# Youth unemployment, NEETs and structural inequality in Spain

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### Abstract

Purpose - The purpose of this paper is to apply an intersectional analysis to assess the impact of structural factors on the risk of being a NEET for youth in Spain. The author study if inequalities have changed after the economic crisis, once youth policies designed to improve the Spanish school-to-work transition (SWT) system were implemented.

Design/methodology/approach – Drawing on microdata from the Spanish Survey on Income and Living Conditions, the paper compares the probability of becoming not in employment, education or training (NEET) of young men and women born inside or outside Spain and living in different types of households.

Findings – Although unemployment rates have improved since the end of the crisis, the situation regarding youth employment, poverty and inequalities remains challenging. Gender and other structural differences are usually ignored in policy debates and in the measures adopted to fight youth unemployment, leading to the persistance of inequalities.

Research limitations/implications - The analysis illustrates new lines and trajectories in the segmentation of youth labor markets along the lines of gender, household and country of origin.

Practical implications - The findings highlight the need for introducing an analysis of the different sources of vulnerability in policy designs in order to promote a real and sustainable change in SWTs.

Originality/value – The contribution of this research to the literature on NEET and SWT is to introduce a framework that allows for the intersectional analysis of gender and other structural inequalities.

Keywords Gender, Youth unemployment, Nationality, School-to-work transition, European youth guarantee,

Paper type Research paper

## 1. Introduction

The deterioration of the labor market has been particularly severe under the last economic crisis, particularly for young people. Youth unemployment is more sensitive to cyclical conditions than adult unemployment due to the work experience gap and weaker work contracts among young workers (Choudhry et al., 2012; Pastore, 2018a). Even though, at the European Union (EU) level, the situation has improved since the end of the economic crisis, 7.2m young Europeans (aged 15–29) were still unemployed in 2016.

Although school-to-work transitions (SWTs) are becoming more complex, heterogeneous and articulated at an individualized level (Salva-Mut et al., 2016), structural factors such as gender, country of origin and social class, as well as institutional factors, including the welfare system and educational and labor policies of each country, continue to be crucial.

On the one hand, not all young people are equally vulnerable in terms of educational and employment opportunities. Women, some ethnic and migrant groups, and individuals who have been raised in poor or workless households are, generally, more likely to have higher non-employment rates than other groups (Macmillan, 2014; O'Reilly et al., 2017; Vancea and Utzet, 2018; Zuccotti and O'Reilly, 2018).

On the other hand, the different youth unemployment levels across European countries cannot be attributed solely to the different economic conditions or social and educational heterogeneities of young people. Given that national differences are, to a certain extent, International Journal of Manpower constant, institutional arrangements are assumed to play an important role (Raffe, 2008). There are significant structural differences among European countries in young people's participation in the labor market and not in employment, education or training (NEET) rates.



Vol. 40 No. 3, 2019 pp. 433-448 © Emerald Publishing Limited DOI 10.1108/IJM-03-2018-0098 The reason is a combination of institutional factors, cultural determinants, labor market conditions and the national education and training system. A SWT regime comprehends the whole set of institutions involved in the complex passage from the educational system to a stable position in the labor market (Pastore, 2015b). The profound impact of the economic crisis on youth unemployment has led to many educational and labor market reforms being promoted at the EU level. There has been a convergence in policies across member states and SWT regimes, and apprenticeships are now being encouraged as a high-quality route to achieving improved outcomes for young people in all clusters (Pastore, 2018a). However, the success of this policy shift depends on the specific structural and institutional frameworks in place to support this agenda, which varies greatly between clusters.

Spain belongs to the Mediterranean or southern European (SE) regime, which has traditionally presented the highest youth unemployment rates (YUR), the weakest links between the worlds of education and work and the most heterogeneous, non-linear and unpredictable SWTs (Dolado, 2015; Eurofound, 2016; Pastore, 2015a; Vogel, 2002; Walther, 2006). The SE cluster is characterized by a considerable share of NEETs, as well as by high YURs, as a result of labor market segmentation, lack of aggregate demand, and poor vocational training. In 2016, the Spanish YUR for the 15–29 age group[1] (33.3 percent) still doubled the European average (14.7 percent)[2]. Spain is the country with the second highest YUR, immediately after Greece and closely followed by Cyprus and Italy. NEET rates rose by 10 percentage points over the 2007–2012 period in Greece, Ireland and Spain, and, despite its decline since 2013, the Spanish NEET rate in 2017 (18.1 percent) continued to exceed the value of 2007 (12.8 percent). This figure is among the highest in Europe, together with those of Italy, Greece, Cyprus, Bulgaria and Croatia.

The aim of this paper is twofold. First, it analyzes the importance of gender, country of origin and household status on the probability of being NEET in a country that belongs to the Mediterranean regime. Second, taking into account these structural inequalities, it examines whether recent changes introduced in this SWT system, through the implementation of labor market reforms and youth programs are easing the process. For these two purposes, the extent to which policies for young people recognize gender, education, nationality or country of origin and household differences is studied, and probit models on the probability of being NEET are carried out to analyze the situation in both 2013, the year when the unemployment crisis reached its climax in Spain, and 2016, several years after the reforms were implemented and the last year for which EU-SILC microdata are available.

Given that youth reforms are still relatively recent, the studies assessing their impact are very scarce, and even fewer are those applying an intersectional analysis, including gender, migrant group and class. Although gender gaps for young people exist across almost all measures of educational and labor market statuses used to assess vulnerable outcomes, gender and other structural differences are usually ignored in policy debates and in the plans and programs adopted to fight youth unemployment. Still very little is known about how the interaction of individual and household characteristics and institutional reforms may affect youth opportunities. The contribution of this research to the literature on NEETs and SWT is to introduce a framework that allows for the intersectional analysis of gender and other structural inequalities.

The structure of this work is as follows. The next section reviews the literature on the determinants of becoming a NEET. The third section describes the Spanish SWT system and critically examines the progress made in the implementation of the European Youth Guarantee (YG) and other reforms. The fourth section describes the data and model. Findings are presented and discussed in the fifth and sixth sections, while the conclusions can be found in the last one.

NEETs and

## 2. The role of structural inequalities in becoming a NEET

The NEET concept has become widely used at research and policy levels as many authors argue that the size of the "youth left behind" group can be better proxied by the NEET indicator than by the YUR (O'Higgins, 2012; Scarpetta *et al.*, 2010). Studies show that the persistence of NEET rate increases during periods of crisis, but not all young people are equally vulnerable in terms of educational and employment opportunities. Vulnerability relates to family background, a gender-segregated labor market and the role of nationality/ethnicity and the economic crisis has exacerbated these disadvantages (Addabbo *et al.*, 2015, 2018; Bruno *et al.*, 2014; O'Reilly *et al.*, 2017; Plantenga *et al.*, 2013).

A key tenet of the literature on labor market segmentation is that the labor force is not homogeneous. Individuals differ in terms of education, skills, personal characteristics and the position they occupy in the labor market and the social reproduction sphere. Labor market segmentation for young people involves a complex set of mechanisms related to the SWT, but also to structural inequalities and family characteristics. Differences in the status of workers are a reflection of the social and economic position of the individual's family, the position workers occupy within the family and how this can affect their transition to adulthood (O'Reilly *et al.*, 2017). Indeed, SWT regimes overlap very well with the welfare regimes and care regimes introduced by feminist literature (Bettio and Plantenga, 2004; Daly and Lewis, 2000; Lewis, 1992).

This is very clear in the case of gender differences, which open up early in the life course. Gender gaps for young people exist across almost all measures of educational and labor market statuses (Goksen, Filiztekin, Smith, Celik, Oker and Kuz, 2016). The extent of this vulnerability varies across different STW regimes but is nevertheless present in all unemployed and precariously employed groups. Women are more likely to become NEETs in all EU countries (Eurofound, 2016). The sexual division of labor and labor market segmentation explain why they present a higher probability of becoming NEETs. Indeed, young NEET women tend to be inactive and, consequently, all-year-round NEETs, while young NEET men are more prone to being unemployed (Vancea and Utzet, 2018).

The analysis conducted by Goksen, Yukseker, Filiztekin, Oker, Kuz, Mazzotta and Parisi (2016) compared the intersectionality of youth, gender and "migrant" status and revealed strong disadvantages. However, O'Reilly *et al.* (2017) and Zuccotti and O'Reilly (2018) argue that it is not possible to simply read off from a selection of disadvantage categories that these automatically determine the likelihood of being NEETs. Social capital and cultural norms about family formation or employment might lead to a direct motivation to participate in education and/or employment, thus counterbalancing the disadvantages of the individual's social origins.

Persistence in the NEET status is also more likely to occur among youth coming from more disadvantaged backgrounds and with lower educational levels (Carcillo *et al.*, 2015). There is a higher likelihood of leaving education earlier, being unemployed, spending longer time in unemployment or becoming NEETs for youths raised in workless households (Macmillan, 2014), or where the father was unemployed (Zwysen, 2015). Berloffa *et al.* (2015) found that the risk of being unemployed for young people is generally higher in traditional breadwinner and work-poor households. Parental unemployment can become a legacy for their children (Macmillan, 2014). Family background plays an important role in determining the type of trajectories experienced by young individuals, especially in the Mediterranean countries (O'Reilly *et al.*, 2017), since the role of the family in these countries is prominent, with high levels of dependency (Eurofound, 2014; Távora and Rodriguez-Modroño, 2018).

Family status, gender, ethnicity or "migrant" status are even stronger determinants of youth unemployment and becoming NEET in a regime such as the Mediterranean, characterized by familialism, limited standard workplaces, unprotected living conditions, large informal economies and undeveloped Vocational Education and Training (VET) systems.

In this type of SWT regime, youth transitions are characterized by an intensely precarious development, with very limited institutionalized social protection. Active labor market policies (ALMPs) are fragmented and consist of different forms of employment incentives (subsidies, specific labor contracts). Public employment services (PES) are underfinanced and have insufficient resources to offer counseling to jobseekers, so that only a small number of them actually receive some kind of training within the year (Cueto and Suarez, 2015).

# 3. The impact of the crisis and recent reforms on the SWT and NEET rates in Spain

3.1 Trends in youth participation in the labor market by gender and ethnicity
The economic recession placed under extreme strain the youth labor market and the SWT system, with effects that went beyond a significant increase in youth unemployment. Three trends have raised particular concerns in relation to young people. First, the biggest change is the surge of NEETs, at the expense of a decrease in the percentage of employed youth. Second, long-term unemployment has also risen dramatically among the youth. Third,

Second, long-term unemployment has also risen dramatically among the youth. Third, atypical work has now become the common way of entering the labor market for young people. The patterns are similar in other countries that were strongly affected by the crisis, such as those in the Meditorranean basis.

such as those in the Mediterranean basin.

The Spanish case shows, first of all, how gender labor segregation and the severe impact of the crisis on male-dominated sectors raised more the proportion of NEET men as compared to women, but only for a few years. There was a short-term convergence in YURs by gender with the bursting of the crisis and of the Spanish real estate bubble, during the 2009–2015 period, male YUR was higher than the female one, as many young men with low educational levels ended up being unemployed. Nevertheless, the gender gap is again negative for women and widening. And now, young women are once more confronted with higher unemployment rates than those affecting young men. In regards to education, the decline in youth employment affected most severely individuals with low educational qualifications. However, in Spain and other countries where the decline in youth employment was strongest, the number of jobs for highly-educated youth also fell (Carcillo et al., 2015). Although more than 50 percent of NEETs have only attained ISCED Level 0-2, SE countries like Spain tend to have a large proportion of well-educated NEETs, which has even increased in the last few years, particularly for women (see Figure 1). Because of the overall higher level of unemployment, a tertiary qualification does not reduce the risk of being NEET in Spain as much as it does in other EU countries.

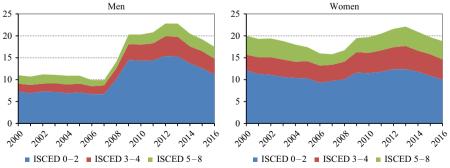


Figure 1.
Share of NEETs aged 15–29 by gender and educational attainment level,
Spain 2000–2016

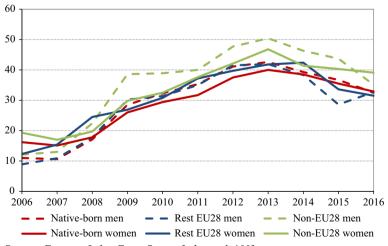
Source: Eurostat, Labor Force Survey [edat 1fse21]

Before the onset of the crisis, YURs were always higher for women than for men independently of their country of origin. Now, youths from outside the EU28, both men and women, present the highest YURs (Figure 2). In contrast, non-native young men and women from the rest of the EU28 presented the lowest YURs in 2016.

Secondly, young people in Spain are more affected than other age groups by long-term unemployment. The percentage of youth in a long-term unemployment situation increased from 1.5 percent in Spain in 2007 to 18 percent in 2013. Long-term unemployment for young people has serious implications, because it prevents the accumulation of work experience, producing negative effects on lifetime income, career opportunities and unemployment incidence in later life, the so-called "scarring effects" of youth unemployment. In 2016, Spain was the third country in the EU with the highest number of long-term unemployed young people (11 percent) as a share of the active youth population. Almost half of the 16- to 29-year old had been unemployed for more than 12 months and one-third of them had been unemployed for more than 24 months. Aggravating factors that increased the probability of (long term) youth unemployment were the facts that 46 percent of unemployed people had only completed compulsory education, and one third of the young unemployed had never had a job, though the incidence of long-term unemployment among those with higher educational attainment was also considerable (Eurofound, 2017).

Third, as shown by the study by Bell and Blanchflower (2015) shows, when young people have jobs, they tend to be underemployed. Youngsters are faced with a double whammy, because their jobs are more likely to be temporary than permanent and to have shorter hours than they would like. The increase in the share of 15- to 29-year-old people in temporary jobs rose to 59 percent in 2017, the second highest share in the EU28. This, together with very low annual transition rates from temporary to permanent contracts (7 percent for 25- to 39-year old in 2016 compared to an EU average of 17 percent) suggests that temporary jobs are not a stepping stone to stable careers. In addition, around one-third of temporary workers have contracts of up to three months, and women tend to have a higher share of temporary contracts.

Although Spain was never a country characterized by high rates of part-time employment, they have escalated with the crisis and the labor market reforms, particularly for the young population. Since 2009 the employment of part-time young workers is partly



**Source:** Eurostat, Labor Force Survey [yth\_empl\_100]

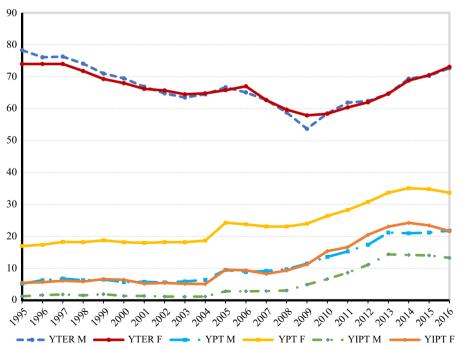
Figure 2. Youth unemployment rates (15–29) by gender and country of birth, Spain 2006–2016

subsidized through the employer's social security contribution, which helps explain the rise of this type of contracts in recent years. Figure 3 shows the escalation in part-time jobs for young people, including both men and women. Reflecting young people's deteriorating situation in the labor market, the rate of involuntary part-time employment has generally increased across the EU, with Spain recording the highest incidence: from 32.7 percent of part-time contracts in 2007 to 54.3 percent in 2016. Even at these early ages, with almost no family responsibilities, women are overrepresented in part-time contracts.

Therefore, atypical work has now become the typical way for young people to enter the labor market. Young Spaniards are much more likely to have a temporary or part-time job than other European young people. And there is limited evidence that these types of jobs improve young people's chances of transitioning to full-time open-ended employment (OECD, 2015). Instead, a large majority of young people take up part-time and temporary jobs because of the lack of full-time or permanent employment opportunities.

## 3.2 Recent reforms in the SWT system

The solution proposed by the European Commission (EC) and other international institutions has been to increase flexibility in labor market entry through encouraging part-time and fixed-term contracts to compensate young people's lack of work experience. However, Spanish labor market reforms have reduced youth unemployment only to a small extent, while generating work precariousness (Banyuls and Recio, 2017). The relaxation of the labor standards and the erosion of the working conditions have affected youth most severely. Since the type of contract held by young people is often temporary, the "last in,



Youth temporary employment (15–24), part-time and involuntary part-time (15–29) rates by gender, Spain

Figure 3.

1995-2016

**Notes:** YTER, Youth temporary employment rates; YPT, Youth part-time employment rates; YIPT, Youth involuntary part-time employment rates

**Source:** Eurostat, Labor Force Survey [Ifsa etpgan] [Ifsa eppga] [Ifsa eppgai]

first out" (LIFO) principle frequently comes into play, with young workers often among the first to lose their jobs. Not surprisingly, the young have been those worst hit by the recent recession because in Spain, as in other SE countries (Pastore, 2018b), the LIFO principle has strengthened as a result of the increasing flexibility in the working conditions.

In addition to flexibilization, in order to mitigate the impact of the crisis on YURs, the EU Council adopted in 2009 the EU Youth Strategy for 2010–2018. A particular focus was put on the role of PES in promoting the YG scheme to ensure all young people have a job, are in education or active, creating a European Vacancy Monitor and supporting young entrepreneurs. In April 2013, all EU member states committed to the implementation of the YG. The Commission also reinforced its support to member states in establishing modern apprenticeship systems and fostering mobility.

Spain presented its YG Implementation Plan on December 19, 2013 and the scheme started in October 2014 (Law 18/2014), targeting NEETs aged 15–24 (and up to 29 since July 2015). The YG plan stipulates that employment, education or training shall be provided to all applicants within a four-month period. Despite the poor data available for Spain, it is possible to identify seven main shortcomings in the implementation of the YG scheme and other policy reforms in Spain (see also Cabases Pique *et al.*, 2016; EC, 2016, 2017a; European Court of Auditors (ECA), 2017; Escudero and Lopez Mourelo, 2017).

First of all, enrollment in the scheme was through an online portal and, although some PES offices have youth workers who can help clients complete the sign-up process, they are not enough. One important consequence is the generalized lack of profiling connected to the voluntary character of the YG program, i.e. young jobseekers interested in participating in the program have to require the service. Therefore, discouraged workers and those with less information on activation resources are less likely to participate. This has been amended, so that from 2017 all young unemployed registered in the regional PES are automatically eligible to receive offers within the framework of the YG system and the Youth European Initiative (YEI).

Second, in order to apply to the YG program, the young are required to have been unemployed at least one month and to have spent three months without receiving educational actions of a certain extent. Thus, if a young person participates in a training of more than 40 h per month, they are not counted in the stock during that period. This requirement ignores the reality that, nowadays, many young people are continuously moving between different statuses (Madsen *et al.*, 2013). The result is that a large majority of young people are actually excluded from the program.

Third, no reference is made to the possibility of tailoring the design and adjusting the measures included in the YG Implementation Plan to the different territories or young people's profiles. Though the persistence in the NEET status is also more frequent among youth coming from disadvantaged backgrounds and with lower educational levels, there is a very limited explicit focus on particular sub-groups beyond the generic category of "disadvantaged" young people. With regard to gender, despite some references to gender inequalities and to women being more likely to become NEETs, there is neither an in-depth gender analysis nor a gender-differentiated implementation of the plan, only an extra amount of money added in the form of subsidies to open-ended contracts for young women and support schemes for young business starters.

Fourth, although the Spanish YG strategy includes many programs, the majority of them focus on economic incentives for the hiring of young unemployed workers through either fixed-term or open-ended contracts. The assumption is that incentives for fixed-term contracts will later lead to permanent contracts and that the highest difficulty for young people lies in signing their first contract.

In the fifth place, instead of assigning more resources to finance the PES, the Spanish activation strategy fosters the intermediation services of private-sector firm providers.

The labor market reform of 2012 marked the beginning of a process of commodification and privatization of the PES, which has resulted in public funding being used to pay private entities to find employment for the jobless.

In the sixth place, unleashing entrepreneurial potential has also become one of the strategic blueprints of many EU member states, especially those countries that have been more hardly hit by the crisis and particularly for "disadvantaged groups" such as youth, women, migrants, and long-term unemployed. Labor market reforms and other public policies may be driving many of these "disadvantaged people" into entrepreneurship. Several measures seeking to encourage access of the unemployed to self-employment by means of reducing some costs have been implemented. These measures are the only ones granting women a special treatment. In fact, female entrepreneurs in Spain are increasing at a higher rate than male entrepreneurs. The only employment status that has already recovered the pre-crisis levels is that of female solo entrepreneurs, which has risen by 14 percentage points during the 2010–2016 period.

Finally, a 2012 reform promoted the new Dual VET[3]. The government approved 27 new qualifications of the basic VET in 2016 to enrich the offer and increase its attractiveness (EC, 2017b). However, enrollment rates are still low and these contracts are often being used to recruit cheap labor. Indeed, for the purpose of ensuring high-quality of apprenticeship, in 2016 the Spanish government established that any training provided by the employers has to be part of a certified training itinerary.

## 4. Data and method

The main aim of this work is to apply an intersectional analysis and assess the impact of structural factors on the risk for youth of being a NEET in Spain in two different moments[4]. Year 2013 marks the turning point of the increase of unemployment in Spain. From 2014 onwards, unemployment rates have decreased, even though at a slow rate. Year 2016 is the most recent year for which microdata are available; by then, the reforms to foster youth employment had already being implemented for three years.

For these purposes, the 2013 and 2016 SILC cross-sectional microdata for Spain have been used, since they allow gathering individual and household information on variables that can affect the unemployment status. To measure the effect of each variable on the probability of being NEET, a probit model has been estimated in the following equation:

$$Y = \Phi(X\beta + \varepsilon),\tag{1}$$

where Y is a dummy variable taking the value of 1 if the individual is NEET and 0 otherwise; X are individual and household variables affecting the NEET status;  $\beta$  measures the effect of each variable included in the model on being NEET; and  $\varepsilon$  is the error term. Different models are carried out for men and women. The marginal effects have been computed at the mean values of the continuous variables and as the dummy variables included in the model take the value 1.

The individual variables considered include the person's age, education level and country of origin (born inside or outside the country). The household variables are the equivalized household income[5], living in a household with low intensity of employment[6] and the living arrangement (living with parent/s, living as a couple, and other arrangements). As it is possible to observe in Table I, the living arrangements of NEETs are different by gender and country of origin. More female NEETs than male NEETs live with their partners, especially women born outside the country. Notwithstanding these differences, the majority of NEETs live with their parents, particularly those of Spanish origin and this trend has intensified even after the crisis. The growing complexity and difficulty in the transition from youth to adulthood is increasing social risks for

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The model introduces as well variables for work experience, receiving education during the last year and the duration of unemployment (none, six months or less and more than six months) since youth policies are mainly based on the importance of facilitating work experience. Some context variables, such as the regional unemployment rates were also included in other specifications that are, however, not presented in the next section, since these variables were not significant. As shown in the study by Addabbo *et al.* (2018), the labor market context does not seem to affect the probability of being NEET among Spanish youth.

## 5. Findings

A comparison was made between the results of the estimation model for women and men and for two different years: 2013 and 2016 (Table II). For men, the probability of being NEET increased with age and was lower for the more educated ones, particularly for those

		Men				Women			
	Native born		Foreign born		Native born		Foreign born		
	2013	2016	2013	2016	2013	2016	2013	2016	
Living with parent/s	79	87.5	64.3	73.9	66.9	73.8	25.3	45.8	
In a couple	7.5	4.4	17.8	16.1	28.1	21.6	67.9	48.2	
Other arrangements	13.5	8.1	17.9	9.9	4.9	4.6	6.8	5.9	
<u> </u>	100	100	100	100	100	100	100	100	
Source: Own calculations on ES SILC 2013 and 2016									

Table I.
Type of households of
NEETs by gender and
country of origin (%)

	M	en	Women						
	2013	2016	2013	2016					
Age	0.00723** (2.40)	0.00858*** (3.62)	0.00341 (1.32)	0.00187 (0.61)					
ISCED 3–4	-0.0548*** (-3.29)	-0.0317** (-2.24)	-0.0159 (-1.06)	-0.0114 (-0.56)					
ISCED 5–8	0.000783 (0.03)	0.0227 (1.21)	0.0401** (2.08)	0.0809*** (3.22)					
Native born	0.00882 (0.42)	0.0357* (1.76)	0.00420 (0.28)	-0.0448** (-2.41)					
With couple	0.0841** (2.06)	0.0157 (0.67)	0.0767*** (3.14)	-0.0210 (-0.70)					
Other living									
arrangements	0.00868 (0.32)	-0.0630** (-2.12)	0.0274 (0.85)	0.0274 (0.85)					
Equiv.									
household									
income	-0.00000236*** (-2.91)	-0.00000193*** (-2.83)	-0.000000961 (-1.29)	-0.00000375*** (-3.67)					
Low intensity									
employ									
household	-0.00224 (-0.44)	-0.00371 (-0.60)	-0.00454 (-0.99)	-0.00885 (-1.25)					
Work									
experience	-0.275*** (-10.68)	-0.0380** (-2.13)	-0.236*** (-12.59)	-0.0476**(-2.52)					
Studying last									
year	0.00869 (0.49)	-0.249*** (-11.56)	-0.0348**(-2.25)	-0.313*** (-10.96)					
Unemployed									
≤ 6 months	0.249*** (5.51)	0.236*** (7.07)	0.200*** (4.83)	0.166*** (4.00)					
Unemployed									
> 6 months	0.0449 (1.54)	0.0816*** (3.42)	0.126*** (4.85)	0.0852****(2.79)					
n	1,624	1,612	1,606	1,591					
pseudo R <sup>2</sup>	0.7091	0.7401	0.7218	0.7036					
<b>Notes:</b> $t$ statistics in parentheses. * $p$ < 0.10; *** $p$ < 0.05; **** $p$ < 0.01									

Table II.
Probability of being
NEET by gender in
2013 and 2016,
marginal effects
evaluated at the
means, 15–29
age group

with upper secondary education and post-secondary non-tertiary education. In contrast, for women the probability of being NEET increased with a university degree, and this effect had doubled by 2016. The share of NEET women with a university degree was 22.3 in 2016, 2.4 percentage points higher than in 2013, as NEET rates for female graduates have been decreasing more slowly than for those with lower educational levels (see also Figure 1). A plausible explanation for this result could be the deterioration of public employment opportunities after the implementation of harsh austerity policies being implemented in Spain since 2011, as the public sector employs a high proportion of women, especially the higher qualified (Rubery, 2015). Also, most of the recovery in employment during 2014–2016 was concentrated in low qualified occupations in market services (especially hotels and restaurants), construction and the manufacturing industry (mainly automobile and food).

In 2013, young men and women were more likely to be NEET if they lived as a couple (the probability of being NEET increased by 8 percent for men and women) since young people living with their parents are usually younger and still studying. In the case of women, the increase in NEET likelihood was consistent with the larger share of NEET women living with their partner as housewives (Addabbo *et al.*, 2018). Men that lived outside the family home but not as a couple presented a lower probability of being NEET. These results confirm evidence that young men in Spain leave home when they find a stable job, while women leave home to create a family. Other studies have pointed to female residential independence being linked more to the family life cycle than to labor factors, particularly in Spain (Moreno Minguez, 2018). In 2016, relations were not significant, most probably because of the important diminution in the number of NEETs living as a couple, as shown in Table I.

A high equivalized household income reduces the probability of being NEET; however, the effect is rather negligible. Living in households with a low work intensity does not have a statistically significant effect on being NEET because a slightly higher proportion of NEETs live in households without that feature. However, less than 22 percent of households not suffering from low work intensity in 2013 had NEETs – and less than 16 percent in 2016 – in contrast to the 50 percent of low work intensity households having NEETs.

Concerning the employment variables, work experience decreased the odds of being NEET for men (by 27 percentage points) and women (24pp) in 2013. Therefore, having work experience was really important in the recessionary period in order to avoid the NEET status. However, in 2016, once the crisis was over, job experience did not strongly reduce the probability of becoming NEET, only by 4 percent for men and by 5 percent for women. Being unemployed for six months or less during the previous year heavily increased the probability of being NEET, ranging from +16 percent for women in 2016 through +24 percent in 2013. The effect was somewhat higher for men and during the crisis years. Being in unemployment for more than six months was especially detrimental for women in 2013 and for both genders in 2016. The length of unemployment spells is more important now than during the crisis period and affects women more negatively than men.

In 2016, having been in education or training during the last year decreased the likelihood of being a NEET, by 31 percent for women and by 25 percent for men. In 2016, 16.7 of female NEETs and 16.2 of male NEETs had been studying during the twelve months before the survey was conducted. These percentages were lower in 2013. Only 12.2 percent of female NEETs and 14.3 of male NEETs had been studying in the twelve months before the survey.

The country of origin had a significant effect on being NEET in 2016. Being born in Spain slightly increased the probability of being NEET for men while the opposite was true for women. Although the percentage of native-born NEETs was inferior to that of foreignborn NEETs, the latter decreased steeply by 14 percentage points during the 2013–2016 period (see Table III). This dramatic fall is due to a rise, first, in the number of, firstly, foreign-born male students (+8pp), and second, in those in employment (+7pp). Also, there has been a convergence in the activities of native-born and foreign-born young men in the

post-crisis period. The employment status of foreign-born males worsened a lot during the crisis, but it has quickly improved during the recovery. On the contrary, gender differences in the share of NEETs have increased again after a downward convergence during the economic crisis. As regards the difference between native-born and foreign-born women, the former presented a lower percentage of NEETs than the latter, particularly in terms of inactive NEETs, because the participation rates of women from non-EU countries are often low in their countries of origin.

Following this intersectional analysis, Table IV displays the most recent change in the individuals' activity status[7] by gender and country of origin. The main findings are as follows. In 2016, more young men born in Spain transitioned from unemployment to employment than men from third countries, reversing the 2013-situation. The entry into employment from unemployment increased by 8pp for native-born young men, while it decreased 7pp for foreign-born men. The transition from employment to unemployment has decreased by 9pp for native-born young men and only 6pp for foreign-born young men. Therefore, the transition out of employment of foreign-born males worsened significantly: only 46 percent remained in employment in 2016 compared to 70 percent in the case of native born males.

The dynamics of foreign-born females was the opposite. Foreign-born females experienced the worst performance in terms of retaining employment in 2013 (43 percent), and the second best in 2016, positioning themselves better than native-born females. Spanish women show a worsening of their position in relation to men and to women born outside Spain. In 2016, 35 percent of them went into unemployment and 19.1 into inactivity. Therefore, young men seems to have benefitted more than women from the recovery, just as foreign-born females have benefitted more than the Spanish ones. However, it is worth

	Men				Women			
	Native born		Foreign born		Native born		Foreign born	
	2013	2016	2013	2016	2013	2016	2013	2016
Employed	31.0	31.9	27.7	34.7	27.5	28.6	25.9	33.2
Student	43.6	46.8	35.1	43.2	48.1	50.7	39.4	31.4
NEET (in search)	21.8	18.1	34.9	20.3	20.2	16.1	22.5	19.5
NEET (not searching)	3.5	3.3	2.3	1.9	4.2	4.6	12.3	15.9
( 0,	100	100	100	100	100	100	100	100
Source: Own calculations on ES SILC 2013 and 2016								

Table III.
Economic activity of young people (15–29)
by gender and country of origin

	Men				Women			
	2013		2016		2013		2016	
	Native born	Foreign born	Native born	Foreign born	Native born	Foreign born	Native born	Foreign born
Unemployed-employed	35.27	41.11	43.06	34.10	37.62	27.39	34.23	37.78
Inactive-employed	10.27	3.06	11.89	5.18	6.76	7.97	11.29	15.22
Employed-unemployed	30.53	43.63	21.47	37.40	36.73	41.44	28.31	23.88
Inactive-unemployed	7.78	8.90	10.23	2.19	7.49	6.12	7.04	10.49
Employed-inactive	11.04	0	8.84	16.71	8.72	15.22	15.89	11.55
Unemployed-inactive	2.98	3.29	3.25	4.41	1.79	1.18	2.79	1.08
Inactive-pension	2.12	0	1.24	0	0.89	0.40	0.45	0
Total	100	100	100	100	100	100	100	100
Source: Own calculations on ES SILC								

Table IV.
Most recent change in
activity status of
young people (15–29)
by gender and
country of birth

noting that, though SE countries with a more recent experience of immigration such as Spain are characterized by higher levels of labor market participation of non-EU youths, their disadvantages in terms of occupational position and educational mismatch are also higher (Fernández-Macías and Paniagua de la Iglesia, 2018).

Other variables, such as having had full-time and part-time jobs in the last 12 months were introduced in other specifications that are not displayed here, as these variables were not significant because the percentages of NEETs with these types of contracts during the preceding year were very small.

## 6. Discussion

Spain has focused on implementing policies designed to facilitate the socio-professional transition of young people and increase their employability by offering workplace experience or training, as well as to promote stable youth employment. The assumption underlying these policies is that the highest difficulty for young people lies in getting the first contract. These results show that this assumption seems correct as work experience decreases the likelihood of becoming NEET, while unemployment in the previous year and long-term unemployment increase the odds of being so. However, despite all youth initiatives implemented, in 2017 contracts for young people represented 35 percent of the total contracts, only one percentage point higher than in 2013. Therefore, though contracts for young people multiplied by 1.5, its relative position with regard to the adult population did not change. Table V shows as well that the probabilities in youth transition to employment for unemployed and inactive people and to permanent contracts for young temporary workers have improved very slightly since 2013 and quite marginally in relation to the job recovery among adults. These poor results in comparison to the adult population point out to a failure of the YG and suggest that economic growth accounts for most of the recovery in youth transitions to employment.

Regarding youth transition from temporary to permanent contracts, Spanish rates were only 7 percent in 2016, compared to the EU average of 17 percent. According to data from SEPE (2018), only 8 percent of new contracts to young people in 2017 were permanent, while they represented 9 percent for the total population. And a lower percentage of young women are getting permanent jobs than in 2013. Even though data in Table V shows a minimal improvement in relation to adults, temporary jobs seem not to be a stepping stone to stable careers for the youth. One of the reasons could be that the budgetary effort to encourage open-ended recruitment has not been enough to increase the share of these contracts. As confirmed by Cebrian and Moreno (2018), incentives for permanent contracts in the case of young people have not contributed to the improvement of neither the youth's probability of accessing a permanent employment nor their stability level. Another reason might be that

		Men		Women			
	2011	2013	2016	2011	2013	2016	
Unemployed (15–24)	16	13	19	17	14	20	
Unemployed with experience (15–24)	18	16	24	20	19	26	
Inactive (15–24)	4	3	3	4	3	3	
Temp to Permanent (25–39)	7	6	7	7	6	7	
Ratios Youth/Adult							
Unemployed (15-24)/(25-54)	0.8	0.8	0.9	1.0	1.0	1.1	
Unem. w experience (15–24)/(25–54)	0.9	1.0	1.0	1.1	1.4	1.4	
Inactive (15–24)/(25–54)	0.4	0.4	0.3	0.6	0.5	0.4	
Temp to Permanent (25–39)/(40–64)	1.2	1.0	1.2	0.7	0.7	1.0	
Source: Eurostat LES [[fsi_long_e02] [	lfsi long eO	61 Elfsi long	e091				

Table V. Youth transition to employment (% of each status and ratio), annual averages of quarterly transitions, estimated probabilities

these jobs do not improve young people's chances of transitioning to full-time open-ended employment (OECD, 2015). And young people are now trapped in a concatenation of unstable short-term contracts.

The Spanish and European youth policies have focused on employability, activation and labor mobility as solutions for unemployment (Bessant and Watts, 2014), but the adopted approach seems to foster an increasing precariousness of the contract-based ways in which young people access the labor market (Goodwin and Henrietta, 2016; Greer, 2016). The difficulties young people find in entering the labor market operate as a powerful instrument of precariousness: 34.5 percent of young people in Spain would accept any job. Incentive mechanisms like those included in the ALMPs seem to be widely unsuitable to create opportunities under difficult macroeconomic conditions. Without the creation of new jobs in the public and private sectors, these measures may only favor competition for scarce jobs and downgrade the working conditions. Aggregate demand management is also necessary to combat high youth unemployment and underemployment rates, both in the short and the long term.

Finally, by analyzing different dimensions of inequality, this study added to the knowledge on youth labor market trajectories in a typical Mediterranean regime. The analysis illustrates the segmentation of youth labor markets along the lines of gender, household and country of origin. Despite the differences in YUR or NEET rates by gender or country of origin, public policies only mention them in their plans and strategies, without developing any specific measures in their regard. This has led, in the Spanish case, to a widening of gender gaps and inequalities by country of origin after the crisis. It is, therefore, clear that the development of specific activities to support particular groups should be spelled out in the plans and that particular groups should be reflected in the output targets. Besides, the small role played by the underfinanced PES in the development of activation policies for the youth only helps reproduce previously existing inequalities, and further individualizes life trajectories.

## 7. Conclusions

The risk of a "lost generation" emphasizes the need to adopt effective and ambitious policies and adequate SWT institutions to minimize the increase in the number of young people losing effective contact with the labor market and to avoid permanently damaging their employment prospects. In Spain, the most important measures targeting young people have been focused on activation policies, the development of skills certifications and their EU transferability and of the Dual VET. The poor performance of these limited reforms, implemented simultaneously with harsh austerity policies, has had very weak effects, and the traditional imbalances of the Spanish youth labor market remain profound.

These findings confirm differences in the incidence of NEET rates by age, gender, country of origin, household arrangement or educational level and point out to the low potential of youth measures' low potential to promote a real and sustainable change in SWT. Spanish YG implementation plan mentioned the existence of inequalities but did not undertake a real analysis to identify the mechanisms accounting for the differential outcomes. Measures were not tailored to the specific needs of the various young people's profiles, hindering the amelioration in gender and other structural inequalities once the crisis ended. Public policies targeting the younger population need to recognize the intersectionality of youth, gender, country of origin, class and other forms of vulnerability, and adopt a comprehensive policy approach addressing the multitude of factors that affect young people's access to the labor market.

### Notes

 This study uses the 15–29 age group, instead of the 15–24 age group, because Spanish youth-centered policies, including the Youth Guarantee, Erasmus+, etc., target young people under 30 years old.

- 2. Unless otherwise indicated, the data on this paper are taken from the Labour Force Survey (EU-LFS) and the Statistics on Income and Living Conditions (EU-SILC) survey, and are thus extracted from the Eurostat database (2018).
- The Dual VET system aims at providing students in formal education schools access to practical training in companies adapted to the reality of work in order to complete their theoretical training at the school.
- 4. Despite comparison groups are not used, the statistical analysis of the youth samples shows that the structural composition of both groups has not significantly changed between the two years. The only minor changes are that foreign-born youths have decreased because of the exit of migrants under the job crisis and young people living with their parents continue their upward trend.
- 5. The equivalized household income is a measure of household income that takes account of the differences in a household's size and composition; household members are equalized or made equivalent by weighing each according to their age, using the so-called modified OECD equivalence scale.
- 6. The new Eurostat indicator living in households with very low work intensity is defined as that person living in a household where the members of working age worked less than 20 percent of their total work potential during the previous 12 months.
- 7. This variable reflects whether there has been a change in the respondent's activity status for the last 12 months. If there has been more than one change in the individual's activity status, the most recent change is the one recorded.

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