The Employability of Young People in Spain: The Mismatch Between Education and Employment

Almudena Moreno Minguez
University of Valladolid, Segovia, Spain

This paper reflects the ambiguous concept of employability and its use as an instrument to fight against youth unemployment. Generally, this concept refers to educational capital which workers acquire to enhance their possibilities of being employed and productive, without taking into account factors, such as sex, nationality, the social class they belong to, or the flaws of the production system itself. The data presented in this paper evince the high levels of youth unemployment and the existing mismatch between the education system and the labour market. These circumstances are evidenced on the one hand by high levels of academic failure and on the other hand by the overqualification of this population in Spain, who are working in jobs below their level of educational achievement. In short, based on the descriptive data presented, the paper reflects how to make career and learning pathways more flexible, reduce the existing segmentation in both education and the labour market, as well as the need to adapt education to available occupations and diminish the dropout rate.

Keywords: education, youth, employability, early school leaving, unemployment, Spain

Introduction

Young people are the present and the future of Europe and a rich source of dynamism in our societies. However, the social and economic inclusion of young people presumes and requires a sequence of successful transitions. In a context in which the transitions to adult life has become more complex and de-standardised, education and labour markets are key vehicles of inclusion (Bynner, 2005; Stauber, 2009; Walther, 2006). Thus, the transition from school to the labour as well as the transition from unemployment or inactivity to employment is crucial in determining the future of young generations (European Commission, 2011, 2012b; ILO (International Labour Organization), 2012). Since then, the economic and political context has changed, creating new uncertainties and constraints in a global context (Blossfeld & Mills, 2010). Thus, the Europe 2020 strategy contains recommendations destined for the young persons. One is to reduce the EU (Europe Union) average early school leaving rate to less than 10% by 2020 and second is to adapt the training and qualifications of young people to the labour market needs to minimize the effects of overqualification on employment and productive structure. It impacts directly on the employability of young people and contributes to breaking the cycle of deprivation, social exclusion, and poverty.

In the current economic crisis, the concept of “employability” is embedded in the economic and political discourse, becoming a key factor to drive and promote employment. From the economic perspective, it is understood as a set of factors, essentially related to education, which meets the needs of employers regarding
the qualification of their workers. It is a concept which is difficult to delimit given the scale of its components and the changing current labour market due to, among other reasons, continuous technological breakthroughs and financial turmoil.

In general, this term is associated to the human capital which individuals contribute as workers to a company to generate value added and thereby meet the productivity demands of the labour market. This concept is generally used to assess and analyse educational and career situations that have led to employment/unemployment. For a decade now, this term has been used in scientific literature and by international bodies to express the relationships between educational attainment and the labour market integration process.

There is an abundance of references on how competences, skills, personal motivation, families, schools, and the labour market structure favour employment of young workers, but there are very few studies or empirical analyses linking all of these factors in a relative index of employability of the young in order to analyse the current gap between education attained and their failed integration in the labour market (Rodríguez Cuba, 2009; ILO, 2012; Dolado, Felgueroso, & Jimeno, 2000). Taking into account the existing limitations of this concept, the proposed analysis presented herein is aimed at descriptively analysing employability of the young by examining the possible gaps between education and the labour market in the context of the institutional context of “life course regime” in Spain.

The methodology used for this purpose will be to conduct an exploratory analysis of mismatches between the training received by young and employability in the labour market in Spain. To achieve these objectives will be used descriptive data on school dropout, unemployment, and over qualification available data from the labour force survey for Spain.

**Theoretical Framework**

The current youth training and employment situation should be interpreted within a complex framework of interrelations in which individuals take decisions according to a series of structural factors (economic situation, job market, and social policy) and individual factors (gender, ethnic origin, social class, and training) that affect motivation and education agency decision-making. Researchers, such as Beck and Beck-Gernsheim (2002), have termed this situation “institutionalised individualism”. Walther, Stauber, and Pohl (2009) introduced the model of life course regimes. It is argued that this originates from attempts to understand the de-standardised lives of youths and transitions in the context of the institutional determinism of welfare regime. Walther (2006) referred to “young peoples’ biographical choices” contextualised within different cultural institutional structures. Thus, the life course of young people develops in close relationship with the national level structures in which they are embedded and which shape them as a result of the particular constituents, regulatory supports, and historical context in which they were formed.

Comparative sociology has highlighted the importance of welfare states in individuals’ life courses. The classic work of Esping Andersen (1999) on welfare regime typologies has served as inspiration for youth sociologists to draw up an interpretative model for transitional regimes. This comparative tool is useful for

---

1 Esping Andersen’s seminal regime typology was based on a comparative historical analysis of social policy development in 18 OECD (Organisation for Economic Co-operation and Development) countries up to the 1980s (Esping Andersen, 1990), going beyond linear models of social expenditure. The key dimensions of Esping Andersen’s typology are the degree of decommodification, that is, “The degree to which individuals, or families, can uphold a socially acceptable standard of living independently of market participation” (Esping Andersen, 1990, p. 37), and the kind of social stratification fostered by social policies. The three distinct regimes refer to political movements and their ideas generating different welfare models: the liberal (Anglophone countries), the conservative/corporatist (continental Europe and Japan), and the social democratic (Scandinavia) regimes.
analysing differing social policies, educational models, and job markets, enabling differences in early school leaving figures to be explained from a macro-structural perspective.

Walther (2006) referred to the concept of “model of life course regimes” for grouping EU countries together. According to Mayer (2001) and Mayer and Hillmert (2004), this theoretical perspective allows systematic cross-national comparisons of the effects of differing welfare state on life course outcomes. Including this, analytical view is relevant, because it enables us to contextualise young peoples’ individual behaviour within various national and institutional frameworks. The term “regime” refers to the combined impact of economic, institutional, and cultural structures that explain young peoples’ job training transitions in different countries. This way of looking at things has been developed from theoretical contributions by Esping Andersen (1990; 1999) and by Gallie and Paugam (2000) on types of welfare state. These authors analysed welfare models distinguishing among social democratic and universalist regimes (such as in Denmark and Sweden, where citizens’ rights are extremely well protected by generous social and educational policy), conservative/corporate (France, Germany, and the Netherlands, countries that focus on employment but where cover depends on type of professional category), liberal (United Kingdom and Ireland where social cover and job protection are more limited) and Mediterranean/sub-protector (Spain, Italy, Portugal and Greece, where social cover in education is insufficient in comparative terms and is complementary to the welfare that each family household can provide for itself).

The southern European transitional model (Spain, Portugal, Italy, and Greece) is characterised by inadequate youth policy to encourage residential transitions, a rigid education system insofar as options for training routes are concerned (further and university education) plus a lack of proper routes for easing the transition from school and academic programmes into the job market. This imbalance between education and work accentuates young peoples’ dependence on their families as a response to limited institutional funding. This imbalance also results in young people becoming discouraged and leads to a high early school leaving rate and overqualification.

In this paper, we adopt the theoretical perspective on life course regime, characteristic of the welfare regime in southern Europe, to explain the imbalances existing in Spain between education and employability of young people.

**Findings: Youth Unemployment, Career Pathways, and Employability in Spain**

The ambiguity of the abovementioned concept of employability is shown in the limitations of the labour and education policies designed to mitigate youth unemployment in Spain (Betcherman, Godfrey, Puerto, Rother, & Stavreska, 2007; Moreno Minguez, 2012; Moreno Minguez, López, & Sánchez, 2012). In fact, one of the main dysfunctions of the Spanish production system and therefore of the labour system, is the high unemployment rate among young Spaniards aged 15 to 29, which in the third quarter of 2011 reached 34.74%. In fact, as shown in Figure 1, youth unemployment has doubled since 2005 as the most visible effect of the economic crisis, both with relation to job destruction and to non-creation of jobs for those seeking their first job. These figures immediately refer us to the relationship between education and employment in Spain, considering

---

2 The notion of life course is introduced here, which is described as the institutionalisation of life ages in modern society around work and family, education and welfare, normal life trajectories, the “good” life, and the relation to the nation state. In late modern societies, the life course is de-standardised. Life courses transcend regulation and institutions and are cultural artifacts. The subjective life story of individuals is also a very dominant factor in thinking about life courses and life course regimes (Walther, 2006; Walther, Stauber, & Pohl, 2009).
the configuration of the education system and the role it plays in generating professional competences that favour integration and employability of the young. In this regard, it should be noted that the relationship between education and labour integration is not one-dimensional but rather enormously complex as it depends on many factors including globalisation, technological changes, ageing of the population, and the severe economic crisis (OECD (Organisation for Economic Co-operation and Development), 2010).

Youth unemployment is one of the main dysfunctions of the labour market in Spain, which has direct implications on the current and future economic situation of unemployed youths and their surroundings, and an indirect effect on the whole of the economy. The working conditions of the population, in general, and of the young, in particular, depend on the efficacy of the education system. In a context with a surplus supply of jobs and increasing education demands from companies, a young person’s probability of getting a stable job with adequate compensation depends, among other aspects, on the quantity and quality of the education obtained (Ramón García, 2011; Moreno Mínguez, 2008).

Therefore, we must look for deficiencies in both the education system and the labour market in our search for the causes of youth unemployment in Spain. The dimension of the early dropout rate and the polarisation of education are aspects of the former, and the segmentation of the labour market and the inefficiency of active employment policies play an important role in the latter. In this case, we shall focus on analysing the dysfunctions of the education system.

The dropout rate is one of the key indicators to estimate and assess to what extent the education system is satisfactorily fulfilling the function of enhancing employability of the young. Figure 2 shows how the dropout rate in Spain has evolved in comparison with that of the EU-27. Finland and Germany stand at around 12% while Spain’s rate is by far higher than other countries at 31.6% in 2010, followed by the United Kingdom (16.6%) and Denmark (14.7%). Looking at the relative performance of our countries, there are reasons for optimism (see Figure 1), as all the countries studied, with the exception of Denmark and Finland, have reduced their rates since 2004. The figures seem to confirm that for countries, such as Spain and the United Kingdom, the economic crisis has had a positive effect on early school leaving, since many young people, faced with poor prospects, have opted for either rejoining or staying in the education system. As shown in Figure 2, this percentage has increased slightly from 2000 to 2010, when a drop of almost three percentage points took place. Experts believe that this change in the trend is due to the effects of the economic crisis and the high level of
youth unemployment; factors which appear to have increased the value of education (Eurostat, 2009).

Dropping out of the system before completing upper secondary education makes transition to employment difficult and has a negative and persistent effect on young people’s careers, due to a lack of the basic knowledge required to access the labour market and a lesser tendency to participate in education throughout their working life.

Another key factor when interpreting these data is how the education obtained contributes to the employability of Spanish youths. The effects of education on youth unemployment and the potential for being employed have become evident during the current crisis, although in past decades these were already noticeable. In Figure 3, it is clear how the unemployment rate of the least educated youth has grown almost 15% between 2007 and 2010 up to 35%, according to Eurostat data. On the other hand, data also seem to confirm that unemployment is lower among young people with a secondary or university education, and this gap has widened during the crisis (Felgueroso, Hidalgo, & Jiménez-Martín, 2010).

The educational level attained by school leavers is correlated with youth unemployment and in particular with unemployment in this group, as training capital is an essential element for employability. Figure 4 shows overall unemployment rate for young people aged 15-24 as well as the school leavers’ unemployment rate. From the table, it can be seen that youth unemployment is very high in countries where the percentage of school leavers is also high, such as in Spain, where 46.4% of young people under the age of 25 were unemployed in 2011 and 35.5% of early school leavers in 2010 (see Figure 5). In 2010, 16.2% of early school leavers were unemployed in UE-27. In terms of how unemployment data for early school leavers have developed, it can be seen that unemployment among this group is particularly high in Spain and the United Kingdom. Although these percentages have increased across all countries as a result of the economic crisis, it remains especially high in the case of Spanish school leavers. This situation has a negative impact on the risk of poverty and social exclusion for this group of young people (Bynner & Parsons, 2002).

With relation to configuration of career paths in Spain, criticism of the rigid differentiation between higher university education and vocational training is justified. For the European Commission, Austria, Germany, and
the Netherlands are “role models” of vocational training programs that “truly” work and which allow young people to join the labour market, as confirmed by their low youth unemployment rates. However, the high percentage of youth unemployment in Spain “questions” the efficiency of labour reform measures aimed at solving this problem as well as the inflexibility of current career paths in Spain.

Figure 3. Youth unemployment by level of education (%), young people of 25-29 years old, Spain, 2000-2010. Source: Own elaboration from Eurostat (2009).

Figure 4. Unemployment rate, annual average, less than 25 years old (%), 2005-2011. Source: Own elaboration from European Labour Survey, 2005-2011.

Many studies have highlighted the existing mismatches between the education system and the labour
market, something which especially affects the young. This situation has persisted over the last two decades to a varying degree. With the present economic crisis and high youth unemployment, this mismatch is of particular interest, as it points towards the inefficiency of the current configuration and structure of the education system to meet the demands of the Spanish production system.

![Figure 5](image1)

*Figure 5. Unemployment rate of early school leavers of 18-24 years old, 2005-2010. Source: Own elaboration from European Labour Survey, 2005-2011.*

![Figure 6](image2)

*Figure 6. Persons with tertiary education attainment (25-34 years old) (%), 2011. Source: Own elaboration from European Labour Survey, 2000-2011.*

The analysis conducted by Ramón García (2011) on the evolution of educational attainment of Spanish youths in the last decade has drawn attention to several processes. The first one highlights the fact that higher education has been clearly biased towards university education among the young, leading to a gap between job supply and demand by level of educational attainment, with evident repercussions on youth unemployment. According to Eurostat data, the share of university students in Spain among the population aged 25-34 was 39.2% in 2010, the highest average in the EU during the period of 2000-2011 (see Figure 6). Second, the rise in
human capital in Spain has not been sufficient to converge with the EU countries, especially among the young with an upper secondary education. In fact, in 2010, 38.8% of the Spanish population aged 20-24 had only primary or lower secondary education, versus 23.4% in the EU-15 and Spain ranked last in the relative importance of upper secondary education (40% of Spanish youths under 25 years old have a secondary education certificate versus a European average of 61.1% in the EU-15, primarily in vocational training) (see Figure 7). The comparative European figures from Eurostat establish the relative scarcity of those with vocational training qualifications in Spain compared to those countries that have adopted a dual education system, such as Germany or the Netherlands.

![Figure 7. Persons of the age of 20-24 having completed at least upper secondary education (%), 2011. Source: Own elaboration from Eurostat (2009).](image)

The evolution of employment has not been the same for all workers in different European countries. In particular, and despite the fact that unemployment rates have increased in all educational levels, employment of workers with higher education (higher-level vocational training and university education) grew up in Spain until 2010, representing an increase of 1.3% of total employment before the crisis.

That growth has been below the European average and that of other countries, such as France, Germany, Italy, and the United Kingdom (in all cases, 10% or more of total employment in 2010). Also in Spain, unemployment has been lower among skilled occupations. In fact, there has been an increase in employment of people with higher education in skilled positions. This increase is equivalent to 3.3% of total employment in 2010.

In the comparative data provided by Eurostat presented in Table 1 shows that Spain has the highest proportion of young overqualified (32.5%), followed by the United Kingdom (25.0%) and France (20.7%) and well above the average of the EU-27 (21.2%). While there has been a slight decline from 2007 (34.9%), this reflects a relatively high percentage. This indicates a weakness of the Spanish production system to employ qualified youth, as an economy like Germany is suing Spanish youth qualified for use in skilled occupations.
This has a negative impact on productivity of Spanish companies, competitiveness and employment levels, as well as exemplifying an inefficient use of human capital. The investment in education in Spain has not been a greater capacity of the production system. In other countries, these percentages stood in 2007 at around 21% or less, as in Italy.

Table 1
Overqualification of Young People (%) in 2007 and 2011

<table>
<thead>
<tr>
<th>Country</th>
<th>2007 (%)</th>
<th>2011 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>34.9</td>
<td>32.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>23.7</td>
<td>25.0</td>
</tr>
<tr>
<td>France</td>
<td>20.8</td>
<td>20.7</td>
</tr>
<tr>
<td>Italy</td>
<td>14.0</td>
<td>16.9</td>
</tr>
<tr>
<td>Germany</td>
<td>21.0</td>
<td>21.4</td>
</tr>
<tr>
<td>EU-27</td>
<td>21.0</td>
<td>21.2</td>
</tr>
</tbody>
</table>

Notes. Source: Own elaboration from Eurostat (2009).

Figure 8. Workers in high-skilled occupations (%), 2007; 2011. Source: Own elaboration from capital social, Bancaja (2012).

The job losses in Spain during the crisis have been massive, but it has not affected all types of occupations in the same way. Analysing the evolution of occupations shows that the more skilled jobs have remained (see Figure 8). In Spain, the adjustment was mainly in occupations of lower-skilled workers, equivalent to a decline of 2.25% of total employment. This development is more negative than the whole EU. In France and Italy that kind of job even increased. Intermediately skill occupations are those that concentrate the bulk of job cuts in Spain, assuming a drop equivalent to 7.3% of total employment.

Finally, in 2011, the European Commission proposed preparing new indicators on the current education situation of young people in various European countries to favour their employability (YOI (Youth Opportunities Initiative)-COM (European Commission) (2011)). The ultimate goal is to create a new approach to the educational demands of this population to favour their transition to the labour market. Another key objective is to propose a recommendation to the Council of Europe aimed at reducing the early dropout rate,
and create a high-level group of experts to study how to improve qualifications and competences of the young for their integration in the labour market.

Table 2

<table>
<thead>
<tr>
<th>Problem</th>
<th>Possible remedy</th>
<th>EU-level tool/action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young people face difficulties in finding a strong foothold on the labour market</td>
<td>Take measures supporting young people’s inclusion on the labour market, such as facilitating school-to-work transitions, reforming labour market regulation/institutions to make them more employment-friendly and addressing labour market segmentation</td>
<td>Adopt and implement relevant country-specific recommendations in the context of the European semester (Section III and annex II of the European Commission, SWD (Staff Working Paper) (2012, p. 406)).</td>
</tr>
<tr>
<td>Young people, particularly from vulnerable or disadvantaged groups, dropping out of education or work, rising long-term unemployment and inactivity</td>
<td>Set up youth guarantee schemes; use ESF (European Social Fund) funding effectively in their implementation</td>
<td>Support youth guarantee schemes (incl. through exchange of best practice; ESF funding). The commission is proposing a council recommendation on establishing a youth guarantee (Section IV).</td>
</tr>
<tr>
<td>Difficult school-to-work transitions</td>
<td>Increase the supply of quality traineeships and apprenticeships</td>
<td>Take decisive steps in promoting quality traineeships, and apprenticeships: (1) The commission is launching a second stage social partner consultation on a Quality Framework for Traineeships (Section V.1); (2) The commission will set up a European Alliance for Apprenticeships (Section V.2).</td>
</tr>
<tr>
<td>Substantial number of vacancies coexists with high unemployment rates, growing skills, and geographical mismatches</td>
<td>Reduce obstacles to mobility to allow companies to recruit workers, apprentices, and trainees from other EU countries</td>
<td>Reinforce EU financial instruments on intra-EU mobility. The commission will launch, in the first half of 2013, a stakeholder consultation on a future EURES (European employment services) jobs for young people programme (Section V.3).</td>
</tr>
</tbody>
</table>

Note: Source: European Commission (2012b), Moving Youth Into Employment.

The European Commission (2012b) outlined further concrete initiatives proposed to be taken forward by the Member States and social partners, in order to address the different short-term and structural problems behind the youth employment with concrete proposals and measures aimed at combating youth unemployment crisis (European Commission, 2012b). Table 2 provides a simplified overview of the types of measures that can help address each of these problems.

Conclusions

This paper has reflected the difficulty that experts are having in finding a working consensus on the concept of employability in the current capitalist society. The present economic crisis has drawn attention to this term as a possible indicator of individuals’ educational deficiencies, in order to fight against unemployment and stimulate youth employment. High youth unemployment in Spain has evinced the practical limitations of employment policies based on the concept of employability to drive labour integration of the young in an economic crisis. In this respect, the existing gaps between educational attainment and employment for Spanish youths, visible in high levels of unemployment, school dropouts, and overqualification, are examples of some of the problems the Spanish education system is having to properly train and integrate youths in the labour market since the beginning of the economic crisis. The data provided in this paper show that both overqualification (youths with higher education performing jobs below their qualifications) and the dropout rate (youths dropping out of the education system without attaining a secondary education certificate) are comparatively higher in Spain than in the rest of the EU countries.
References


