Employment opportunities at entry into the labor market in Spain since the mid-1970s

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ABSTRACT

The objectives of the research are: 1) to determine whether young people's job opportunities at the beginning of their careers have improved or worsened in Spain between 1976 and 2005, 2) to find out what individual characteristics favor or impede a good entry into the world of work, and 3) to find out how inequality according to gender, social class and educational level has evolved in a context where entry into the labor market is increasingly flexible. To this end, all of the trimesters of the Spanish Labor Force Survey were used, from the third trimester of 1976 to the third trimester of 2005. Two files were created, one with the typical ages at entry into the labor market according to level of studies and birth cohort, and the other with ages five years older than the previous ones. Logistic regressions and the artificial cohort method were used to analyze the likelihood of being employed, of having a fixed-term contract, and of being employed in an unskilled job for both of these life moments (entry into the labor market and the first steps in the labor market).

With respect to the likelihood of being employed, the results show that entry into the labor market depends largely on the economic cycle. Insofar as concerns the quality of employment, young people today must face a reality that was unknown before the mid-eighties, namely temporary employment, despite the fact that the likelihood of working with a fixed-term contract has decreased slightly for the youngest cohorts. Similarly, the analyses show that temporary employemnt is, in most cases, a transitory state. As for the likelihood of occupying an unskilled position, the balance of the last thirty years is positive, because the change in the productive structure has favored young people's access to better positions, compared to their parents. Also, gender inequality has decreased, and social and educational level inequalities have not generally increased, although the results show nuances that will be further developed in the text.

8 Labor market entries and early careers in Spain since the mid-1970

Juan Ignacio Martínez-Pastor, Fabrizio Bernardi and Luis Garrido

INTRODUCTION

Despite the way that globalization has spread so forcefully throughout the world during the last three decades, Spain is one of the Western countries, together with the other southern European countries, with the lowest index of globalizacion, relatively distant from the United States and the main countries of Northern and Central Europe (Dreher 2006). Similarly, the rigidity of the Spanish labor market is often emphasized, compared to other countries in its context (Doing Business 2006)[1]. However, during this period, Spanish society has undergone changes that are unequalled in all of its history. Women have massively joined the world of work, the workforce is more highly skilled than ever, the occupational structure has changed, shaping itself to parameters that are more adequate to post-industrial society, and numerical flexibility, implemented with fixed-term contracts, has settled in as part of people's labor biographies, favored by typical insider-outsider job relations. How have all these long-term changes affected entry into the labor market and early careers?

The purpose of this research is to discover: 1) if the opportunities of young people upon entry into the labor market and during their early careers have improved or worsened over the last three decades, and 2) what factors help people to, or hinder them from, getting off to a good start in the labor market and how they have varied throughout time. To this end, the data from all the trimesters of the Spanish Labor Force Surveys (LFS) were used, from the third trimester of 1976 to the third trimester of 2005. Two files were created with individuals with typical ages for entering the labor market, on one hand, and for early careers, on the other. The odds of their being employed, of their working with a fixed-term contract, and of their having an unskilled job were analyzed. In order to compare how the factors that structure inequality have varied throughout time, the entry to the labor market was also analyzed separately for each group of cohorts.

The text is organized as follows. First, five major changes in the Spanish labor market, changes that have influenced the subject of analysis, are presented. Next, the characteristics of job relations in Spain, as well as of the educational system, are summarized. These three points provide the context for the factors related to the transition from the educational system to employment during the last three decades. Then, the working hypotheses are presented; these mainly deal with the effects of social class, gender, educational levels, the productive sectors, and

company size on young people's job opportunities. In the next section, the data, methods, and variables applied to the analysis are set forth, in order to present the results and end with a final discussion based on these results.

INSTITUTIONAL CONTEXT

The Transformation of the Spanish Labor Market over the Last Three Decades

Over the last three decades, the Spanish labor market has undergone changes that have decisively influenced the transition from the educational system to employment. On one hand, the economic cycles have conditioned the employment life of young people, who are more likely than adult workers to suffer the consequences of a critical cycle. Spain has experienced two crisis periods for the creation of employment, one after the other. The first crisis period went from the mid-seventies to the mid-eighties. During this phase, more than one million seven hundred thousand jobs were destroyed, a million of which were jobs in agriculture. Between 1985 and 1991, the number of employed people rose from eleven million to slightly over thirteen million. Between 1991 and 1994, there was a second crisis, shorter than the first but very virulent. The number of employed people dropped by seven hundred thousand. Since 1995, Spain has had a period of prosperity that is unparalleled in duration and magnitude. From slightly over twelve million employed people in 1994, the total rose to almost nineteen and a half million in the first trimester of 2006. This important expansion of employment in recent years has been complemented by the massive arrival of immigrants (some four million between 2001 and 2005).

   Beneath the waves of job destruction and creation, there are hidden currents that have changed the morphology of the work force and occupational structure. Spaniards' qualifications have improved quite noticeably. Only 26 per cent of the people born between 1946 and 1950 entered higher secondary education. The figure rose to 65% for people born thirty years later. This tangible improvement has provoked in-depth changes, such as the incorporation of women into employment and the change in the occupational structure. As for the first, it should be highlighted that the women in the youngest cohorts have higher educational levels than men of the same age. One revealing fact is that three out of every ten women born between 1976 and 1980 have or are obtaining a university education, compared to only two out of every ten men. Thus, women's participation in the labor market has increased enormously. The old biography has been substituted by a new one in which the women born from the fifties onwards, and above all those born from the sixties onwards, most of whom have been trained for employment, openly place their bets on developing an uninterrupted job career (Garrido 1992). In 1976, 27 per cent of the women 30 to 34 years of age were active. The proportion rose to 75 per cent in 2005. Along with improvements in women's qualifications and access to the world of work,

there has been a change in the occupational structure which, previously characterized by the enormous weight of agricultural employment, has moved on to a configuration more typical of post-industrial societies. In 1977, 20 per cent of workers were working in the agricultural sector. The figure went down to 5 per cent in 2005. Similarly, the proportion of people employed in typically post-industrial jobs has gone up from 18 to 38 per cent in the same period. Within these jobs, the ends of the structure have expanded: professionals have gone from 6 to 19 per cent, while the proportion of unskilled service workers has also increased from 9 to 14 per cent (Bernardi and Garrido 2006). Finally, a primordial characteristic of the new employment, which particularly affects young people, is the spread of fixed-term contracts, a reality that was unknown before the mid-eighties. Temporary work in Spain is, by far, the highest in all of the OCDE countries. In 2005, more than 33 per cent of salaried workers had fixed-term contracts. Among workers younger than 30 years of age, the figure shoots up to 55 per cent. Summarizing, in order to analyze the transition from school to the labor market and its evolution in Spain, the following five events, which have characterized the labor market during the expansion of globalization, must be considered: economic cycles, the overturn of the occupational structure, women's access to the world of work, the expansion of the educational system, and the appearance of fixed-term contracts. Given their specific relevance for analyzing young people's entry to the labor market, we will discuss temporary jobs and the changes in the educational system in greater depth in the following sections.

Job Relations: The Insider-Outsider Logic

Spain is a paradigmatic example of insider/outsider job relations. Partial de-regulation policies have been carried out in Spain, producing flexibility at the margins (Bentolila and Dolado 1994; Toharia and Malo 2000). That is, this flexibility is mainly applied to new people entering the world of work, leaving the situation of those who are already installed in the labor market intact[2]. Numerical flexibility is the type of flexibility that has been adopted in Spain, and it has been carried out by means of fixed-term contracts. Until 1976, labor regulation prioritized job stability, so that there was a strict causality between companies' needs and types of contracts. Fixed-term contracts hardly existed. The 1976 Labor Relations Law flexibilized this rigid causality, which was decisively broken with the 1984 Labor Reform[3]. The origin for this was the serious employment crisis that occurred between the mid-seventies and the mid-eighties. At the beginning of the eighties, the unemployment rate reached 21 per cent. The 1984 Reform attempted to combat unemployment by promoting fixed-term contracts[4]. Since then, employers have been able to use these contracts with no restrictions and apply them to stable types of jobs without giving any explanation. The more flexible and much cheaper dismissals of temporary workers helped employers lean towards these contracts. The result was a moderate fall in the unemployment rate[5], and an outstanding rise in the rate of

temporary employemnt, which rose to above 30 per cent of salaried workers. It is important to highlight the fact that these contracts and the lower costs of dismissal could only be applied to new people who were entering the labor market. Thus, the 1984 Reform represents a dividing line between those who were already in the labor market and new entrants, subject to greater temporary employemnt and lower severance pay, producing this flexibility at the margins.

Given the excessive segmentation of the labor market and the high rate of fixed-term contracts, successive reforms that tend to recover the causality between the type of contract and the nature of the job (fixed-contract or permanent) have been legislated since 1994. In effect, the 1994, 1997, 2001 and 2006 reforms have tried to promote permanent contracts, making the use of fixed-term contracts more difficult, at least in theory, and lowering the costs for dismissing new permanent employees (Toharia 2005). Thus, the new generations do not have the job security that their predecessors had, at least upon entering the labor market, because of the extension of fixed-term contracts, nor do they have the same compensation in case of dismissal, even if they have permanent contracts. Although the results of the most recent 2006 reform are unknown as yet, the rate of fixed-term contracts in 1995 was 34.9 per cent, while it was 32.5 per cent in 2004.

Economists and sociologists have explained the choice of numerical flexibilization through temporary employment in Spain in different manners. One of the most widely accepted forms of reasoning holds that the characteristics of the Spanish production structure, with the great importance of the tertiary sector, characterized by the instability of demand and by unskilled jobs, foment fixed-term contracts (Amuedo-Dorantes 2000; Toharia and Malo 2000). Apart from this reasoning, there are others that point towards institutional factors. The fact that the cost of dismissal for permanent workers is one of the highest in the OCDE, together with the characteristics of the system of collective negotiation between unions and employers, are factors that favor the insider/outsider dynamic, which specifically appears in the spread of fixed-term contracts for young people. The differences in the costs of dismissal between the oldest generations and the youngest ones has been explained by means of an implicit intergenerational agreement. The youngest generations have had better opportunities to become skilled than previous generations did, and are thus more competent in the labor market. The oldest generations, on the contrary, are not very skilled and are, thus, more vulnerable to labor readjustments and employment crises. Therefore, job relations try to protect older workers with high dismissal costs, moving the flexibilization of the market to the margins, that is, to new entrants (Garrido Medina 1996a; 1996b). On the other hand, a feature of collective negotiation in Spain is that it is not very inclusive; that is, it is uncoordinated, unsynchronized and must be applied to a large number of companies with very heterogeneous interests and characteristics (Polavieja 2004). The majority of workers are affected by collective agreements divided according to sectors[6]. There are multiple units of negotiation and many of the companies involved do not even have union representation. The dispersion of

interests among the workers concerned in sector agreements causes negotiation to focus on characteristics that are common to them all, such as salaries or work hours, leaving out matters related to types of contracts, which are left in the hands of employers. In this way, institutional regulation will have had a decisive influence on the large proportion of temporary workers in Spain (Polavieja 2003a; 2003b).

The Educational System

A country's educational system influences the transition from school to work not only with respect to the educational opportunities offered, but also with respect to the degree of standardization and stratification that it promotes. In standardized educational systems (where the same patterns obtain throughout the country), certificates provide adequate information to employers about a candidate's suitability for a job position. In addition, stratified systems help employers by means of pre-selection before entering the labor market (Allmendinger 1989). Throughout the last three decades, Spain has undergone several legislative changes that have shaped different educational systems. With respect to primary and secondary education, there have been two main changes. It is often said that the 1970 General Education Law marked a milestone in the expansion of education in Spain. Basically, this Law raised the age of mandatory education to 14, it attempted to promote equal opportunity and it promoted vocational training as an alternative to post-mandatory general education of an academic kind. Also, in 1990, the *Ley Orgánica de Ordenación General del Sistema Educativo* (LOGSE), a comprehensive law, raised the minimum age for mandatory schooling yet again, this time to the age of 16 (minimum age for entry to the labor market), and thus reformed the itineraries, especially in secondary education. In parallel, educational competences have been transferred from the State to the Autonomous Communities; as a result, the Ministry of Education establishes between 55 and 65 per cent of the curriculum in non-university education (Requena and Bernardi 2005). With respect to the university system, the 1983 Law of University Reform (*Ley de Reforma Universitaria*, or LRU) should be highlighted; in harmony with the new State of Autonomies, it covered the multiplication of universities throughout the country.

According to the classification of educational systems given by Allmendinger (1989), some authors have classified the Spanish educational system as highly standardized, given that the itineraries and certificates are determined at the national level and applied uniformly at the local level, and moderately stratified, given that secondary school is divided into two bands: academic and vocational (Simó Noguera, Castro Martín and Soro Bonmatí 2005). In contrast, according to other sociologists, the Spanish educational system is only relatively standardized, because there is no common curriculum for all the Communities, especially after the LOGSE, and not very stratified, because there are no selection procedures at early ages (Requena and Bernardi 2005). Insofar as this interests us in this analysis, the main issue is that a separation is established between the academic

aspect and the vocational aspect at the secondary level[7]. In the academic aspect, general and theoretical formation is given, with the purpose of favoring intellectual and personal maturity. Subjects such as Language, History and Philosophy are studied, in addition to other optional subjects, depending on the itinerary chosen. In contrast, in vocational secondary education, trades are taught with the objective of allowing the student to enter the labor market. Students do internships in companies, and so it is basically a practical kind of training. Although moving from academic higher secondary education to vocational secondary education, and vice-versa, was allowed in the LGE and is allowed in the LOGSE, it is uncommon for someone in vocational secondary education to change to academic secondary education. In addition, the great majority of those who enter the university come from academic secondary education[8]. The university system is divided into short-cycle degrees (two or three years long) and long-cycle degrees (four to six years[9]). At present, Spaniards between 25 and 29 years of age are distributed among these levels of studies: 9 per cent have not finished mandatory secondary education, 25 per cent have finished this level, 9 per cent have the first cycle of vocational secondary education, 14 per cent have academic higher secondary education, 13 per cent have the second cycle of vocational training, 14 per cent have a short-cycle university degree, and 16 per cent have a long-cycle university degree[10].

RESEARCH DESIGN

The special characteristics of the Spanish labor market mark the transition from school to work. On one hand, the economic cycles have particularly affected the job integration of the new entrants to work, as well as their first steps in the labor market. As we will see, the vital opportunities of young people in Spain have been ruled by the confluence of economic cycle and the biographical moment in which they found themselves with respect to their entry into the labor market. The special incidence of the cycles in young people and the important differences between cohorts suggest that it would be a very good idea to carry out a first analysis: the likelihood of working soon after leaving the educational system.

 With respect to the quality of employment, the relevant issues to be analyzed in the Spanish case are fixed-term contracts and the likelihood of being employed in an unskilled job. As was reflected in the previous section, the most typical kind of flexibility in Spain is numerical flexibility, by means of fixed-term contracts. The specific shape of job relations, which promotes a clear division between insiders and outsiders, concentrates this temporary employment above all on young people. In 2002, the rate of fixed-term contracts in Spain was almost triple the average for the OECD countries (OECD 2002). Additionally, the expansion of typically post-industrial jobs has had two aspects in Spain. On one hand, professional jobs have increased; on the other, the proportion of unskilled workers in the service sector has also increased (Bernardi and Garrido

2006). This evolution, described as asymmetrical polarization, converges with the evolution in the United States (Wright and Dwyer 2003), although it diverges from that of other countries of the European context, such as Germany, due to the high proportion of workers with unskilled jobs in the service sector (Esping-Andersen 1993, 1999). So it is interesting to analyze which factors influence the likelihood of working in a job that does not require qualification. To summarize, the dependent variables of the analysis are employed as opposed to unemployed or inactive, working with a fixed-term contract as opposed to a permanent contract, and working in a job that does not require qualifications as opposed to working in a skilled job.

RESEARCH QUESTIONS AND HYPOTHESIS

Have job opportunities worsened or improved for young people at entry into and in their first steps in the labor market, since the mid-seventies?

The two employment crises that Spain has undergone since the mid-seventies and the strong eruption of temporary employment in the mid-eighties have already been mentioned. Given that new entrants into employment lack job experience, that their social networks for finding jobs are limited to those of their families, and that young people are at a higher risk of dismissal than settled workers, the likelihood of being employed can be expected to be highly dependent on the previously described economic cycles, and the proportion of fixed-term jobs can be expected to have increased noticeably since the mid-eighties. As for temporary employemnt, if the most recent labor market reforms have been successful, the likelihood of having a fixed-term contract should have diminished since the mid-nineties.

With respect to the likelihood of working in an unskilled job, the transition towards a post-industrial society presents opposing tendencies in Spain. On one hand, there has been progress that should result in a lower likelihood of working in unskilled jobs. Along these lines, there is the increase in the level of qualification, the increase in the proportion of professionals, and the de-ruralization process, which has meant important losses of unskilled jobs in the agricultural sector. But, as pointed out previously, the advent of post-industrial society has also brought with it a notable expansion in unskilled jobs in the service sector. Working at an unskilled job should be highly dependent on personal characteristics, above all, education.

Which characteristics favor a good entry into the labor market and how do they vary over time?

Social Class and Educational Level

Some authors have assured us that, due to globalization and the expansion of flexibility, job risks have spread to all social classes (Beck 1992). The idea can be summarized as follows: "endemic insecurity will be the distinctive feature that will, in the future, characterize the way of life of the majority of human beings, even the middle levels who are apparently well-placed"; the consequence is clear: "the new middle class has become precarious" (Beck 2000:11, 79). The deduction to be made from this premise is that the differences between the social classes ought to decrease over time. This idea converges, to a certain extent, with the idea proposed by Giddens (1994) when he points out that unemployment surpasses class barriers. On the contrary, other sociologists emphasize that the flexibilization of labor markets further weakens the position of the least powerful classes, who bear the greatest insecurity and the worst job conditions (Breen 1997, Goldthorpe 2002). According to the EGP class scheme, manual and unskilled workers should have the worst job conditions (in Spain, they should be most likely to have fixed-term contracts), while managers and professionals should be safe from this kind of contract. In addition, the differences between the extremes of the occupational structure should have increased in recent decades.

Insofar as the importance of education is concerned, there are also opposing views. From the reasoning just given, it follows that, if insecurity has spread for everyone, the differences between the different educational levels ought to have decreased. In contrast, those who defend the idea that job flexibility has increased inequality predict that the differences between educational levels will have grown. Castells (2000:266) synthesizes this last idea, in his theories about the flexibility of network society, when he writes that "increasing educational qualifications, either general or specialized, required in the reskilled positions of the occupational structure further segregate the labor force on the basis of education".

The specific situation of Spain during the last three decades favors other hypotheses that refer to the importance of education. The tangible expansion of education may have brought about a devaluation of degrees, with qualification growing faster than the positions associated with it (Bourdieu 1998:140-145; Collins 1979; Shavit and Müller 1998:7-8). If this is so, those with higher educational levels ought to be at a greater risk than before of having fixed-term contracts and even of working in unskilled jobs, especially at the beginning of their job careers. We can also expect young people with vocational training to be more likely to be employed when they finish their studies than those who have studied academic secondary education. Because they have been trained for specific jobs, young people with vocational training send signals to their employers about the skills to be developed on the job. In contrast, those who have studied academic secondary education have no concrete skills to use on the

labor market, so they do not offer employers as much information and it ought to be harder for them to find a job right after leaving the educational system.

Gender

Despite the massive incorporation of women into the labor market, the rates of female activity continue to be lower than those of male activity. The male breadwinner model, although no longer the dominant model, is still present in a minority of the young population. In addition, the rate of female unemployment is higher than the rate of male unemployment. Because of this, we can expect women to be less likely to be employed, although the differences compared to men should diminish as time goes by. With respect to fixed-term contracts and the likelihood of being employed in an unskilled job, because women are more highly qualified than men, there should be no gender differences, especially in the youngest cohorts.

Sector

The nature of the most typical positions in each of the sectors determines the hypothesis about which positions will be more prone to temporary employment and unskilled jobs. Extraction, construction and personal services are very prone to fixed-term contracts due to the temporary demand itself or to their dependence on the economic cycles. These same sectors are the ones with jobs that do not require any special skills. On the other hand, temporary employment has gained impetus in the public sector, especially for new entrants. Because of this, we can no longer expect being employed in public administration or in social services to be synonymous with contract stability for the youngest workers.

Firm Size

Globalization forces companies to face greater uncertainty and to continually readjust to the circumstances (Bukodi, Ebralidze, Schmelzer and Relikowski 2006). Ever since the introduction of fixed-term contracts in Spain, employers have tended to use them because they allow greater flexibility for dismissals. It has already been pointed out that, since the mid-nineties, labor reforms have tried to promote permanent contracts, both by lowering the costs of dismissals and by offering the companies economic incentives. In this sense, large companies can hire the services of consultants to dissect the laws and optimize the proportion of permanent and fixed-term contracts. Small companies do not usually have the same legal knowledge, nor do they hire consultants in order to adopt the best possible strategy. Because of this, it is reasonable to think that fixed-term contracts will be more attractive to small companies, because exiting from their jobs, for workers with fixed-term contracts, is based on a simple process, the end of the duration of the contract (Toharia 2005:132).

DATA

The data used come from the Spanish Labor Force Survey (Encuesta de Población Activa), carried out by the National Statistics Institute (Instituto Nacional de Estadística, INE)[11]. The LFS is a cross-sectional survey that is carried out each trimester in around 60,000 homes, containing information about 160,000 to 180,000 individuals each trimester. The data are accessible digitally from the third trimester of 1976 onwards. In this research, all of the trimesters available from the third trimester of 1976 to the third trimester of 2005 were used, giving a total of 117. Unfortunately, the survey has only asked the age at the termination of studies since 1999. In order to analyze labor market entry and early careers, two special files were created from the original surveys. In order to construct a file on labor market entry, individuals with typical ages for finishing their studies and for entering the labor market, according to their educational level and birth cohort, were selected, trimester by trimester, and gathered in a file that we called "labor market entry file" (LMEF). In order to study early careers, another file was created by choosing individuals with the same characteristics as those in the labor market entry file (same birth cohorts and educational levels), but five years later. We called this file "early career file" (ECF). The following table is an example of how the two files were constructed.

Table 8.1   Example of construction of files for analysis

Level of Education	a	b	c	d	e	f
Lower tertiary (universtity)	1952	22	24	1976	29	1981
Lower tertiary (universtity)	1953	22	24	1977	29	1982
Lower tertiary (universtity)	1954	22	24	1978	29	1983
Upper secondary (academic)	1956	18	20	1976	25	1981
Upper secondary (academic)	1957	18	20	1977	25	1982
Upper secondary (academic)	1958	18	20	1978	25	1983

A: birth cohort; b: typical age at end of studies; c: age selected for the labor market entry file; d: LFS for the LMEF; e: age selected for the early career file; f: LFS for the early careers file.

The key idea is that individuals with a certain educational level, not students, are selected each year, two years older than the average age at which this birth cohort reached this educational level. The average ages were calculated from the 2004 LFS and agree closely with the ages at termination of studies that mark normal trajectories according to educational itineraries. Nevertheless, because an appreciable proportion of students repeat a year or do not finish at that age, the ages finally selected are two years older than the typical ages for each educational level. In order to consider the variation in the age young people terminate their studies throughout time, particularly due to changes in the itineraries, the typical ages in each level of studies and, within these levels, according to cohort, were calculated. In the case of people with less than the mandatory level of education, or people who left the educational system at least two years before the minimum legal age for entering the labor market, this minimum legal entry age, 16 years of age, was selected[12]. Table 8.1 shows an

example of the logic used to construct the files on which our analysis is based. The average age for ending their studies for middle university students from the cohorts born between 1952 and 1954 is 22 years of age. The age chosen for the labor market entry file is 24 years of age. Therefore, the non-student individuals 24 years old with a middle university education in the LFS from 1976, 1977, 1978 and so on until 2005, were selected, always controlling for the typical age at ending their studies by birth cohort and educational level. The same was done for all the educational levels in each trimester of the LFS. In order to follow the labor market entry trajectories of these cohorts, individuals with the same characteristics five years later were selected. In our example, people with a middle university education who were 29 years old in the 1981, 1982 and 1983 LFSs were chosen[13]. In this fashion, six files were created, corresponding to each of the three subjects analyzed (employment, fixed-term contracts and unskilled jobs), with the two moments studied (labor market entry and early careers). The LFS gathers data on fixed-term contracts starting with the second trimester of 1987, so this subject was studied starting in this year. The files are the following sizes: LMEF employment contains 241,839 cases, LMEF temporary employment contains 63,558 cases, LMEF unskilled jobs contains 121,412 cases, ECF employment contains 233,904 cases, ECF temporary employment contains 74,156 cases, and ECF unskilled jobs contains 149,199 cases.

The dependent variables that make up the analysis are dichotomous. In the analysis of employment, all the individuals are included and the dependent variable is being employed versus not being employed.[14] In the analysis of fixed-term contracts, salaried workers are included and the dependent variable is working with a fixed-term contract versus working with a permanent contract. In the analysis of unskilled jobs, all employed people are included and the dependent variable is working in an unskilled job versus working in another type of job. Unskilled jobs are understood to be unskilled jobs in industry, in services and in agriculture.

The dependent variables are the following:
- Cohorts of entry into the labor market. In order to analyze employment and unskilled jobs, these cohorts were grouped according to the economic cycles: 1976-1980 is the first phase of the economic crisis, 1981-1985 is the period of highest unemployment, 1986-1991 is the recovery, 1992-1995 is the second crisis and start of recovery, and 1996-2005 is the period of strong creation of employment. For analyzing temporary employment, the cohorts were grouped according to the labor reforms: 1987-1993 (starting in 1987 because this is the first year with data on temporary employment), 1994-1996, 1997-2000, 2001-2005.
- Educational level: elementary or below, lower secondary, vocational training, higher academic secondary, middle university, higher university.
- Social class. The individuals included in the files belong to one of these categories: agricultural workers, managers and supervisors,

professionals, non-manual workers (administrative and sales personnel), skilled manual workers and unskilled workers in industry and services.
- Gender: men and women.
- Sector: based on the classification by Singlemann (1978), although public administration and social services are differentiated, as well as transformation and construction. The variables are extraction, transformation, construction, distributive services, producer services, public administration, social services and personal services.
- Company size: up to 10 employees, 11 to 19, 20 to 49, 50 or more, unknown but more than 10 employees.

The logistic regression technique is used in all multivariable analyses (Liao 1994; Pampel 2000). In order to follow the trajectories of the cohorts and answer the question of whether fixed-term contract workers and workers in unskilled jobs exit from these conditions as time goes by, beyond their early careers, the artificial cohort method was used[15].

RESULTS

Likelihood of Being Employed

Graph 8.1 shows the absolute rate of employment for thirty cohorts with typical ages of entry to the labor market (continuous line). The discontinuous line reflects the same rate for these cohorts five years later. One fact that stands out corroborates the starting hypothesis: employment depends, to a great extent, on the economic cycle, particularly for entry into the labor market. The undulating continuous line precisely describes the cycles of employment, the two crisis periods and the two recovery periods. In this respect, it should be noted that, despite the strong creation of employment in Spain starting in the mid-nineties, the absolute rate of employment does not reach the proportion of people employed in the mid-seventies, an indication that finding a job after finishing one's education takes a bit longer now. A second fact that should be highlighted is the unequal luck of the cohorts according to the relationship between the moment of their labor biography and the economic cycles. Thus, cohorts that had "bad luck" upon entering into the labor market were recompensed in their early careers, as they recovered and had quite high employment rates. This is the case for those who entered the labor market in the mid-eighties or the mid-nineties, with a low proportion of employed workers in the typical ages of entry into the labor market, but with high rates five years afterwards. The opposite occurred to the cohorts that entered in the second half of the seventies, the end of the eighties and the beginning of the nineties. They found good perspectives for entering the labor market, but five years later, in the midst of the development of their careers, their rates of employment were slightly lower than those of other cohorts. The people who entered the market during the end of the nineties, up to

the year 2000 (last data available for comparing entry to early career) are the ones who had the best situation, because they found themselves in a good economic situation, both at entry and in their early careers.

Figure 8.1.   Absolute rate of employment according to cohort with typical ages for entry into the labor market and with typical ages for early careers (5 years later)
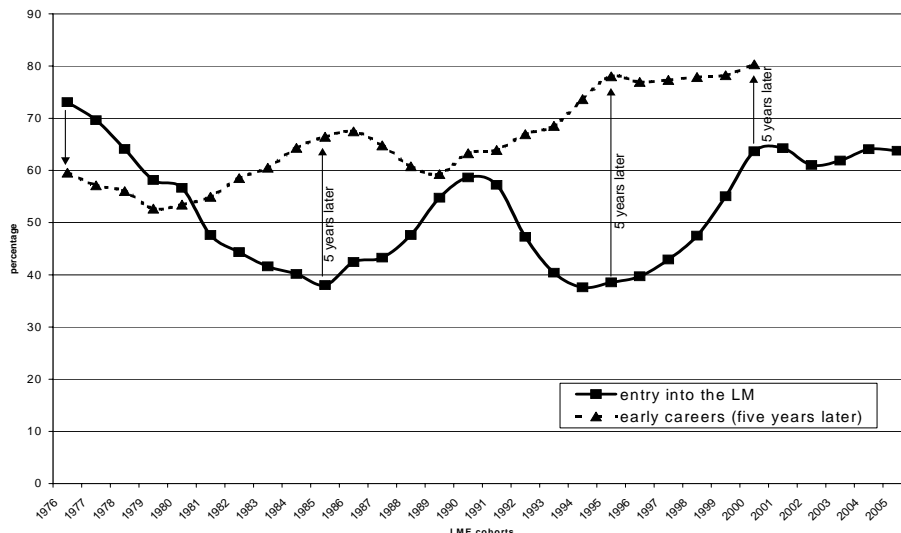
Source: Authors' calculations based on files created from the Labor Force Surveys (all trimesters from the third trimester of 1976 to the third trimester of 2005).

Table 8.2 contains the results of the logistic regressions carried out for both entry into the labor market and early career files. The variables that represent the entry cohorts include the effect of the economic cycles mentioned above. Gender effects and educational level effects are very interesting. With respect to gender, women are less likely than men to be employed. This is the consequence, on one hand, of a higher female unemployment rate and, on the other, of the persistence, although less and less all the time, of the male breadwinner model. In the analysis of entry to the labor market, the coefficients indicate that the difference between genders diminishes with time. This progressive gender equality can also be observed in the models that refer to early careers. The models that have only the variable gender (not presented in the table), indicate that the odds that a man in the 1976-80 cohort is employed are 2.4 times higher than the odds for a woman; this figure decreases to 1.4 times for the 1996-2000 entry cohorts. The reduction in inequality derives, to a great extent, from the increase in educational level. Women have increasingly high levels of studies, associated with the development of a job career and with a lower rate of inactivity. If we consider

studies, the models indicate that, in early careers, the differences in the likelihood of being employed have not decreased.

Table 8.2.   Probability of being employed. Entry into the labor market file and early career file. Logistic Regression.

Entry into the labor market file (LME cohorts)

	Mod.1	Mod.2				
Level of education	**76-05**	**76-80**	**81-85**	**86-91**	**92-95**	**96-05**
elementary or less	-0.12 **	0.13 **	-0.08 **	-0.34 **	-0.05	-0.26 **
lower secondary (ref.)						
Intermediate vocational education	0.59 **	0.19 **	0.02	0.27 **	0.54 **	0.93 **
intermediate general education	-0.27 **	0.30 **	-0.07 +	-0.34 **	-0.74 **	-0.27 **
lower tertiary	0.76 **	0.79 **	0.59 **	0.39 **	0.56 **	1.08 **
higher tertiary	0.62 **	0.50 **	0.68 **	0.26 **	0.53 **	0.83 **
Sex						
women	-0.64 **	-0.90 **	-0.69 **	-0.69 **	-0.47 **	-0.57 **
men (ref.)						
Labor Market Entry Cohort						
1976-80	0.91 **					
1981-85 (ref.)						
1986-91	0.20 **					
1992-95	-0.23 **					
1996-2005	0.19 **					
Constant	-0.02	0.84 **	0.03	0.36 **	-0.25 **	0.00
-2 log likelihood	319008	50190	62284	67522	43748	93384
R squared Cox y Snell	0.06	0.05	0.04	0.04	0.05	0.07
R squared Nagelkerke	0.09	0.07	0.05	0.05	0.07	0.10

Early career file (LME cohorts)

	Mod. 1	Mod.2				
	76-00	76-80	81-85	86-91	92-95	96-00
Level of education						
elementary or less	-0.38 **	-0.10 **	-0.37 **	-0.53 **	-0.60 **	-0.56 **
lower secondary (ref.)						
Intermediate vocational education	0.55 **	0.85 **	0.56 **	0.37 **	0.47 **	0.59 **
intermediate general education	0.31 **	0.58 **	0.36 **	0.18 **	0.07 +	0.32 **
lower tertiary	0.98 **	1.28 **	1.02 **	0.97 **	0.67 **	0.89 **
higher tertiary	0.97 **	1.58 **	1.14 **	0.94 **	0.66 **	0.79 **
Sex						
women	-0.89 **	-0.75 **	-1.06 **	-0.88 **	-0.87 **	-0.85 **
men (ref.)						
Labor Market Entry Cohort						
1976-80	-0.10 **					

1981-85 (ref.)						
1986-91	-0.04 **					
1992-1995	0.26 **					
1996-2000	0.56 **					
Constant	0.79 **	0.43 **	0.85 **	0.81 **	1.15 **	1.37 **
-2 log likelihood	281852	60765	65680	72629	41110	41065
R squared Cox y Snell	0.09	0.08	0.09	0.07	0.06	0.05
R squared Nagelkerke	0.13	0.11	0.12	0.10	0.08	0.08

Source: Own calculations based on the Labor Force Survey (all trimesters from third 1976 to third 2005) Note: **Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$

With respect to educational levels, university graduates and people with vocational training are the ones most likely to be employed. The fact that people with higher academic secondary degrees are the ones who have the hardest time, even more so than initial secondary degree holders, should be emphasized. Vocational training students receive practical, concrete training, very useful in allowing employers to know the skills of the candidates for a job, helping them to be successful upon entering the labor market. On the contrary, students with higher academic-type secondary degrees lack concrete training applicable to a trade or profession. In addition, they have higher expectations than people with lower secondary degrees, which may make them more resistant to entering the labor market through unskilled jobs, something which seems to be less important for people with lower secondary or primary educations. The differences between people with vocational training and people with higher academic secondary education carry over into the analysis of early careers, although the people with higher academic secondary education are then more likely to be employed than those with lower secondary education. Similarly, there is a difference which should be pointed out between people with middle and higher university degrees for entry into the labor market. In periods of creation of employment, we observe that people with middle university degrees are slightly more likely to be employed, while in periods of recession there is greater equality between people with both kinds of university degrees. Finally, the differences among the educational levels for entry into the labor market have increased slightly, while the differences for early careers have decreased, except for people with only elementary level education, who are increasingly separated from other educational levels.

Likelihood of Working with a Fixed-term Contract

Studying the evolution of temporary employment and of who is most likely to avoid it is particularly relevant in Spain, considering the high proportion of

workers with fixed-term contracts and their possible segmenting effects. Tables 8.3 and 8.4 present the results of the logistic regression applied to the labor market entry and early career files. With respect to entry, the coefficients indicate that the likelihood of working with this kind of contract increased until it reached its maximum, coinciding with the moment that the 1994 labor reform came into effect. Since then, the likelihood of working with a fixed-term contract has decreased moderately, which can be interpreted as at least a partial success of the 1997 and 2001 reforms. Nevertheless, it is necessary to point out that the rate continues to be very high, nearing 70 per cent for people who have entered the labor market in the last five years. With respect to early career, the coefficients also indicate a decrease in the likelihood of working with a fixed-term contract. Thus, nearly 55 per cent of the people who entered the market in the mid-nineties had a fixed-term contract five years later; the figure drops to a little over 40 per cent for those who entered the market in 2000.

Let us analyze the possible segmenting effects according to gender, educational level and social class. Are women more likely to have fixed-term contracts? The answer is negative. The models show that the odds that men will have a fixed-term contract upon entry and in their early careers is 1.3 and 1.2 times higher than the odds for women. As the second set of models shows, the majority of this effect is due to women having educational levels that are less prone to work thru a fixed-term contract. At the same level of qualification as men, gender differences are very small. In this sense, the evolution in recent years is not so favorable for women, because the models point out that, at the same educational level, women are slightly more likely to have fixed-term contracts than men.

Temporary employment differs significantly according to educational level. The odds that someone with an initial secondary education will have a fixed-term contract upon entering the labor market is 3.6 times higher than for a higher university graduate for the period under analysis. In general, the higher the level of qualification, the lower the probability of having a fixed-term contract. In addition, people who have done vocational training are better placed than those with an academic secondary education. The difference among educational levels has varied throughout time. If we consider entry into employment, the inequality increases if we compare the first cohorts (who entered employment between 1987 and 1993) to those who entered employment between 1997 and 2000. In contrast, a noticeable reduction of the differences can be observed in the last period (2001-2005), due, above all, to the fact that the rate of temporary employment has fallen for the majority of educational levels. In their early careers, the tendency towards greater equality is clearer starting with the first cohort analyzed[16]. In spite of this, it should be noted that the differences between the extremes of the educational structure continue to be important. In the last cohort studied, the odds that someone with a lower secondary education will have a fixed-term contract upon entry and during their early career are 3.1 and 3.3 times higher than for a higher university graduate, other variables being

constant. Therefore, the importance of educational levels is still very significant, although it has not increased throughout time.

What can be said about social class? What degree of inequality exists among the social classes and how has it evolved? As with the educational level, belonging to one social class or another affects the likelihood of working with a fixed-term contract. Managers and professionals are the least likely to work with this kind of contract, followed by non-manual workers. Manual workers, employees with unskilled jobs and agricultural workers are the most likely to experience job flexibility through fixed-term contracts. The differences among the classes present opposing tendencies. On one hand, the gap between the extremes is growing. If we consider entry into the labor market, for those who entered between 1987 and 1993, the odds that an agricultural worker would have a fixed-term contract were 8 times higher than those for a manager, and more than double those for a professional. For those who entered the market between 2001 and 2005, the proportions are 26 and 4 times more, respectively. Nevertheless, the distances between the social classes that contain a higher number of individuals have decreased. This is the case when professionals are compared to non-manual workers and to skilled manual workers. The differences have also decreased in their early careers, except for managers, who are increasingly distant from the rest. The way inequality among social classes in their early careers has receded is due, above all, to the notable reduction of fixed-term contracts in recent years for non-manual workers, skilled and unskilled manual workers, not to the fact that temporary employment has spread in the classes that are least prone to it.

Table 8.3   Probability of working with a fixed-term contract. Entry into the labor market file. Logistioc Regression models.

	Labor market entry cohorts 1987-2000				87-93		94-96		97-00		01-05	
	Mod.1	Mod.2	Mod.3	Mod.4	Mod.1	Mod.2	Mod.1	Mod.2	Mod.1	Mod.2	Mod.1	Mod.2
Gender												
women	-0,26 **	-0,06 **	-0,06 **	0,06 *	-0,09 **	-0,11 **	-0,14 *	-0,18 **	-0,02	-0,04	0,13 **	0,10 **
men (ref.)												
Level of education												
elementary or less		0,02		0,31 **	-0,25 **		-0,11		0,09		0,87 **	
lower secondary (ref.)												
Intermediate vocational education		-0,70 **		-0,90 **	-0,38 **		-0,66 **		-1,29 **		-0,68 **	
intermediate general education		-0,54 **		-0,70 **	-0,45 **		-0,55 **		-0,99 **		-0,28 **	
lower tertiary		-1,02 **		-1,26 **	-0,79 **		-1,16 **		-1,53 **		-1,00 **	
higher tertiary		-1,29 **		-1,46 **	-1,15 **		-1,25 **		-1,78 **		-1,14 **	
Social Class												
Farming workers			1,04 **			0,82 **		0,87 **		1,53 **		1,42 **
Managers			-1,39 **			-1,26 **		-1,32 **		-1,14 **		-1,70 **
Non-manual workers			0,27 **			0,48 **		0,32 **		0,14 **		0,17 **
Manual qualified workers			0,77 **			0,83 **		1,08 **		0,86 **		0,66 **
Unqualified workers			0,76 **			0,72 **		0,67 **		0,84 **		0,90 **
Professional employees (ref.)												
Sector												
extractive				0,18 *	-0,02		-0,25		0,30 *		0,68 **	
construction				0,28 **	0,25 **		0,14		0,23 **		0,38 **	
distributive services				0,02	0,03		-0,14		-0,10		0,01	
Producer services				-0,15 **	-0,06		-0,29 **		-0,22 **		-0,08	
Public Administration				-0,24 **	-0,53 **		-1,40 **		-0,05		0,62 **	
Social Services				0,25 **	-0,11 +		-0,39 **		0,28 **		0,54 **	

Table 8.3 (continued)

	Labor market entry cohorts 1987-2000				87-93		94-96		97-00		01-05	
	Mod.1	Mod.2	Mod.3	Mod.4	Mod1	Mod2	Mod.1	Mod.2	Mod.1	Mod.2	Mod.1	Mod.2
Personal Services				-0,16 **	-0,26 **		-0,56 **		-0,33 **		0,07	
transformative (ref.)												
Size of firm												
up to 10 employees (ref.)												
11 to 19 employees				0,08 +				0,07		0,12		0,04
20 to 49 employees				-0,07 +				-0,03		-0,23 **		-0,07
50 or more				0,16 **				-0,19 **		0,16 **		0,04
don't know, more than 10 employees				0,53 **				0,44 **		0,56 **		0,40 **
Labor market entry cohorts												
1987-93 (ref.)												
1994-96	0,51 **	0,67 **	0,55 **	0,18 **								
1997-2000	0,23 **	0,50 **	0,30 **	0,00								
2001-2005	-0,17 **	0,10 **	-0,09 **	-0,43 **								
Constant	1,07 **	1,43 **	0,49 **	1,86 **	1,43 **	0,45 **	2,44 **	1,03 **	2,39 **	0,64 **	1,16 **	0,25 **
-2 log likelihood	72987	70418	71487	45566	26696	27140	7715	7945	14177	14546	20835	18362
R squared Cox y Snell	0,01	0,05	0,04	0,08	0,04	0,02	0,06	0,04	0,07	0,04	0,07	0,04
R squared Nagelkerke	0,02	0,07	0,05	0,11	0,06	0,03	0,10	0,06	0,10	0,06	0,10	0,05

Source: Own calculations based on the LFS (from second trimester of 1987 to third trimester of 2005). Model 4: 1992-2004

Note:
** Effect significant at $p < 0.01$
* Effect significant at $p < 0.05$
+ Effect significant at $p < 0.10$.

Table 8.4   Probability of working with a fixed-term contract. Early career file (five years later entry into the labor market file). Logistioc Regression models.

	Labor market entry cohorts 1987-2000				87-93		94-96		97-00	
	Mod.1	Mod.2	Mod.3	Mod.4	Mod.1	Mod.2	Mod.1	Mod.2	Mod.1	Mod.2
Sex										
women	-0,19 **	0,01	0,01	0,10 **	-0,02	-0,08 **	0,16 **	0,15 **	0,22 **	0,16 **
men (ref.)										
Level of education										
elementary or less		0,25 **		0,15 **	0,06		0,12 *		0,41 **	
lower secondary (ref.)										
Intermediate vocational education (ref.)		-0,84 **		-0,80 **	-0,84 **		-0,69 **		-0,77 **	
intermediate general education		-0,76 **		-0,71 **	-0,83 **		-0,46 **		-0,59 **	
lower tertiary		-1,18 **		-1,23 **	-1,33 **		-1,14 **		-1,09 **	
higher tertiary		-1,36 **		-1,37 **	-1,62 **		-1,04 **		-1,21 **	
Social Class										
Farming workers			1,61 **			1,59 **		1,53 **		1,55 **
Managers			-1,30 **			-0,96 **		-1,30 **		-1,89 **
Non-manual workers			0,13 **			0,37 **		-0,16 **		-0,07
Manual qualified workers			0,73 **			0,98 **		0,50 **		0,43 **
Unqualified workers			1,10 **			1,26 **		0,86 **		0,96 **
Professional employees (ref.)										
Sector										
extractive				0,60 **	0,39 **		0,80 **		0,83 **	
construction				0,78 **	0,70 **		0,89 **		0,92 **	
distributive services				0,00	-0,01		-0,06		-0,16 **	
Producer services				-0,04	-0,06		-0,22 **		0,07	
Public Administration				-0,22 **	-0,70 **		0,13		0,63 **	
Social Services				0,41 **	0,06		0,72 **		0,79 **	

Table 8.4 (continued)

	Labor market entry cohorts 1987-2000				87-93		94-96		97-00	
	Mod.1	Mod.2	Mod3	Mod4	Mod.1	Mod.2	Mod.1	Mod.2	Mod.1	Mod.2
Personal Services				0,20 **	0,00		0,10 +		0,39 **	
transformative (ref.)										
Size of firm										
up to 10 employees (ref.)										
11 to 19 employees				0,06 *		0,00		0,16 **		-0,03
20 to 49 employees				0,04		-0,09 *		0,05		-0,05
50 or more				0,08 **		-0,30 **		0,08 *		-0,05
don't know, more than 10 employees				0,47 **		0,32 **		0,56 **		0,46 **
Labor market entry cohorts										
1987-93 (ref.)										
1994-96	-0,28 **	-0,23 **	-0,32 **	-0,27 **						
1997-2000	-0,49 **	-0,36 **	-0,48 **	-0,42 **						
Constant	0,39 **	0,83	-0,19 **	0,52 **	0,87 **	-0,29 **	0,21 **	-0,52 **	-0,02	-0,63 **
-2 log likelihood	101590	96408	97399	89942	43630	45042	22455	22700	28049	24004
R squared Cox y Snell	0,01	0,08	0,07	0,10	0,11	0,08	0,07	0,06	0,09	0,06
R squared Nagelkerke	0,02	0,11	0,09	0,14	0,15	0,10	0,10	0,08	0,12	0,08

Source: Own calculations based on the LFS (from first trimester of 1992 to third trimester of 2005).

Note:
** Effect significant at p < 0.01
* Effect significant at p < 0.05
+ Effect significant at p < 0.10.

Model 4: 1992-2004.

The effect of sectors and company size remain to be considered. The sectors least prone to temporary employment are public administration and services to companies. At the opposite end, there are social services, the extraction sector and construction. In the models that contain only the sector (not presented in the tables), the personal service sector also appears among those most prone to fixed-term contracts, an effect which disappears when educational level is brought into the model. Employees in personal services usually have very low educational levels, highly prone to temporary employment. Finally, the noticeable change produced in public employment, both at entry into the labor market and in early careers, should be highlighted. Thus, public administration and social services have gone from being more or less safe from temporary employment compared to other sectors to being more likely to have fixed-term contracts than others such as the transformation, company service or the distributive sectors. This is paradoxical, because the labor market reform promoted by the governments since the mid-nineties have tried to slow down the spread of temporary jobs, while fixed-term contracts have spread strongly in public employment. With respect to company size, there seem to be no important differences. In general, during the period under study, large companies (over fifty employees) are slightly more likely to use fixed-term contracts, both for entry into the labor market and for early careers, so that the hypothesis suggested earlier is not corroborated. In this sense, the strategy of large companies has varied over time, because they used to give fewer fixed-term contracts than small ones; however, as time goes by, no statistically meaningful differences can be seen, except for the category "unknown, more than 10 employees".

Having analyzed the effects of the independent variables on fixed-term contracts, we should determine whether this represents a new source of social segmentation, running parallel to class divisions, or if, on the contrary, it is a transitory state that will disappear as people advance in their job biographies. In order to do this, it is useful to follow the trajectory of a cohort throughout time and thus to find out if temporary employment becomes chronic during their job life. As was mentioned in the section on methods, the method followed here is the artificial cohort method. The LFSs from the second trimester in 1987 (the first one that collects data on fixed-term contracts) to the third trimester of 2005 were used for this. Given women's incorporation to work and the fact that, when working with artificial cohorts, temporary employment is calculated using the total of the cohort, Graph 8.2 represents the proportion of male workers with fixed-term contracts throughout time for nine five-year cohorts (the first born between 1946-50 and the last between 1986-90). In the graph, an increase in temporary employment can be noted for the oldest cohorts from the initiation of observation (1987) until, approximately, 1992, coinciding with the second economic crisis. Since then, temporary employment drops for these cohorts to around 10 per cent, once they are over forty years of age. This proportion of fixed-term contracts can be considered chronic, given that these are ages that are already distant from the process of job insertion. It is quite possible that this 10 per cent is made up of individuals who work in sectors that typically have fixed-

term contracts, such as agriculture, construction, or others related to the service sector, with a seasonal demand, such as tourism. In the youngest cohorts, temporary employment can be seen to reach its zenith when people are between 20 and 25 years old; once they reach this age, when the majority have been in the labor market for a number of years, the proportion of workers with fixed-term contracts drops. The fact that, starting with the cohort of those born in the first half of the sixties, all the cohorts follow a common pattern of exiting from temporary employment when they get to their thirties should be highlighted. Thus, the proportion of individuals with fixed-term contracts between the ages of 30 and 34 is very similar if we compare people born in the sixties to people born in the first half of the seventies. In this sense, we should point out the evolution of the cohort born between 1971 and 1975: this cohort had a proportion of fixed-term contracts that reached 32 per cent at the ages of 24 and 28 and then descended to 21 per cent between the ages of 30 and 34. It is too soon to know how later cohorts will evolve. At present, those born between 1976 and 1980 have the same proportion of fixed-term contracts as the two preceding cohorts at the ages of 25 to 29. There is, thus, no clear indication that fixed-term contracts become a source of enduring segmentation throughout job life; this does not, however, mean that temporary employment will completely disappear: approximately 10 per cent of the people work with fixed-term contracts at ages far from job insertion.

Figure 8.2. Proportion of men working with a fixed-term contract by birth cohort and age. Base (all individuals of the birth cohort)
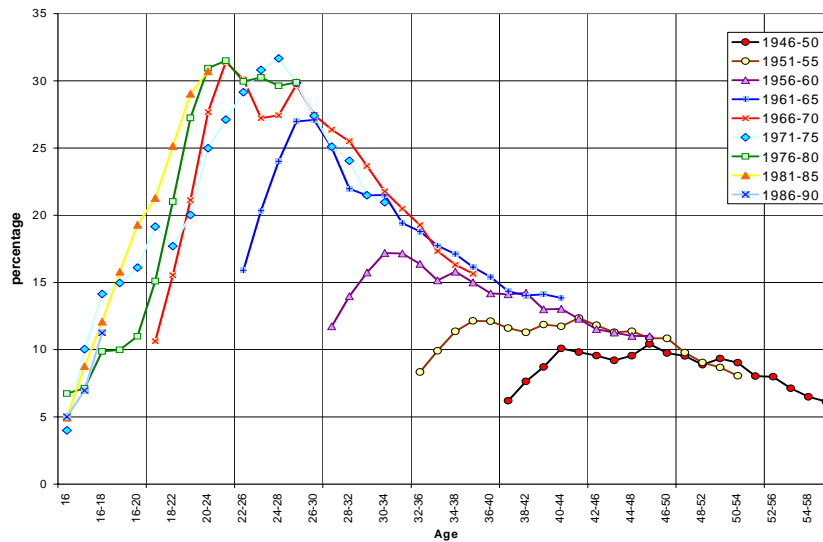
Likelihood of Working in an Unskilled Job

If studying the possible segmenting effects of fixed-term contracts is important, it is no less important to study the likelihood of working in an unskilled job. Tables 8.5 and 8.6 show the results of the analysis for entry into the labor market and early careers, respectively. The models show that the evolution has been favorable, because, in comparison with the second half of the seventies, the likelihood of working in unskilled employment has dropped. However, the majority of the reduction took place in the eighties. Since then, the likelihood has not decreased upon entry to the labor market, and a slight increase can be observed in early careers for the cohorts that entered the labor market during the second economic crisis. Different factors explain this general decrease in unskilled jobs. On one hand, the conversion of a society heavily weighted towards the agricultural sector into a post-industrial society has been favorable to jobs that require certain skills, despite the increase in unskilled employment in the service sector. On the other hand, the work force's improved skills, inserted into the modernization process in Spain, have contributed to the lesser importance of unskilled jobs. This can be seen in the second set of models of the analysis applied to all the cohorts. The effect is interesting because it shows the country's improvement in qualification and its influence on the reduction of unskilled jobs; however, similar to what happened with educational level, someone entering the labor market in recent years is more likely to work in an unskilled job than someone who entered during the second half of the seventies, an indication that degrees have become devalued. The effect of the devaluation of degrees can be clearly seen in the analyses applied to different cohorts. Educational levels have a strong segmenting effect – there are important differences between one level and another. The hierarchy is clear: the higher the educational level, the lower the probability of working in an unskilled job, but the differences between one level and another have decreased due to the extension of this kind of job throughout all the levels. This effect is visible both at entry and in early careers. In this sense, the theories that predict inflation in educational credentials are partially corroborated. However, it is very important to stress that there are big differences between educational levels. The other variables being constant, the odds that someone with a lower secondary education will fall into an unskilled job are 17 times higher than the odds for a higher university graduate at entry into the labor market (1996-2005 cohort), and 23 times higher for early careers.

Another possible source of inequality when it comes to having a bad job is gender. With reference to this, the results indicate that women are less likely than men to occupy these positions upon entry into the labor market and slightly more likely in their early careers. As happened with fixed-term contracts, the effect of educational levels influences the relationship between gender and type of job. With equal educational levels for men and women, women are slightly more likely to occupy these jobs upon entry into the labor market. This phenomenon is reinforced in their early careers, and is maintained when the sector in which they

work is introduced, which points towards a certain gender segregation when educational level and sector are equal. Even so, this inequality lessens throughout time, as the analyses for each cohort indicate. Even in the case of entry into the labor market, the inequality disappears.

The sectors where unskilled jobs are most common are construction, with a high proportion of unskilled laborers, extraction, because of field hands, and personal services, with a high presence of food service workers, personal caregivers and domestic employees. At the opposite pole, we find the transformation sector, made up mainly of skilled manual workers, the distributive sector, the company service sector, and public administration. Finally, the question of whether those who enter the labor market through unskilled jobs leave these jobs or not throughout their job biography must be answered. In order to check this, as with the analysis of fixed-term contracts, the artificial cohort method is used. In contrast to what happened with temporary employment, no decline in the proportion of workers with unskilled jobs can be seen in Graph 8.3 as the cohorts' job biography advances, indicating that it is not easy to leave this kind of employment once one has entered[17].

Table 8.5   *Probability of working in an unskilled occupation. Labor market entry file. Logistic regression models.*

	Labor Market Entry Cohorts 1976-2000			76-80	81-85	86-91	92-95	96-05
	Mod.1	Mod.2	Mod.3					
Sex								
men (ref.)								
women	-0,19 **	0,11 **	0,16 **	0,46 **	0,36 **	0,27 **	-0,14 **	-0,07 *
Level of education								
elementary or less		0,48 **	0,34 **	0,33 **	0,35 **	0,40 **	0,35 **	0,27 **
lower secondary (ref.)								
Intermediate vocational education		-0,76 **	-0,73 **	-1,27 **	-0,58 **	-0,72 **	-0,58 **	-0,78 **
intermediate general education		-0,58 **	-0,48 **	-0,70 **	-0,54 **	-0,66 **	-0,34 **	-0,36 **
lower tertiary		-2,36 **	-2,44 **	-3,25 **	-2,51 **	-2,76 **	-2,19 **	-2,40 **
higher tertiary		-2,94 **	-2,90 **	-3,20 **	-3,50 **	-3,67 **	-2,61 **	-2,83 **
Sector								
extractive			2,33 **	3,54 **	2,77 **	1,95 **	1,73 **	1,75 **
construction			1,54 **	2,77 **	2,42 **	1,65 **	0,96 **	0,81 **
distributive services			0,34 **	1,37 **	1,02 **	-0,41 **	-0,29 **	0,12 **
Producer services			0,35 **	0,84 **	0,77 **	0,33 **	0,15	0,07
Public Administration			1,00 **	0,67 *	1,28 **	1,09 **	0,30	0,94 **
Social Services			1,34 **	2,40 **	1,99 **	1,25 **	0,78 **	1,08 **
Personal Services			3,05 **	3,66 **	3,53 **	2,78 **	2,62 **	3,02 **
transformative (ref.)								
Labor Market Entry Cohort								
1976-80 (ref.)								
1981-85	0,11 **	0,37 **	0,19 **					
1986-91	-0,26 **	0,13 **	0,10 **					
1992-95	-0,33 **	0,23 **	0,36 **					

Table 8.5 (continued)

1996-2005	-0,33 **	0,59 **	0,76 **					
Constant	-0,73 **	-0,94 **	-2,34 **	-3,26 **	-2,72 **	-2,03 **	-1,49 **	-1,19 **
-2 log likelihood	141419	126173	101751	20937	17704	20063	11254	30322
R squared Cox y Snell	0,01	0,13	0,28	0,33	0,32	0,28	0,25	0,26
R squared Nagelkerke	0,01	0,18	0,41	0,46	0,45	0,42	0,37	0,39

Source: Own calculations based on the LFS (from third trimester of 1976 to third trimester of 2005).

Note:
** Effect significant at p < 0.01
* Effect significant at p < 0.05
+ Effect significant at p < 0.10.

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Table 8.6　　*Probability of working in an unskilled occupation. Early career file (five years later entry into the labor market file). Logistioc Regression models.*

	Labor Market entry Cohorts 1976-2000			76-80	81-85	86-91	92-95	96-00
	Mod.1	Mod.2	Mod.3					
Sex								
men (ref.)								
women	0,12 **	0,37 **	0,31 **	0,57 **	0,37 **	0,24 **	0,27 **	0,18 **
Level of education								
elementary or less		0,62 **	0,49 **	0,32 **	0,47 **	0,58 **	0,54 **	0,52 **
lower secondary (ref.)								
Intermediate vocational education		-1,00 **	-1,03 **	-1,21 **	-1,34 **	-1,03 **	-1,02 **	-0,85 **
intermediate general education		-0,95 **	-0,97 **	-1,08 **	-1,21 **	-1,06 **	-0,92 **	-0,68 **
lower tertiary		-2,48 **	-2,78 **	-3,65 **	-2,92 **	-2,97 **	-2,67 **	-2,38 **
higher tertiary		-3,31 **	-3,58 **	-4,96 **	-4,16 **	-3,51 **	-3,72 **	-3,14 **
Sector								
extractive			2,17 **	2,98 **	2,12 **	2,23 **	1,81 **	1,94 **
construction			1,43 **	2,64 **	2,07 **	1,44 **	0,95 **	0,54 **
distributive services			0,02	0,67 **	-0,19 **	-0,04	-0,02	-0,18 **
Producer services			0,90 **	1,23 **	1,15 **	0,94 **	0,85 **	0,45 **
Public Administration			0,87 **	1,57 **	0,97 **	0,94 **	0,48 **	0,64 **
Social Services			1,76 **	3,00 **	1,63 **	1,59 **	1,57 **	1,44 **
Personal Services			2,86 **	3,61 **	2,73 **	2,76 **	2,77 **	2,76 **
transformative (ref.)								
Labor Market Entry Cohort								
1976-80	0,05 **	-0,13 **	-0,10 **					
1981-85 (ref.)								
1986-91 (ref.mod4)	-0,21 **	-0,04 +	0,10 **					
1992-1995	-0,10 **	0,21 **	0,45 **					

Table 8.6 (continued)

1996-2005	-0,25 **	0,24 **	0,45 **					
Constant	-1,08 **	-0,91 **	-2,20 **	-3,03 **	-2,21 **	-2,05 **	-1,58 **	-1,49 **
-2 log likelihood	165053	144698	119343	19953	25836	27612	20400	24151
R squared Cox y Snell	0,00	0,13	0,27	0,33	0,29	0,26	0,25	0,23
R squared Nagelkerke	0,00	0,19	0,40	0,48	0,42	0,39	0,37	0,36

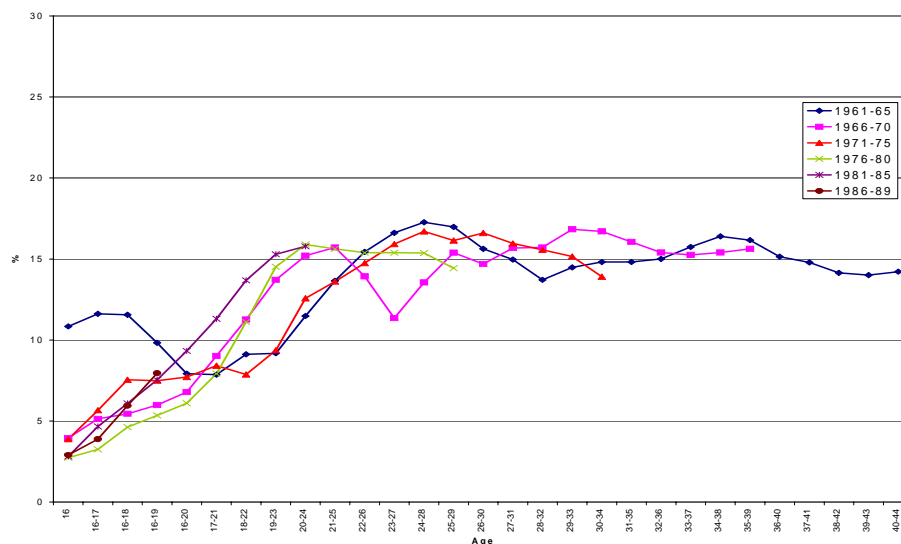*Source:* Own calculations based on the LFS (from first trimester of 1981 to third trimester of 2005).

Note:
** Effect significant at p < 0.01
*   Effect significant at p < 0.05
+   Effect significant at p < 0.10.

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Figure 8.3. Proportion of men working in an unskilled job by birth cohort and age. Base (all individuals of the birth cohort)

Source: Own calculations based on the LFS (from the third trimester of 1976 to third trimester of 2005)

CONCLUSIONS

Have young people's job opportunities upon entry into the labor market and in their early careers improved or worsened during the expansion of globalization in Spain? In order to answer this question, three aspects have been analyzed: employment, fixed-term contracts, and unskilled jobs. With respect to employment, evidence has shown that entry into employment and early careers depend to a great extent on the economic cycles. Even so, the likelihood of being employed at the typical ages of entry into employment for the most recent cohorts is slightly lower than for the entry cohorts in the mid-seventies, which indicates that job insertion for young people today is somewhat more problematic. However, the strong creation of employment in the last decade has worked in favor of very good perspectives for employment in early careers. Where flexibility has taken shape most is in fixed-term contracts, which have increased quite noticeably for new entrants since the eighties, and diminished slightly since the 1997 reform. This is a new reality that young people live with. In spite of this, there is no indication that working with this kind of contract becomes chronic over time. The majority of young people abandon temporality employment as they advance in their job biographies. With reference to the proportion of workers with unskilled jobs, the balance for the period is positive.

The advent of post-industrial society has resulted in a moderate decrease in unskilled jobs, due, above all, to the destruction of agricultural employment. To sum up, it can be said that young people have lost out with respect to temporality employment and made some gains with respect to the kinds of jobs created.

Have the processes of globalization and flexibilization brought about a greater division in Spanish society at entry to the labor market and in early careers? Above all, it must be said that educational levels were and continue to be very important for access to employment and to avoid job precariousness, so that risks have not become balanced. With respect to job precariousness, the difference between the extremes of the social classes has increased, but among professionals and the classes that include the majority of the population, it has decreased. In addition, this leveling process is a positive one because it is due to a moderate general reduction in precariousness among the social classes. As for educational levels, inequality has decreased with respect to avoiding an unskilled job. In this case, the decrease is negative, because having a high educational level does not ensure, to the extent it used to, that people will get a good start in their first steps in their job careers. This is due to a certain devaluation of educational credentials, because of the notable increase in the proportion of individuals with a higher education. Finally, during the period analyzed, great progress is observed for women, who have, in general, better employment perspectives than they did thirty years ago, and gender inequality is receding in the aspects where it still persists. Thus, along general lines, the conclusion to be drawn that globalization and flexibilization have not increased the social inequality gap in Spain with respect to entry into the labor market and early careers, although great differences still persist among social classes and educational levels.

As a final reflection, it would be wise to mention that the greatest source of job flexibility for young people, temporality employment, has been managed, in Spain, by means of an intergenerational pact in virtue of which young people continue to live in their parents' homes until they achieve job stability and manage to save enough money to face the process of family formation (Garrido 1996a). The consequences are clear: the age of emancipation is very high, life together as a couple is postponed, and couples have children later and later (Garrido and Requena 1996; Jurado Guerrero 2001; Castro Martín 2003). On the other hand, young people, living with their parents, enjoy high levels of consumption and a life that would be unthinkable if they lived in their own home. Even though entry to the labor market in recent decades has been somewhat more tortuous for young people than for their parents, their youthful years cannot be said to be worse.

NOTES

[1] *Doing Business* is a publication attached to the World Bank. It prepares and analyzes survey data that attempt to measure job rigidity, among other phenomena. In the ranking from least rigidity to most rigidity, Spain is in position number 63 out of a total of 78 countries.

[2] With the exception of the industrial reconversion that took place mainly in the eighties, in which adult workers of part of the industry lost their jobs.

[3] The rate of fixed-term contracts previous to 1987 is not known with certainty, because the Labor Force Survey did not gather this information until 1987. Nevertheless, some researchers have placed temporary employment previous to 1984 at below 10 per cent of salaried workers (Toharia 2005).

[4] The star of the Reform was the so-called "fixed-term contracts to promote employment".

[5] The rate of unemployment remained high due to the growth in the active population during these years. Specifically, this was due to the incorporation of the women born in the sixties into the world of work, the majority of whom had training oriented towards a profession, and the entry into the labor market of the large cohorts resulting from the Spanish baby boom of the sixties.

[6] Only workers in companies with over fifty employees can elect representatives with the capacity to reach specific collective agreements with the company.

[7] Academic secondary education is divided into two areas. The first is mandatory for everyone. The second one, higher secondary education, is optional. Vocational secondary education is also divided into two areas. Since the LOGSE came into effect, the stratification of the academic and vocational types of secondary education has become diluted, because, in contrast to the LGE, access to the second cycle of vocational training requires, in 80 per cent of the cases, successful completion of all of the academic secondary education, including higher secondary education. On the other hand, in both the LGE and the LOGSE, post-mandatory academic secondary education is divided into several branches which are, in general, scientific-technical or scientific-natural and social sciences or humanities.

[8] According to the most recent data published by the National Statistics Institute (www.ine.es/prensa/np240.pdf), 94% of the graduates of initial secondary education continue studying, 80 per cent choose higher academic secondary education and 14 per cent choose first cycle of vocational training. 93 per cent of the graduates of post-mandatory academic secondary education continue studying. 68 per cent decide to go to the university, 25 per cent choose to study a higher degree in vocational training.

[9] Short-cycle degrees receive a certificate of Diplomature, Technical Architect or Technical Engineer; long-cycle degrees receive a certificate of Graduate, Architect or Engineer.

[10] Data gathered from the four trimesters of the 2004 LFS.

[11] In Spain, there is no retrospective or panel survey that would permit an analysis of the school-to-work transition in a period that would cover, as a minimum, the eighties and the nineties.

[12] In order to calculate the typical ages, the following levels of studies were considered: primary or below, initial secondary, higher academic secondary, first cycle of vocational training, second cycle of vocational training, middle university, higher university.

[13] Individuals doing their military service were excluded from the analysis.

[14] The LFS defines as employed anyone 16 years of age or over who, during the reference week of the survey, exercised a self-employed job or a salaried job. A person is considered to have had a salaried job if, in the reference week of the survey, he or she worked at least one hour in exchange for wages, a salary or any other kind of related payment.

[15] This method consists of following the trajectories of individuals who share the characteristic of having been born in the same year through all of the available LFSs (1976-2005). These are artificial cohorts because they do not deal with the same individuals, although they are all representative of their birth cohorts.

[16] The reduction of the differences is not noticeable for those with the lowest educational level. They are increasingly far from the rest.

[17] This fact must be interpreted cautiously, because we are working with artificial cohorts, not with the job history of the same individuals. Nevertheless, in order for one cohort to maintain such a constant rate of workers with unskilled jobs throughout time without them being the same individuals, a high turnover in positions and a high class mobility among workers would be necessary, something which does not seem to occur in Spain.

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