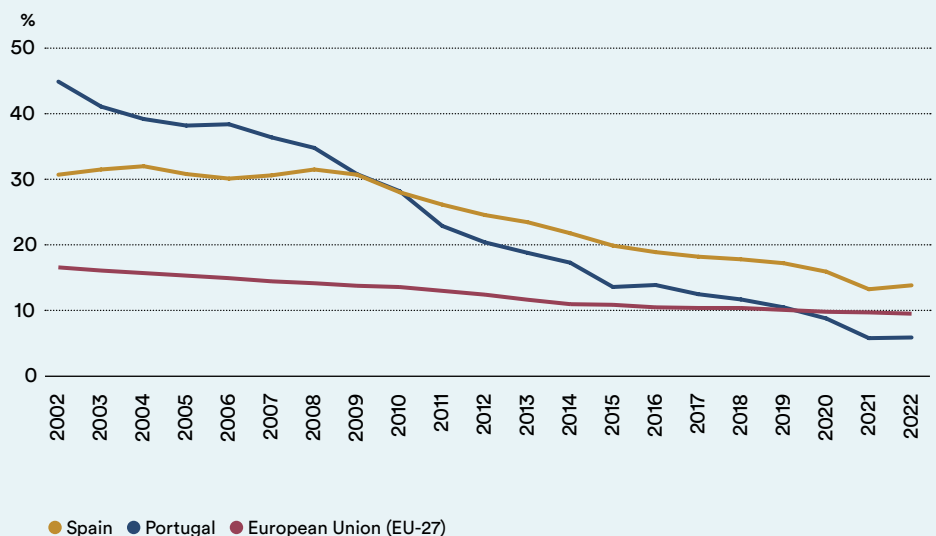


How far has early school leaving been reduced?

The proportion of young people aged between 18 and 24 years who have not completed upper secondary education (*bachillerato* or *formación profesional* in Spain; *ensino secundário* or *dupla certificação*, level 3-4, in Portugal) and are not enrolled in any education or training programmes has been a key indicator of educational development at European level, not least because it is measured using a common instrument (Labour Force Survey, Eurostat). As can be seen in figure 1, the evolution of this indicator over the last twenty years has been positive, but at very different

speeds: slow at European level, moderate in Spain and high in Portugal. The progress observed in the latter country, which exceeds even the European average, is still more remarkable if we take into account that, between 1992 and 2002, the percentage had only fallen from 50% to 45%, while in Spain it fell from 40% to 31%. It could be thought that this trend would be associated with a lack of job opportunities, but the percentage of young people with jobs in Portugal (30%) is also higher than in Spain (26%), a country that stands out for its high rate of young people who neither study nor work (20% in 2021).

Figure 1
Young people (18-24 years) who have not completed upper secondary education and are not in education or training, 2002-2022



Early school leaving in Spain and Portugal has come close to the European average

Source: compiled by the authors based on data from Eurostat (Labour Force Survey).

The fight against early school leaving has been a European priority for boosting both economic growth and social cohesion. This requires long-term consistency between education, labour, and social policies, and between local or municipal, regional, national, and European levels (European Commission, 2014). In this sense, individualised support and guidance for young people play a key role in connecting different sectors and levels (Psifidou et al., 2021). The Portuguese case reflects this coordination, with integrated programmes for social inclusion, educational quality, and professional qualifications, as it promotes networking between schools and a wide range of community organisations (Álvares et al., 2017).

In Spain, despite evident advances, research has observed more difficulties, with significant variations between regions, both in turning schools into more inclusive, open, and innovative spaces, and in the integrated development of educational, social and community policies that contribute to effectively combating the interconnected phenomena of school failure and early school leaving (Garrido et al., 2020; Martínez et al., 2016).

Risks of polarisation among young people by qualification levels and areas

If we take a closer look at the educational level of the young adult population (aged 25 to 29 years) in Portugal, we can confirm that there have been

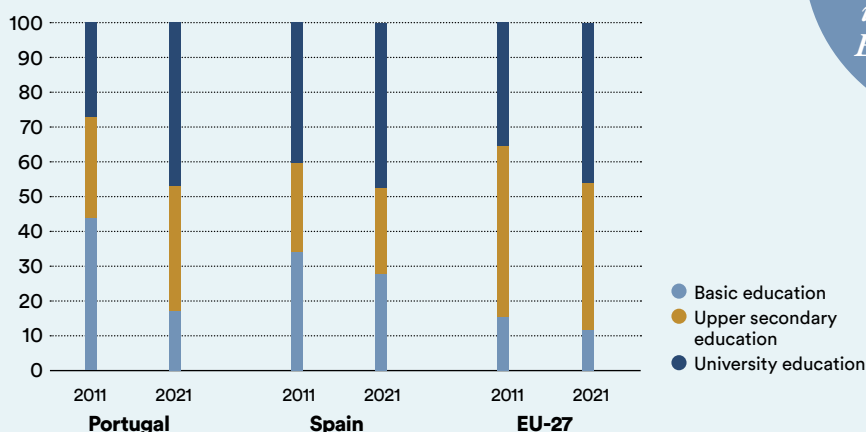
very positive developments over the last decade, especially in secondary level qualifications, with over 40% of these now corresponding to vocational qualifications. On the other hand, the progress observed in Spain for this period and age group is concentrated in higher education

Studies have shown that those who attain higher qualifications continue to achieve higher employment rates than those who only achieve a baccalaureate-level qualification

qualifications, which are now held by almost half of young people, a percentage that is even higher than the European average. Despite these advances, both countries are characterised, within the European framework, by marked educational inequalities, i.e. high rates of young people with high qualifications and low qualifications (figure 2), which poses risks of segregation and social polarisation.

The diversification of post-compulsory secondary education provision, especially with the development of a strong vocational training system, has mobilized strong investments in both

Figure 2
Educational attainment of young people (25 to 34 years) in Portugal, Spain, and the EU-22 in 2011 and 2021



The polarisation of qualifications among young people in Portugal and Spain is higher than the European average

Note: “University education” refers to all higher education qualifications (ISCED 5-8), awarded by universities or polytechnics; “Upper secondary education” refers to all intermediate level baccalaureate or vocational education and training qualifications (ISCED 3-4); “Basic education” refers to lower levels of education (ISCED 0-2).

Source: compiled by the authors based on data from the OECD (*Education at a Glance*, 2022).

countries. Although other European systems with a long tradition and recognition are a central reference in this field, studies have pointed out the importance of these policies taking into account the economic and cultural singularities of each country and even of each region, to ensure that these trajectories are valued both in academic and professional terms. In addition, research conducted in Portugal has shown that while many teachers and students value the more practical and work-oriented nature of this type of education, social, cultural and ethnoracial biases exist associated with a duality between academic and vocational secondary education pathways (Abrantes & Roldão, 2019).

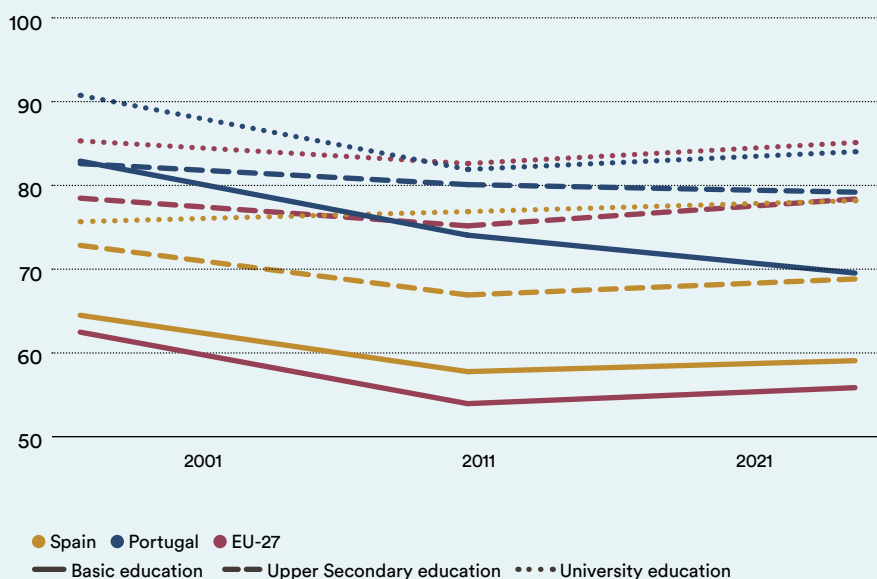
Education continues to impact young people's employment opportunities

In the court of public opinion, in Portugal and Spain alike, the reduction in early school leaving and the massification of secondary and higher education qualifications have often raised doubts about the value of this education for the opportunities of the young population, particularly in the jobs market. Even so, following a pattern common in Europe, those who attain higher qualifications continue to achieve higher employment rates than those who only achieve a baccalaureate-level qualification, while young people with a low level of schooling have the most difficulties in securing a job (figure 3). Over the last two decades, youth employment

rates have decreased in Portugal and increased in Spain, converging in both countries with the European average. However, inequality between young people with high and low qualifications has increased in both cases (and in the European area as a whole).

It is true that research studies have shown an intensification of employment precarity among young people, aggravated by austerity policies, as well as a “brain drain” from the Iberian Peninsula towards other latitudes (Tavares et al., 2021). Qualitative studies of a biographical type reveal how these situations lead to difficulties in leaving the parental home, finding a partner, or having children (Casal et al., 2011), leading to sinuous and uncertain life pathways, which in turn means consequences for birth rates and the ageing of the population. Even so, these generational trends are not exempt from profound social and educational inequalities, accentuated by the polarisation of labour markets, which includes the valuation of specific skills together with the devaluation of work considered “not specialised”. One must also take into account that, especially in Portugal, research has highlighted the education system’s inefficacy in reducing social inequalities, with a strengthening of the affinity between the school world and the most disadvantaged social classes, i.e. school does not seem to open up new social and cultural possibilities, but rather reinforces the expectations and aspirations of children from the

Figure 3
Employment rate of young people aged between 25 and 34 years old, by education level



Higher education continues to have a positive impact on access to the labour market in Portugal and Spain

Source: compiled by the authors based on data from Eurostat (Labour Force Survey).

popular classes (Martins, 2012). Although qualifications have a positive effect on employability, their impact is limited, as high or specialised qualifications often do not guarantee remuneration on a par with expectations (Lopes et al., 2019), a remuneration that is, in any case, lower than that earned in the countries of the north or centre of the European Union.

More sociability than citizenship activities? Education and social participation

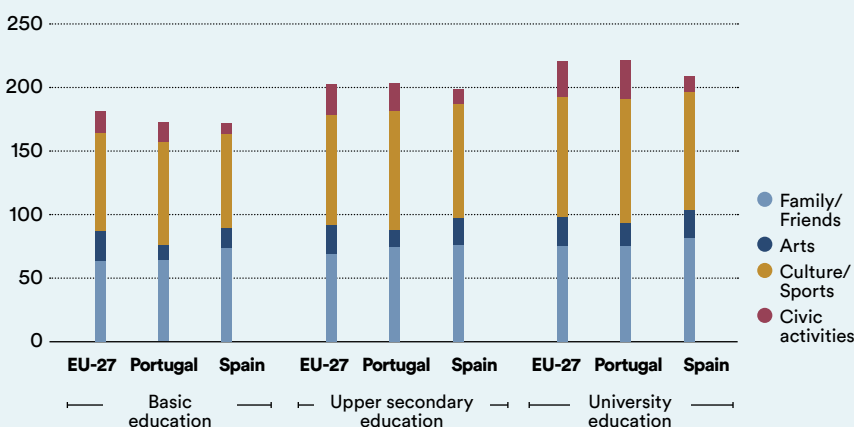
Since education and work do not exhaust the dimensions in which young people build their lives, it is also worth considering the impact that education has on other social spheres and on levels of citizen participation. The idea is often expressed that young people are disengaged in politics, but very active in the field of leisure and social life, for example. But is this really the case? According to Eurostat data (figure 4), participation is actually much higher in cultural and sports activities, as well as in family and friendship relationships, with relatively low figures for citizen participation (in formal and informal organisations) and artistic activities. These patterns are common all over Europe but are especially pronounced in Portugal and Spain. Even so, the data also show persistent – and marked, in the case of the Iberian Peninsula – inequalities, with participation rates in the various dimensions being higher among young people with higher qualifications, compared to those with lower educational levels.

In percentage terms, the participation of the young population in civic, cultural, and sporting activities in Portugal and Spain is relatively low, especially when considering young people with low qualifications. However, we know that the most socially disadvantaged young people, particularly in the peripheral social spaces of the major cities of the Iberian Peninsula, do actively participate in activities of this nature.

It will be important to consolidate youth policies that articulate the different dimensions in which young people often move in an unpredictable and non-linear way

We are talking about informal spaces for building citizenship and participation in the public sphere with the development of various creative dynamics, as we can see in the Iberian vitality of urban cultures linked especially to graffiti, street art and parkour, rap, and new musical genres such as reggaeton or kuduro, among other forms of social, cultural, sporting, and artistic participation. However, it is important to note that, in Portugal and Spain, females participate much less in these activities than males, and they

Figure 4
Participation of young people in civic, cultural, sporting, artistic, and community activities, according to their level of education (cumulative %)



Education continues to influence many dimensions of young people's lives

Note: "University education" refers to all higher education qualifications (ISCED 5-8), awarded by universities or polytechnics; "Upper secondary education" refers to all intermediate level baccalaureate or vocational education and training qualifications (ISCED 3-4); "Basic education" refers to lower levels of education (ISCED 0-2).

Source: compiled by the authors based on data from Eurostat (2015)

are often completely absent. The access of lower qualified and socially disadvantaged young people to the public sphere continues to be marked by very significant gender differences.

Conclusions

As we have seen over the course of this article, education continues to be a fundamental factor, not only for the labour market integration and development of young people, but also for their opportunities for social, cultural, sporting, and community participation. In this sense, Portugal and Spain have seen significant progress in educational convergence with the values observed in the rest of the European Union. However, there is still a large percentage of young people who leave the education system without obtaining a post-compulsory secondary qualification, and that these young people today face situations of vulnerability and risk of exclusion that are more pronounced than in the past. In addition, the age variable is joined by others such as social class, gender, or territorial origin in complex intersectional articulations with specific consequences. Young people in the Iberian Peninsula tend to participate socially and be involved in cultural and creative activities, especially in informal and street contexts, revealing a search for spaces that are freer from structures and hierarchies. Even so, several studies indicate that young women are relatively absent from these activities.

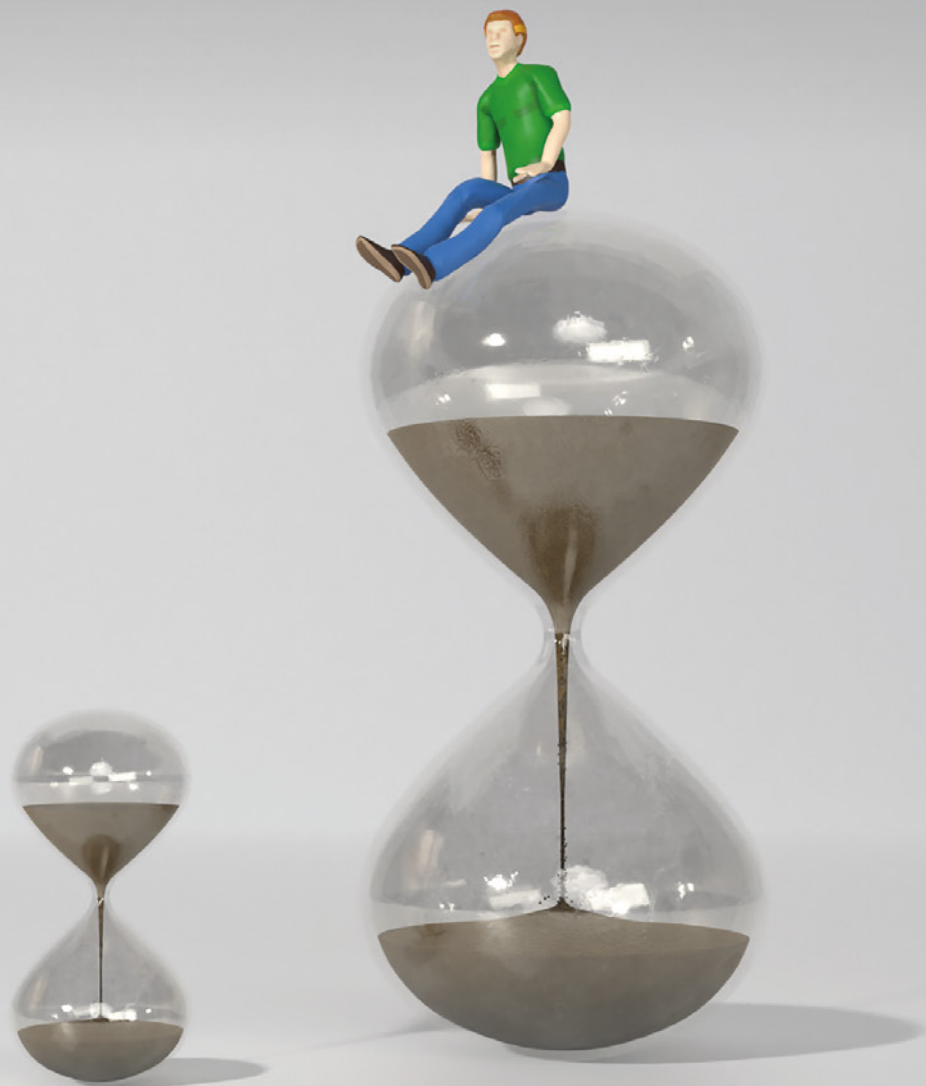
In this sense, it will be important to consolidate youth policies that articulate the different dimensions (educational, work, family, civic, sporting, artistic) in which young people often move in an unpredictable and non-linear way. Expansion of educational levels is essential for their integration, but it needs to value and open doors for young people in other spheres of social life, not keep them away. Furthermore, it is important to construct solutions in which inequalities can be mitigated, paying special attention to young people neither employed nor enrolled in formal studies, taking into account that a large percentage also suffer from a lack of resources and opportunities at the family, civic, cultural, or community level. This group must be prioritized by public policies rooted in solid quantitative and qualitative scientific knowledge, and developed through co-creation processes in which young people play a truly active role.

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Have the labour reforms reduced the temporary employment rate among young workers?

Alejandro Godino and **Oscar Molina**, Sociological Research Centre on Everyday Life and Work (QUIT), Universitat Autònoma de Barcelona (UAB); **Fátima Suleman**, Instituto Universitário de Lisboa (ISCTE-IUL), DinâmiaCET



Spain and Portugal have experienced high temporary employment rates in recent decades, a circumstance that takes a long-term toll on people's professional and personal development. In response to this problem, reforms have been implemented with a view to reducing the rate of temporary employment in both countries. The results show that, after they were adopted, a drop occurred in the temporary employment rate among the youth population in both countries (a small drop in the case of Portugal and a much larger one in Spain), apparently without any negative impact on unemployment or labour force participation rates.



The Spanish labour market has been characterised by high unemployment rates since 1970. In an effort to deal with this problem, in the mid 1980s flexibility measures were adopted, in particular widespread use of temporary contracts. These reforms gave rise to an employment model that was very sensitive to economic fluctuations and highly segmented, in which certain social groups experienced greater labour market uncertainty (Bernardi and Martínez-Pastor, 2010). Specifically, the growing dualisation in terms of stability and social protection between permanent and temporary workers added a supplementary feature of intergenerational inequality to the Spanish labour market.

The Portuguese labour market has shown similar patterns in terms of market-oriented policies and the extension of contractual flexibility since the beginning of the 1980s. It is commonly said that these labour reforms in Portugal were partial, insofar as permanent workers were not affected, while flexible work served as an adjustment variable with little or even no social protection. This has led to similar consequences as those found in Spain, with a segmented labour market characterised by increasing labour devaluation and social and economic inequality between permanent and temporary workers (Campos Lima and Caldas, 2023).

Younger workers, together with other social groups (for example, immigrants, women and low-skilled workers), have held a central position in this flexibilisation and growth of

temporary employment in both countries. Both Spain and Portugal were seriously hit by the economic recession of 2008, becoming – along with Greece – the European countries that suffered its impact on employment most severely, and young workers who held temporary jobs were the most affected by labour shedding and lack of job opportunities. The circumstances got

For many of those who entered the labour market during the Great Recession, the covid-19 crisis rubbed salt into the wounds of the previous economic shock

worse in Spain with the labour reform of 2012, which made layoffs cheaper, while in Portugal these temporary contracts acted as a cushion to help businesses to deal with fluctuations in demand, thus contributing to the increase in youth unemployment.

For many of those who entered the labour market during the Great Recession, the covid-19 crisis rubbed salt into the wounds of the previous economic shock. With the impact of the pandemic, Spain experienced a 5% rise in the unemployment rate and a reduction of around 4-5%

in the labour force participation rate, while the temporary employment rate dropped as a result of the economic standstill, which hindered the renewal or creation of temporary contracts (figures 1 and 3). Thus, the economic shock of March

people's working lives was huge, not only for young adults who were starting to work, but also for those aged under 30 who had already suffered the Great Recession (Molina and Godino, 2021; Almeida and Santos, 2020).

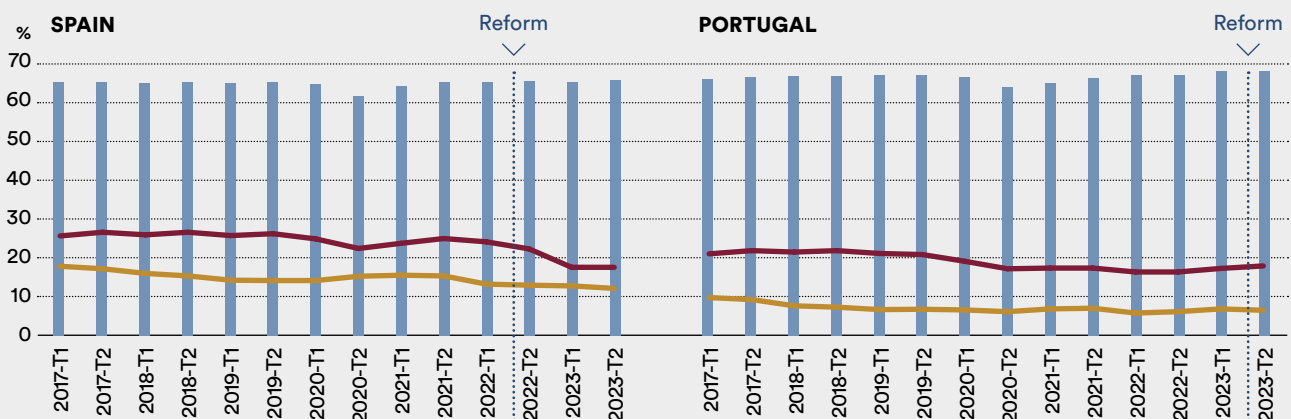
The prevalence of small enterprises and the predominance of the services sector, together with a business culture that normalises the use of temporary contracting, may be factors explaining the high turnover and low conversion of temporary contracts into permanent ones in Portugal and Spain

2020 drove a large part of the temporary workforce out of the labour market, and many of the unemployed who were looking for work gave up in the face of lack of opportunities. The situation was similar to that experienced by young people during the Great Recession, although the latter lasted longer. The succession of periods of unemployment followed by protracted stages of temporary work cannot be regarded as just a bad patch in young people's work history, but often has permanent effects on their career. Therefore, the composite effect of the two crises on young

Implementation of labour reforms against temporary contracting in Spain and Portugal

The high temporary employment rate in Spain and Portugal is not due solely to the importance of sectors with a strong seasonal component, such as tourism, but also responds to a structural pattern, as both countries have a higher temporary employment rate than the EU average in all sectors of the economy. The prevalence of small enterprises and the predominance of the services sector, together with a business culture that normalises the use of temporary contracting, may

Figure 1
Quarterly variation of the labour force participation rate, the unemployment rate and the proportion of temporary employees for the total population of Spain and Portugal in the period 2017-2023



Temporary contracting has fallen in Spain since the labour reform without affecting employment, whereas in Portugal no immediate effect is apparent

● Labour force participation
— Temporary employment
— Unemployment

Source: Labour Force Survey, Eurostat (2023).

be factors explaining the high turnover and low conversion of temporary contracts into permanent ones in both countries (Silva, Martins and Lopes, 2018). These trends have gone towards shaping strongly unequal labour markets in both countries, with a particularly vulnerable position for the youth population. Some approaches take this instability to be a defining aspect of youth employment histories today, assuming it as a circumstantial phenomenon that gradually tends to improve. However, the reality is that precarious and intermittent work histories continue beyond youth for certain groups, sometimes with the chronification of unstable employment situations.

This systematic use of temporary contracting was one of the main reasons for the labour reform introduced by the Spanish government in December 2021. The aim of the law was to reduce the temporary employment rate by abolishing “works and services contracts”, lowering the maximum duration of temporary contracts to one year, limiting the possible grounds for their use, and extending discontinuous permanent contracts for seasonal work. In April 2023, the Portuguese government also adopted the Decent Work Agenda to reduce – albeit with more timid measures – the use of temporary contracting, by limiting successive contracts, increasing compensation for the termination of

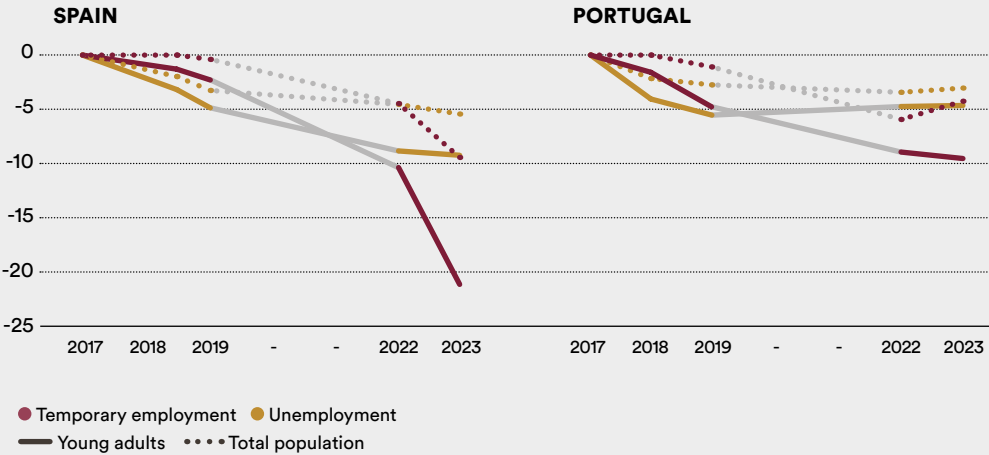
contracts of a certain duration, and lowering the maximum duration of temporary contracts from six to four years.

The labour reform may have contributed towards lowering the youth temporary employment rate in the short term in Spain, but not in Portugal

Although a more complete analysis requires observing the long-term trend, in the short term some signs of the possible effect of the adoption of the labour reforms can be seen in both countries. In this respect, the researchers explore the variation in the labour force participation rate, the unemployment rate and the proportion of employees with temporary contracts in relation to the total number of employees in both the youth population and the total population. In this analysis the figures for 2020 and 2021 are omitted in view of the composition effect that occurred in levels of stable and temporary employment due to the pandemic crisis, especially in southern European economies characterised by the predominance of seasonal activities.

In the case of Spain, although the labour reform was adopted in December 2021 it was not fully binding until April 2022, so the analysis focuses on the second quarter of each year. Thus, the figures show a reduction in the temporary

Figure 2
Variation with respect to 2017 in the proportion of temporary jobs and in the unemployment rate of the total population and of young people (aged 15 to 29)



The reduction in the temporary employment rate among young adults after the labour reform is clearly evident in Spain and almost imperceptible in Portugal

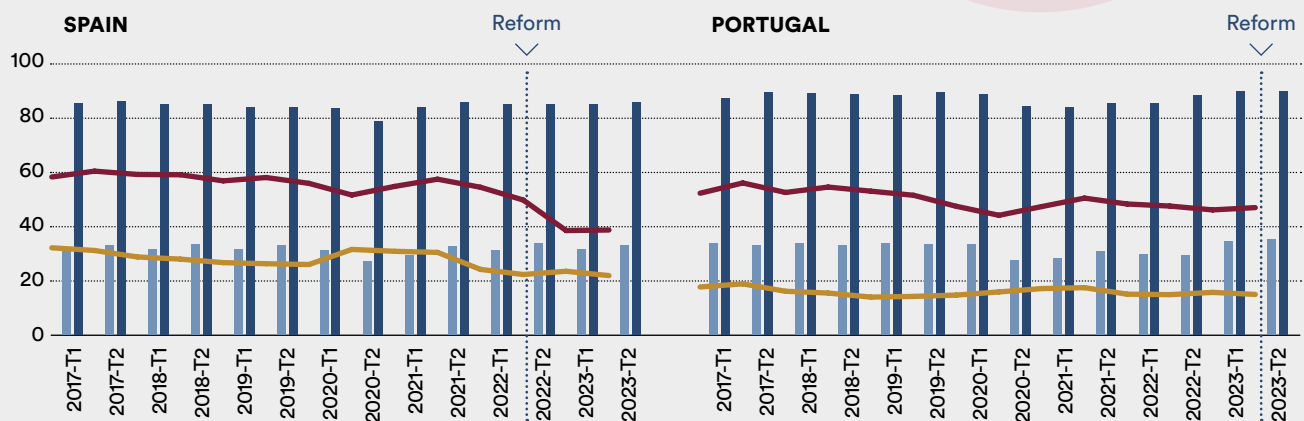
Note: the second quarter of each period is compared taking the second quarter of 2017 as the initial position with value 0. The years 2020 and 2021 are omitted due to the destructive effect of the health crisis on temporary employment.

Source: Labour Force Survey, Eurostat (2023).

employment rate of 4.5% in 2022 and a more substantial 9.5% in 2023 with respect to the second quarter of 2017 for the wage-earning population as a whole (figure 2). This has occurred together with a parallel reduction in the unemployment rate, while the labour force participation rate has remained relatively stable (figure 1), which dispels early interpretations that pointed to the possibility of people being pushed out of the labour market. These effects seem to be particularly clear in the case of the youth population: temporary contracting was 10.4% down in 2022 and 21.2% down in 2023, while unemployment fell by figures in the region of 9% in both periods (figure 1) and the labour force participation rate remained stable (figure 3). In this way, with respect to 2019, the reduction in the temporary employment rate among Spanish young adults was over 8% shortly after the adoption of the reform and almost 19% more than a year after its implementation, percentages that practically double those found in the population as a whole.

The downward trend in the temporary employment rate is less evident in the case of Portugal, although very few months are available for consultation to assess the impact of the reform. Therefore, any possible effects observed on the basis of these figures should be interpreted with caution. The first point of note is a sizeable drop (although smaller than in Spain) in the temporary employment rate in the post-pandemic period (-6% in the second quarter of 2022 and -4.3% in that of 2023 with respect to the same period of 2017). Nonetheless, it is interesting that this reduction is larger in 2022 than after the adoption of the Decent Work Agenda in April 2023 (figure 2). As in the case of Spain, these reductions are occurring parallel to less abrupt drops in the unemployment rate, while the workforce actually seems to be increasing (figure 1). One possible explanation for this would be a slower economic recovery in Portugal after the covid crisis, due to the burden of the aforementioned composition effect whereby employees with

Figure 3
Quarterly variation of the labour force participation rate, the unemployment rate and the proportion of temporary employees for the youth population of Spain and Portugal in the period 2017-2023



Temporary contracting of young adults has fallen considerably after the reform in Spain, without affecting the employment rate, whereas in Portugal no positive effect is observed

Note: Eurostat does not provide integrated data on the labour force participation rate for the 15-29 age group, so this indicator is depicted in two age brackets.

Source: Labour Force Survey, Eurostat (2023).

- Labour force participation, young adults (15-24)
- Labour force participation, young adults (25-29)
- Temporary employment, young adults (15-24)
- Unemployment, young adults (25-29)

stable jobs would account for a larger proportion of total workers than in other periods, given the expulsion of temporary workers from the labour market. The larger labour force participation rate in 2023 compared to 2022 appears to point in this direction. As regards young people, there seems to be a clear decrease in the proportion of temporary contracts in the period following the adoption of the labour reform in relation to previous periods: practically non-existent with respect to 2022 and more evident with respect to the pre-pandemic period, occurring in conjunction with decreases in the unemployment rate and increases in the labour force participation rate (figure 3). However, this reduction in temporary jobs falls short of 1% for the youth population in the quarter when the reform was adopted (April-June 2023) in relation to the previous year.

Conclusions and limitations

On the basis of the descriptive data observed, it can be stated that only in Spain has the adoption of these reforms resulted in a drop in the temporary employment rate of the youth population, without any apparent job destruction. The Spanish labour reform actually contains more structural measures directed towards changing business practices with regard to temporary contracting. Portugal, on the other hand, having implemented a softer reform aimed at discouraging the use of temporary contracts, shows practically no results in the direction of reducing the temporary employment rate among young people. The measures are similar to those adopted at earlier stages in Spain with equally meagre results, which suggests that only those institutional initiatives that seek to change the rules of the game in the labour market will succeed in making a substantial improvement to the material conditions of young workers.

The question arises as to whether the reduction in temporary contracting in Spain is affecting younger workers in general or, on the contrary, there is a differential effect. In other words, whether in fact these reforms have less impact precisely on those profiles that structurally lie around the bottom of the labour market, and are systematically affected by a higher rate of temporary employment. It is necessary, therefore, to remain alert to any possible risks that might distort the benefits achieved through the reform, such as an increase in involuntary part-time employment among young workers.

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