



***YOUTH AND LABOUR MARKET IN SPAIN:  
FIRST IMPACTS OF THE COVID-19 CRISIS***



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**TURI Meeting**  
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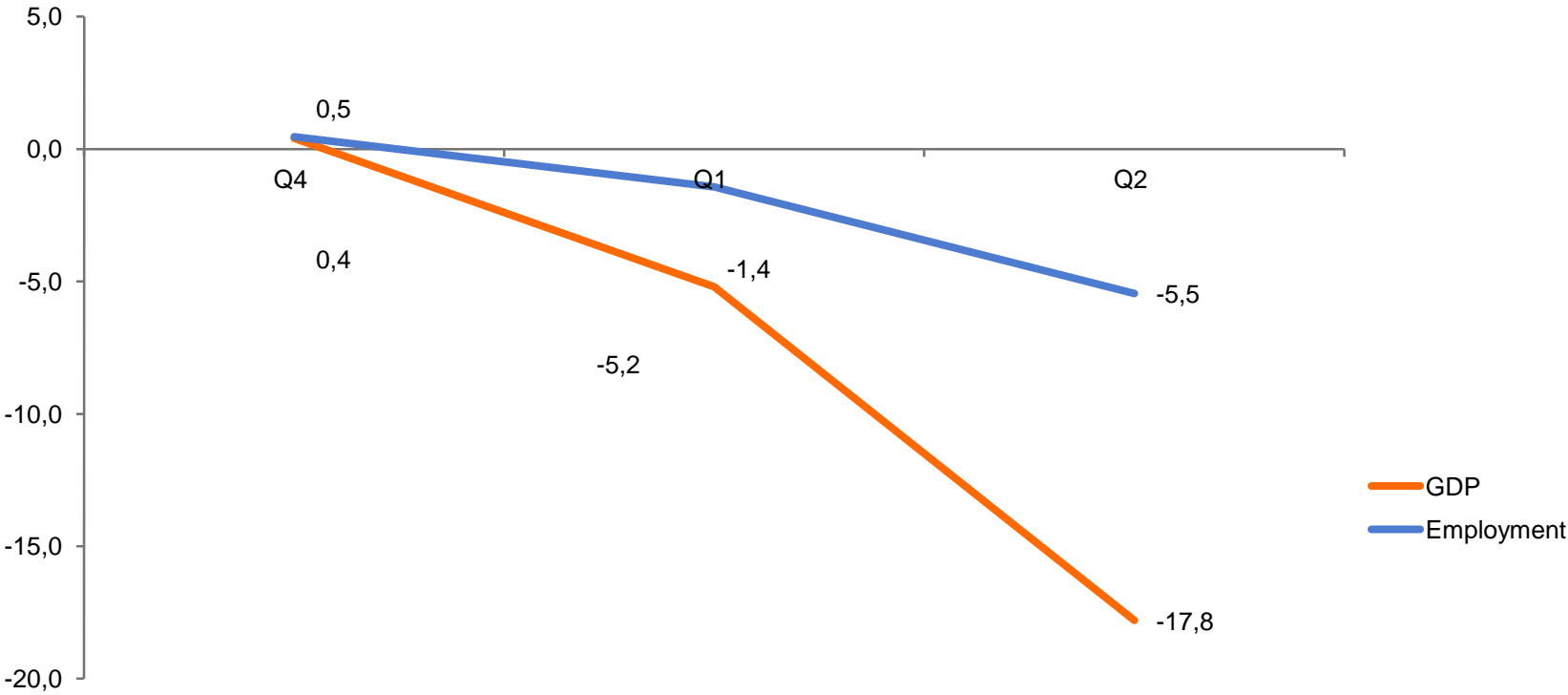
1. The economic impact of the covid-19 crisis in Spain
2. First effects on the labour market participation of young people
3. Final remarks





# **1. THE ECONOMIC IMPACT OF THE COVID-19 CRISIS IN SPAIN**

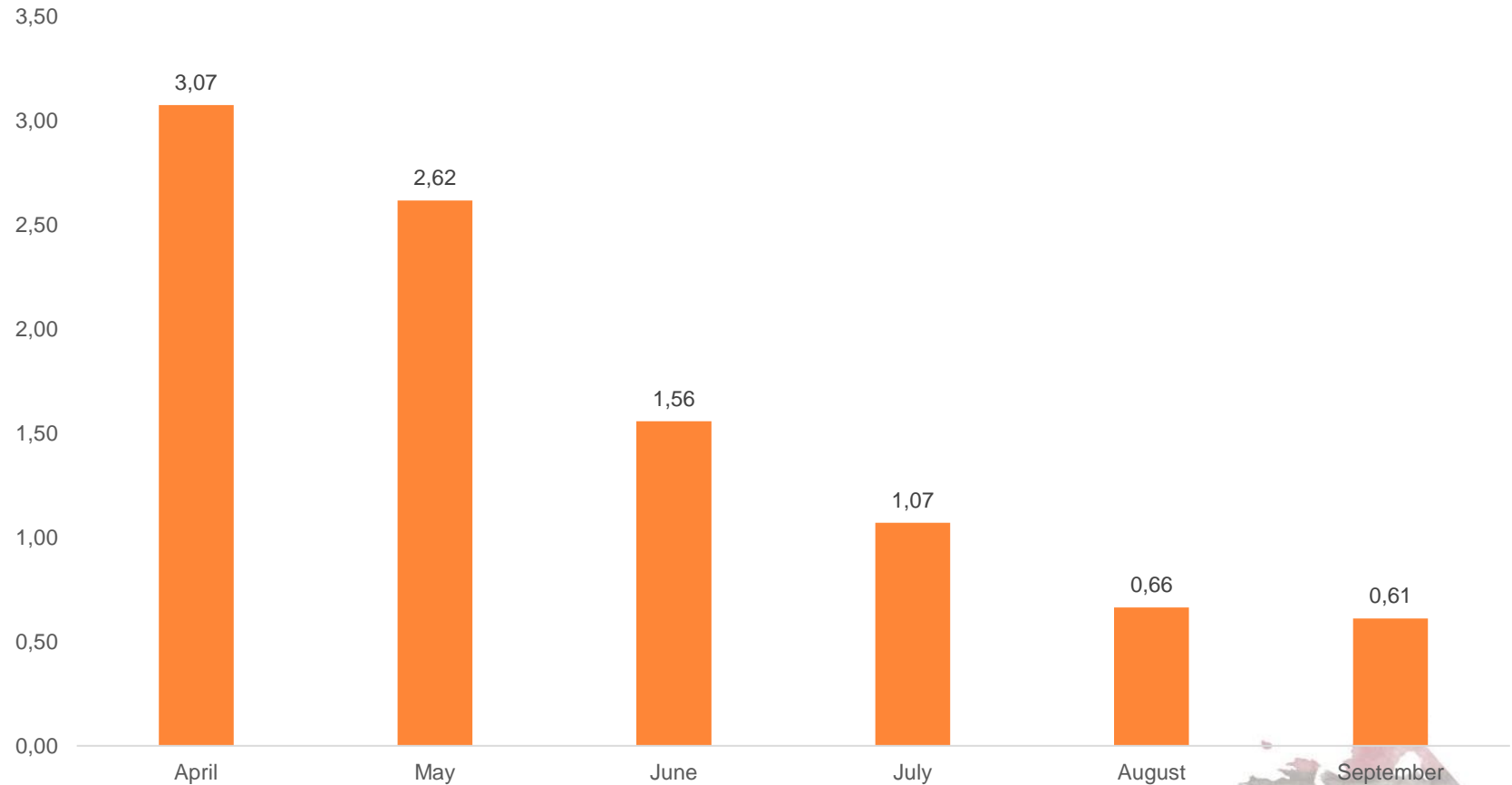
# SHARP DROP IN ACTIVITY AND EMPLOYMENT



GDP = Chain-linked volume indices  
Source: Trimestral National Accounts and Labour Force Survey. Quarterly variation (% over the past month). Q4 2019-Q2 2020

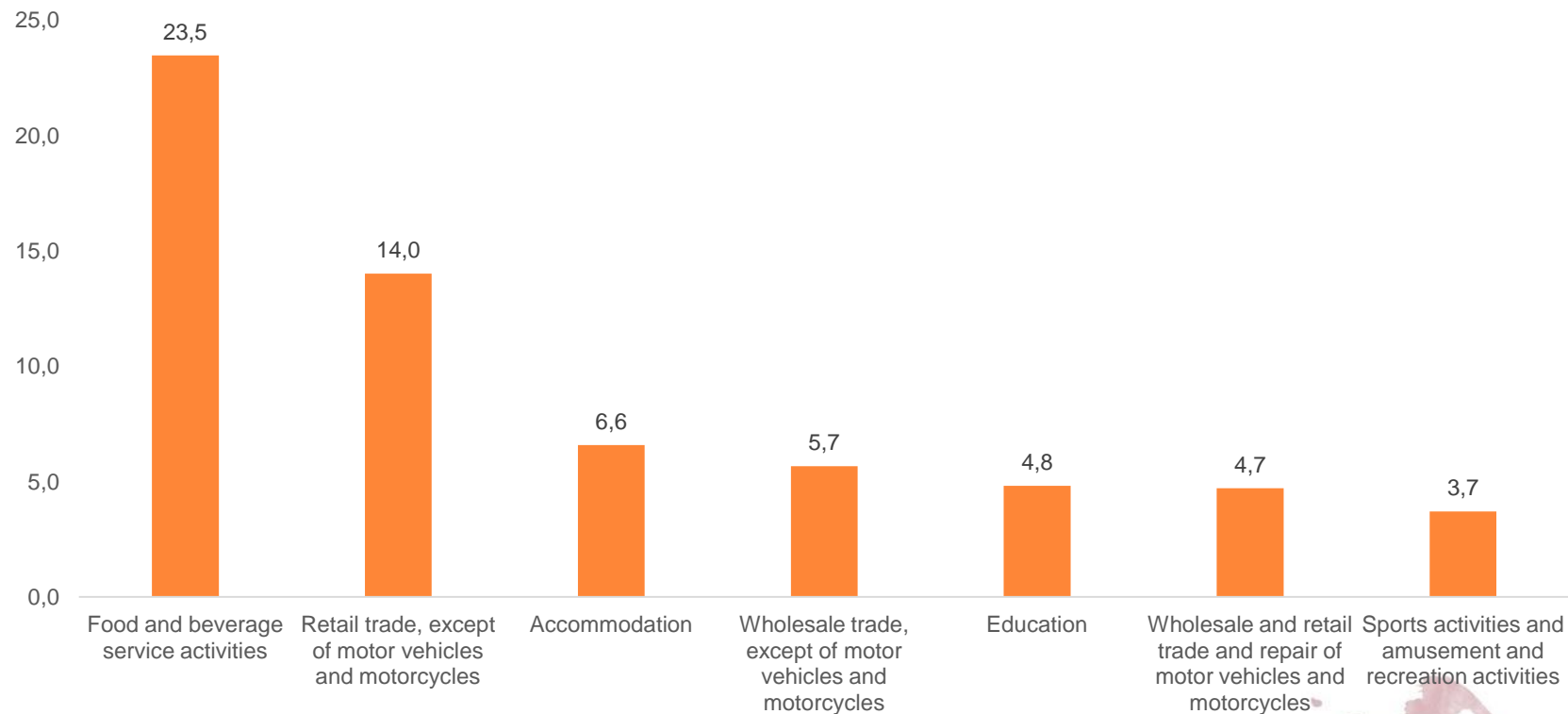


# WORKERS COVERED BY SWM (“ERTES” OF FORCE MAJEURE). APRIL-SEPTEMBER 2020 (MILLIONS)



Source: Data from the Social Security, April-September 2020, end of the month (millions)

# ACTIVITIES WITH HIGHER PROPORTION OF WORKERS COVERED BY “ERTES” OF FORCÉ MAJEURE. APRIL 2020 (%)



Source: Data from the Social Security (April 30th, 2020)



## EFFECTS ON BASIC LABOUR MARKET INDICATORS

| <b>People (1000)</b> | <b>Q1</b> | <b>Q2</b> | <b>Q1-Q2</b> |
|----------------------|-----------|-----------|--------------|
| Active               | 22.994,2  | 21.975,2  | -1.019,0     |
| Employed             | 19.681,3  | 18.607,2  | -1.074,1     |
| Unemployed           | 3.313,0   | 3.368,0   | 55,0         |
| Inactive             | 16.525,9  | 17.588,7  | 1.062,8      |
| <b>Rates</b>         | <b>Q1</b> | <b>Q2</b> | <b>Q1-Q2</b> |
| Activity             | 58,2      | 55,5      | -2,6         |
| Employment           | 49,8      | 47,1      | -2,7         |
| Unemployment         | 14,4      | 15,3      | 0,9          |

Source: Labour Force Survey, 2020 quarters 1 and 2 (16 years and over)



# KEY DRIVERS OF VULNERABILITY OF THE SPANISH ECONOMY

**Severity of the pandemic and the lockdown measures**

**High specialization in some of the hardest-hit sectors**

**Business structure**

**Precarious labour market**

**Smaller room for maneuver of Public Finance**







## **2. FIRST LABOUR IMPACTS OF THE PANDEMIC CRISIS ON YOUNG PEOPLE**

# YOUTH AND LABOUR MARKET IN THE RECOVERY PERIOD (2014-2019): MAIN TRENDS

**Reduction of the participation in labour market**

**Increase of youth employment, with strong sectoral specialization**

**High prevalence of precarious employment**

**Persistence of high levels of unemployment**

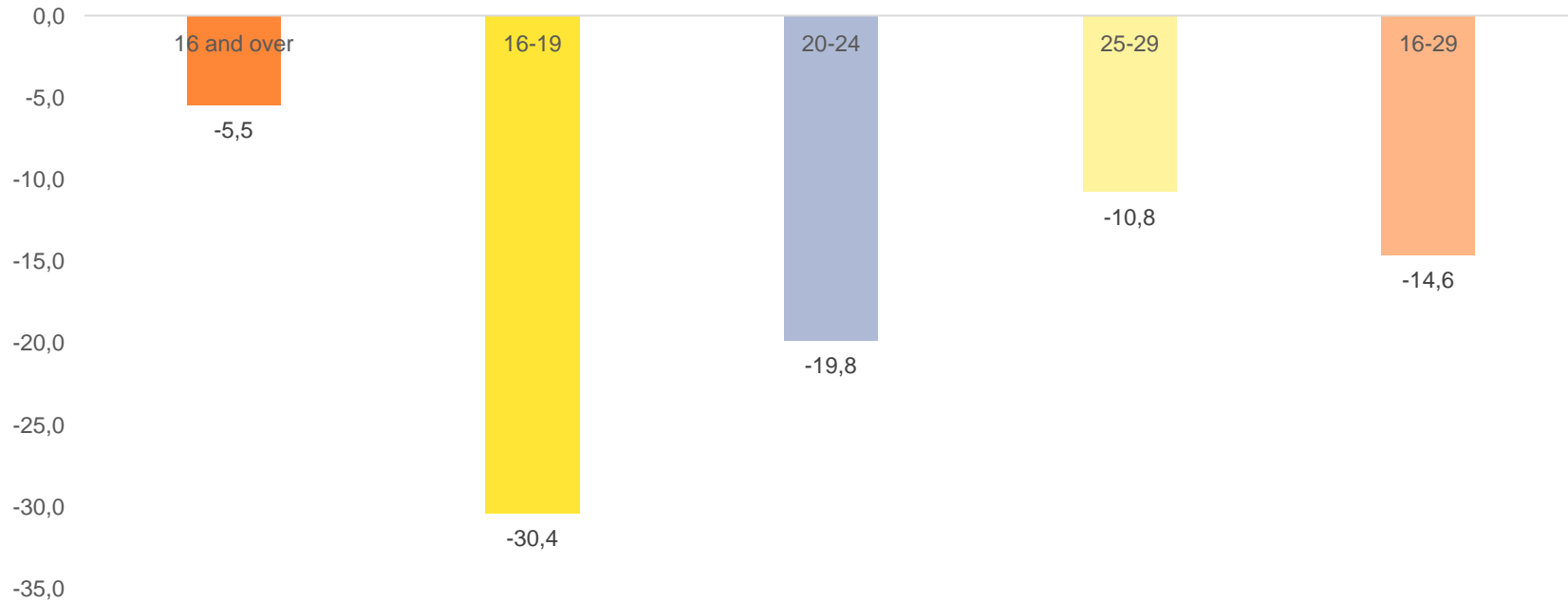
**Differences by gender, educational level, and region**

**Decline in the youth emancipation rate**



# INCREASED IMPACT OF THE COVID-19 CRISIS

## Variation of employment by group of age. 2020 (% Q2/Q1)



Source: Labour Force Survey, 2020 (quarters 1 and 2)

**Young people (16-29) concentrated 36% of job losses**

## YEARLY EVOLUTION OF YOUTH LABOUR MARKET INDICATORS

| <b>People (1000)</b> | <b>2019</b> | <b>2020</b> | <b>2020-2019</b> | <b>%</b> |
|----------------------|-------------|-------------|------------------|----------|
| Active               | 3.618,1     | 3.257,1     | -361,0           | -10,0    |
| Employed             | 2.721,8     | 2.279,9     | -441,9           | -16,2    |
| Unemployed           | 896,3       | 977,3       | 81,0             | 9,0      |
| Inactive             | 3.057,4     | 3.541,5     | 484,1            | 15,8     |
| <b>Rate (%)</b>      | <b>2019</b> | <b>2020</b> | <b>2020-2019</b> |          |
| Activity             | 47,9        | 47,9        | -6,3             |          |
| Employment           | 40,8        | 33,5        | -7,2             |          |
| Unemployment         | 24,8        | 30,0        | 5,2              |          |

Source: Labour Force Survey, second quarters. Age group: 16-29 years



## BRING IN THE USUAL SUSPECTS

**Strong concentration in hardest-hit sectors**

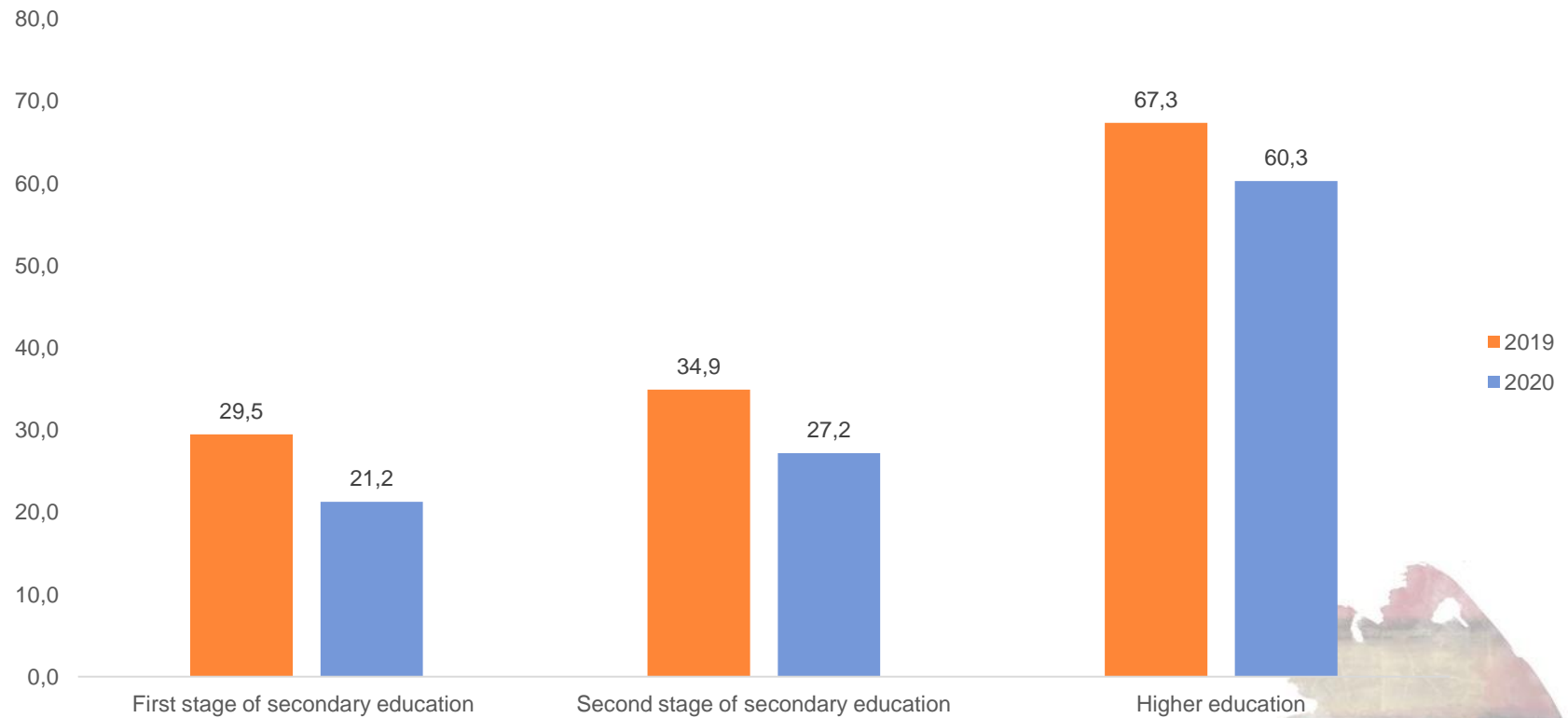
- **Men:** Accommodation and food service activities; Retail Trade; Manufacturing
- **Women:** Accommodation and food service activities; Retail Trade; Education

**High prevalence of precarious employment**

- 87% of the total wage employment lost by young people between 2019 and 2020 was temporary
- 61% of wage employment lost by young women was part-time (26% for young men)

# EDUCATIONAL PREMIUM

Employment rate of young people (16-29), by level of educational attainment (%)



Source: Labour Force Survey, second quarters



### **3. FINAL REMARKS**

## THE DAY AFTER: SOME BIG TROUBLES

**Uncertainty**

**Uneven,  
incomplete, and  
asymmetric  
recovery**

**Increasing levels of  
debt**

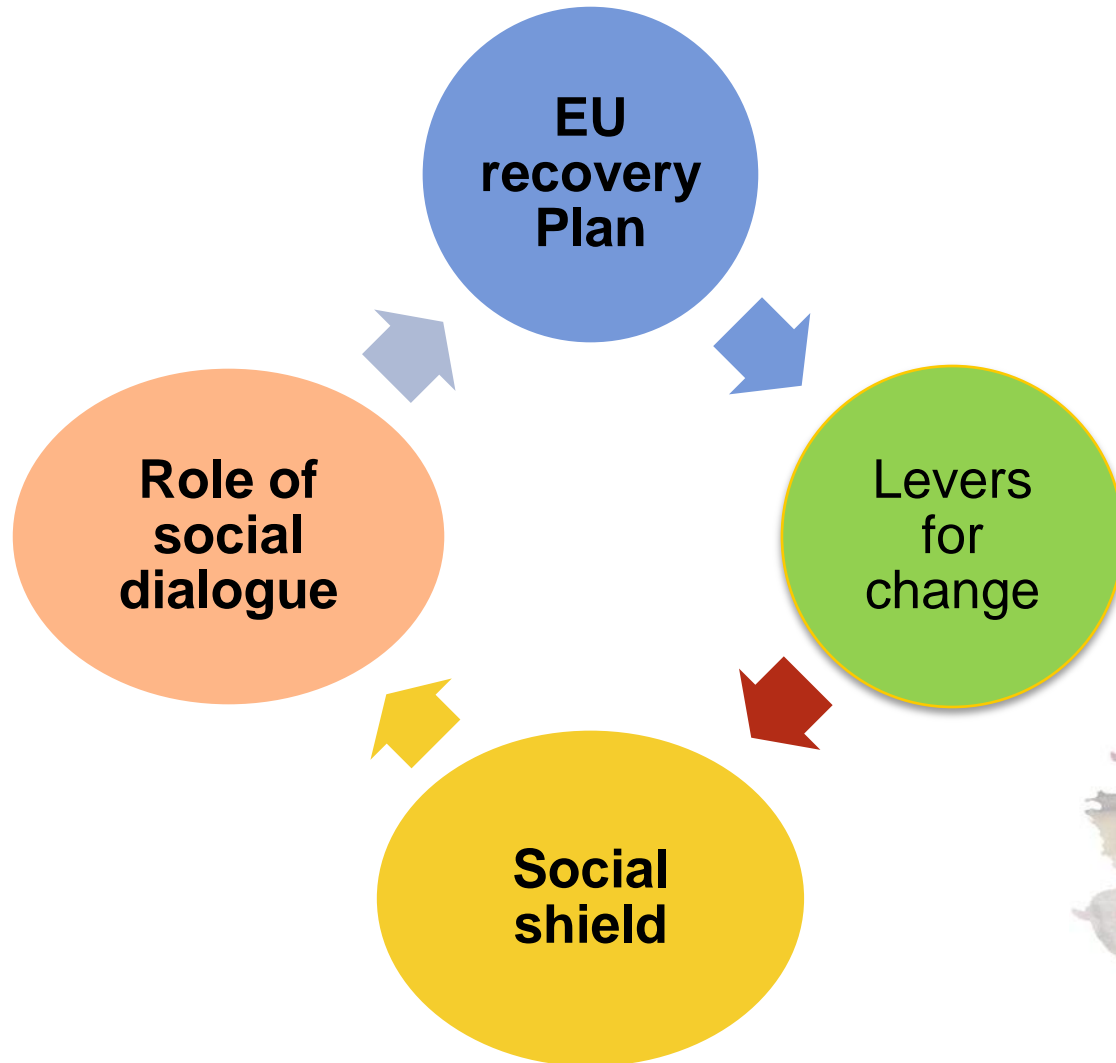
**Fragmented and  
conflictive political  
context**

**Risk of long- term  
social exclusion of  
young people**





## BUT ALSO SOME LIGHTS



Thanks for your attention

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