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The Pain in Spain: Examining Andalusia's Youth Unemployment Crisis

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Abstract

This paper examines the youth unemployment crisis in the autonomous community of Andalusia by assessing employment policies that are currently in place. Since the economic crisis nearly a decade ago, there has been very little change in the high rates of Andalusian youth unemployment, which as a whole, has left the region, the country and the European Union at risk due to a lack of inefficient policies. By utilizing anecdotal evidence paired with facts and figures released by the European Union, recommendations to adjust employment policies such as the Youth Guarantee and PRAEM are given in order to shine a light on the areas that are lacking effectiveness when it comes to solving the problem at hand rather than allowing it to continue.
Introduction

1.1 Background

Spain is still facing repercussions of its “long economic nightmare” nearly ten years after it began (Goodman). What first started “as an extension of the international financial crisis” that was triggered by the lack of a diversified economy and strong government foundations, has developed into “the worst crisis [the country has faced] in the last fifty years” (Carballo-Cruz 1). As a result of most reports taking into account the unemployment rate of Spain as a whole, areas of the country such as Andalusia, “the autonomous community with the highest unemployment rate in Spain” are being left to suffer the consequences of its government’s actions (European Commission).

On a larger scale, a recent article released by Alvaro Sanchez notes that: “several of Spain’s regions are among the EU’s worst unemployment black spots…[and] five of the 10 worst-affected areas in Europe are in Spain.” Those between the ages of 15-24 in Spain have been plagued by the high youth unemployment rates, and within Andalusia alone, 49% of Spanish youth are unemployed (EuroStat). As the southernmost region of the country, Andalusia “encompasses the provincias (provinces) of Huelva, Cadiz, Sevilla, Malaga, Cordoba, Jaen, Granada and Almeria” (Rodriguez). According to the State Public Employment Services, which records the number of unemployed citizens throughout Spain, “recorded unemployment rose in 11 autonomous regions, particularly in Andalusia (up 12,021)” in September of 2018 alone (Eurasia Review).
1.2 Definition of the Problem

The problem that this paper is designed to target is that of youth unemployment in Andalusia. A staggering 49% of citizens aged 15-24 are unemployed, as a result of short-term fixes having been put in place right after the crash and a focus on sustainability falling to the wayside (EuroStat). In 2009, The Economist said: “the government may still be too optimistic over the country’s prospects,” and almost ten years later, that statement still rings true. Spain has not intervened in matters of unemployment, as seen with the numbers released by the State Public Employment Services, (SEPE), in which “unemployment among young people under the age of 25 rose by 22,765 (9.45%) [in August of 2018]” (Eurasia Review).

One of the factors that have led “one out of three [Andalusians to be] out of work” is a result of the lack of sustainable jobs in the region. Prior to the financial crisis, neither jobs nor the Andalusian economy was diversified. Rather, the only two sectors that brought money and jobs to the region were “agriculture and tourism…[and] before the boom, unemployment was already around 25%” (Burgen). Along with a homogenous portfolio, the region was impacted by the burst of the proper bubble in 2008, especially in certain provinces where most workers were employed in sectors such as construction (European Parliament 20).

This is still true to this day, and when an economy lacks diversification, it is unsustainable. This lack of sustainability is a key factor in the youth unemployment crisis. Currently, as a result of the region’s six unique bio-climates, the focus remains on investment in these two sectors and keeping them as they have always been, rather than building up other industries. A great example of the lack of change can be seen in the greenhouses of Almeria. Almeria, a province of Andalusia, has “since the 1980s…the largest concentration of greenhouses in the world” which provides almost half of Europe’s fresh fruits and vegetables.
(Kaushik). At first glance, this appears to be the perfect set-up for the province, but in reality, the greenhouses offer dangerous working conditions for employees. Temperatures often go as high as 45 degrees Celsius, (approximately 113 degrees Fahrenheit), workers are underpaid for their work, and the farms lack basic amenities such as toilets (Kaushik). If diversification of the economy is considered to be unrealistic, the current investments can at least ensure that the conditions and jobs are sustainable.

![Figure 1 Endless fields of greenhouses in Almeria (Photo by Edward Burtynsky)](image)

1.3 Risk Factors for the European Union

The European Union “is a unique economic and political union between 28 EU countries,” with Spain being one of the member countries. As a result of the union, all member
countries are “economically interdependent” and are all a part of a single market (European Union). Although the goal of the single market and the Schengen Agreement is to allow free movement altogether, there are always danger involved with interdependence (Tilford). As seen with countries such as Spain, Greece and Italy, when a European Union member country has financial difficulties it risks the others in the agreement.

Earlier this year, the political climates in both Italy and Spain “sent the euro close to 8% lower against the dollar,” which takes a toll not only against the EU market but global markets as a whole (Mourdoukoutas). If Spain does not diversify its economy and create sustainable jobs for its youth, there will continue to be a large number of Spaniards leaving their country in favor of stronger EU member countries. In 2017 alone, “[a total of] 76,197 people with Spanish nationality registered as residents in foreign countries…the number has been growing year on year since 2009, with nearly 2.5 million Spaniards living [abroad]” (Lambertucci).

Spain has allowed itself to become “the new sick man of Europe” (The Economist). Considered to be one of two large European economies, a “crisis in…Spain will seriously threaten the euro” as well as “raise the prospect of systemic risk once again” (Mourdoukoutas). It is also important to mention that member countries of the EU all are required to pay a certain amount of money, (depending on the country), that comprises of the EU budget. In 2016, Spain was given 11.59 billion euros from the EU. Spain’s share of total contributions to the EU is 8.5%, (compared to Germany’s nearly 20%). The benefitting member of the agreement is Spain, rather than the EU (“The EU Budget at a Glance”). From 1986 to 2013, Spain received 151.5 billion euros from the European Union, “and that’s without counting the 45 billion euros that have been earmarked for Spain until 2020” (Barberia).
With Spain being heavily dependent on the European Union, it is crucial that the country begins to use the money it receives yearly to invest in creating a stronger economy that will offer jobs for those unemployed. If Spain doesn’t, the European Union is put at risk again, meaning that the 27 other member countries will be paying more money to fund Spain. It also means that a potential crash of the value of the euro will impact the entire European market and thus create a global crisis.

1.4 Risk Factors for Spain

As previously mentioned, the high levels of unemployment in Spain as a whole, let alone in Andalusia, are leading to Spanish youth taking jobs that offer low wages and short-term contracts that restrict mobility in the labor market. One of the most popular locations for Spaniards to move to is the United Kingdom as a result of the job opportunities and strong economy. As Luis Garciano states, “the UK-Spain relationship is the picture-perfect illustration of economic and political benefits...[as] Spanish youth seek jobs [in the UK]” (126). With Britain leaving the European Union in what is more infamously known as Brexit, Spain has been put into a tough spot. The United Kingdom’s EU membership fee of £350m a week is now leaving the European Union with less money to give to member-countries, thus in turn leaving Spain to receive less EU-funding (Bennett, Kirkup, Scott).

This paired with the current threat of Catalonia seceding from Spain—a region that makes up approximately 20% of the Spanish economy—has created what could be a perfect storm. Tied with Madrid, Catalonia is one of the “country’s richest region[s]” (BBC News). In October of 2017, Catalonia held a referendum in which 90% of voters voted for independence of Spain. Their “drive for independence [has] plunged Spain into its biggest political crisis [in] 40
years” (BBC News). As a result of what was considered an ‘illegal vote’ in the eyes of the Spanish government, Madrid was forced to invoke Article 155 of the Spanish Constitution and impose direct rule over Catalonia as well as arrest the Catalan leaders involved with the referendum. Article 155 is widely considered to be the nuclear option for the country and has led to unexpected spending on the part of the Spanish government. Approximately ten-thousand Guardia Civil officers have been sent to take control of Catalonia and time and money have been invested in passing measures to ensure that Catalonia will not attempt this again (BBC News). With political uncertainty plaguing the country, it is imperative that Spain fix its crumbling foundation before another political disaster occurs.

1.5 Risk Factors for Andalusia

If the situation wasn’t urgent enough with Brexit and the possible separation from Catalonia, there is still risk of a domino effect taking place with Andalusia being the catalyst. Andalusia’s situation is already dire as it is, with Catholic charities such as Caritas spending “€2.6m on food for vulnerable families in Malaga alone” (Burgen). With attention being placed on other regions and money being allocated to other issues, Andalusia is being left to fend for itself.

Another risk for Andalusia is the high levels of corruption in the government. The autonomous community has been under a socialist government for over 33 years, but in recent years the socialist party has been “badly tarnished by corruption scandals” (Minder). With corruption present, there is no way to tell how much money has been illegally funneled to benefit the few rather than help the many. This means that there is a high chance that the economy and high unemployment could have been fixed but rather funds have been diverted elsewhere. In
February of 2015 alone, two past leaders of the socialist government in Andalusia were named by the Spanish Supreme Court as suspects in a case of widespread corruption (Minder). Also, with “unprecedented political fragmentation and…tensions among parties” Andalusia is at risk of facing more issues down the line. Overall, the issues at hand are a part of a wider net of corruption in Spain, with the previous PM of Spain Mariano Rajoy being forced out of office due to corruption scandals this May. Andalusia is at risk for many reasons, not only from issues in its own local government but from Spain as a whole and moves made in the European Union.

1.6 Statement of Purpose

This paper advances the argument that although it appears that Spain has properly dealt with their unemployment disaster triggered by the Spanish financial crisis, the fact of the matter is that a decade later the lack of jobs is still harming younger citizens. In the southernmost region of Spain, Andalusia is considered to be one “of the 10 worst-affected areas in Europe” (Sanchez). By taking a closer look at the facts and figures released by Spain and the European Union, this paper will highlight how the youth unemployment crisis has been avoided for a decade. With the threat of another economic crisis near and a ripple effect taking over, the factors behind the lack of change such as corruption within Spanish politics, government spending and policies will be evaluated to determine if there are any viable options to help young Andalusians. This paper will take into consideration the unemployment crises in other European Union member-countries such as Italy as well as look at the policies and systems in place in German regions such as Lower Bavaria, the home of “Europe’s…lowest level of unemployment…at 2.1%… [and the country with] nine of the 10 European regions with the lowest levels of youth unemployment” (Sanchez).
1.7 Methodology

In this paper, the research utilized to advance the reader’s knowledge of the crisis at hand will come from a varied array of sources. The majority of the resources drawn upon are data-heavy, coming from authorities such as the International Institute for Labor Studies, EuroStat, and the European Commission. Although numbers play a significant role in any well-researched paper, it is also crucial to understand on a more basic level the issues Andalusian youth are facing each and every day.

As a result of living in Sevilla, (the capital of Andalusia), and having studied Spanish for almost ten years, I have been able to read articles and scholarly sources published in Spain. Those sources allow for more depth to be added to this paper, as do the interviews and conversations I have had with Andalusians. One of the most eye-opening experiences was when I had the opportunity to ask my host-sisters why they had chosen their majors. Two of the sisters had decided to study architecture, the oldest having finished school last year and promptly moving to Chicago because she knew that “it wasn’t even worth looking” for a job in Sevilla. The younger of the two is still currently at university studying, and when I asked why she picked architecture as her career-path, her response was: “I don’t like the major but since our parents own an architecture firm I know that I can work with them.”

On the other hand, although there are more sources available to be used as a result of searching in both English and Spanish, one limitation to my research comes in the effectiveness of policies. Although many public policies and recommendations have been made to fix the unemployment issue in Spain, many are just putting a bandage on the matter. The reality is that with the data being released, the unemployment rates that are receiving the most attention are those that represent Spain as a whole. This has caused a false sense of confidence that the
situation in Spain has improved greatly. As a result, youth unemployment is undermined and not considered to be a crisis that needs fixing.

Problem Description and Current Environment

2.1 History of Francoist Spain

Spain is no stranger to crises, having gone through many economic and political difficulties to be able to reach its current democratic state. On July 18, 1936, the country’s Second Republic came to an end as the Spanish Civil War began. Right-wing military officers led the revolt with General Francisco Franco as their leader, also known as the Nationalists. Although the Spanish government, (the Republicans), attempted to fight back the war was not even. The Republicans were made up of peasants, workers and the government whereas the Nationalists contained the rebel-part of the army as well as most members of the upper class. They also gained the support of Italy and Germany due to their fascist views, allowing them to gain weapons and support from both Adolf Hitler and Benito Mussolini. Considered to be one of the most devastating wars in Spanish history, approximately a million lives were lost at the end of the war in 1939 (History).

After the civil war, the era of Francisco Franco’s authoritarian regime ushered in economic hardship. Difficulties that arose during the war such as the destruction of railway systems coupled with Franco’s “misguided policies of autarky, which aimed at economic self-sufficiency through the state control of prices…[and] protected national economy cut off from the international market” brought on famine and mass migration (Britannica). The country was cut off from the rest of the world as countries such as the United States refused to recognize the
authoritarian regime due to the Franco’s pro-Axis views. With Spain’s withdrawal from the global market and autarky modeled after Germany and Italy, the country lost over “200,000 people [who] died of hunger in the early years of Francoism” (Britannica). During the course of the war and the years that followed, around 465,000 Spaniards fled the regime in what was seen as a mass exodus (Rubio Hancock). In 2017 alone, “[a total of] 76,197 people with Spanish nationality registered as residents in foreign countries…the number has been growing year on year since 2009, with nearly 2.5 million Spaniards living [abroad” (Lambertucci). Similar to today, most that left the country were young Spaniards searching for a job and escaping the consequences of a poorly built government, both groups “looking abroad to make a new life” (Rubio Hancock).

2.2 Global Recession

Prior to the burst of the housing bubble, the Spanish economy had been in what some called a “party of drunks” (Buck). The assumption that economic growth and a government surplus would never end led to volatile investments. In Valencia, the regional budget was used to build “the City of Arts and Sciences, a 1.3-billion-euro complex that includes an opera house, museum and Europe’s largest oceanographic aquarium,” exceeding the 300-million euro planned cost (Financial Times). In the autonomous community of Castilla-La Mancha, reckless spending led to “subdivisions in the deserts… [such as the] town of Sesena [having] 13,000 housing units—that are standing empty” (Caldwell). In Sevilla, a province of Andalusia, a “modern, newly-built, five story complex” called Utopia and created for younger Sevillanos, ended up with no legal residents, another project without a return on investment (Mason). Rather, Utopia was filled with squatters, “families turfed out of their own homes due to repossession” (Mason). On a
larger scale, the government of Spain paid over 1 billion euros to create the Ciudad Real airport, which was approximately 150 miles away from Madrid-Barajas (BBC News). Madrid-Barajas is considered to be “among the busiest airports in Europe” as well as the primary airport in the country (CAPA: Centre for Aviation). The Ciudad Real airport was a doomed investment from the start, opening in 2008 and going bankrupt in 2012 as a result of no one using it (BBC News).

One of the factors that had led to a false sense of invincibility prior to the crash came after Spain joined the European Union. Spain had previously used the peseta, having reached famine and unemployment rates as high as current day under the currency. The change to the euro in 1999 allowed “the Spanish economy [to take] off like a rocket, achieving rates of growth that were almost Chinese” (Caldwell). Once known for its high interest rates and high inflation, the transition to the euro allowed for Spain to borrow money at reduced rates as well as set off a property boom that led to construction making up 20% of the Spanish economy and 13% of the workforce (Buck). The housing bubble was built on these factors, and the burst of said bubble as well as the huge trade deficit and “unsustainably high GDP growth rate” led to the Great Spanish Depression (Buck). Unlike the United States, the property boom was not fueled by big banks like the Lehman Brothers. Rather, small banks known as cajas funded everything and everyone and avoiding “complex structured finance deals” (Mason). When it came time to bail out banks, Spain learned that “to save a single, relatively minor bank, [it] will add a third to its already sky-high national debt” (Mason). Although trusting small banks seemed like a good idea, it was just as dangerous as trusting the bigger financiers, all of which shattered the eurozone.

In 2011, the economic crisis was in full-swing with youth unemployment at 40% and Spaniards leaving their country in masses (Politico). Spanish youth, tired of the mismanagement of the recession at the hands of their political leaders, went to the streets. On May 15th, the 15-M
movement was born, with “massive protests…staged in Madrid’s central Puerta del Sol square” (El Pais). Their message was clear: “the political class was hemorrhaging its credibility” (Hedgecoe). That year alone, around 21,000 protests took place all over the country. Considered to be what inspired the Occupy Wall Street protects in New York, Spaniards from all over the country spoke out against high unemployment rates, the political system in Spain and the Spanish politicians involved in the financial disaster. Although “the movement [refused] to set any political agendas… [it took] a grassroots approach to activism by offering practical solutions to the problems [of unemployment” (Elola). Another form of protest that Spaniards utilized to get their message across is flamenco. Known as “Spain’s most alluring cultural phenomenon… [it has now become] a powerful tool for voicing political protest” (Machin-Autenrieth). The most well-known group is Flo6x8, and after being inspired by 15M they have gone to banks and protested. Seen as a statement against the banks that funded and helped create the housing bubble, they have even gone to the Andalusian Parliament, speaking out against the region’s continuous high rates of unemployment and corruption.

Figure 2 Flash-mob group Flo6x8 protesting at a local Spanish bank (Photo taken by Matthew Machin-Autenrieth)
In 2012, the economy was still unstable and becoming a threat to many countries that were on the mend after the Global Recession, one in four Spaniards out of work and the overall unemployment rate near 30%. The leaders of the United States and Europe were thus forced to participate in what is considered the infamous “night of calls,” reaching out to the Spanish Prime Minister Mariano Rajoy to convince him to accept a bailout. Rajoy attempted “to hold out against the withering pressure of capital markets… [but in the end accepted] a bailout for [Spain’s] cash-starved banks” (Minder, Kulish, Geitner). The country accepted an aid package of 100 billion euros, (approximately $125 billion), to stabilize the economy and have extra money on the side if need be.

2.3 Mismanagement

Although the economic crash occurred ten years ago, youth in Andalusia are still being impacted daily by the high rates of unemployment. Currently, citizens between the ages of 15-24 have the hardest time finding employment and within Andalusia alone, 49% of the youth population are unemployed (EuroStat). Unemployment is “a young man’s burden” in Andalusia as a result of the labor market (O’Brien). There is no balance, rather, there is too little labor movement and too many labor laws. Older generations are fortunate enough to be permanent workers, meaning that it is almost impossible to fire them thanks to the labor laws in place. This has led to companies utilizing temporary workers instead—younger Spaniards who are easier to get rid of and the creation of a “two-tiered labor market” that only benefits older Spaniards (O’Brien). With the cost of severance for one permanent worker costing approximately $14,000, neither small businesses nor young Spaniards benefit from the laws currently in place.
The lack of jobs available has also brought forth another issue: an aging population.

According to the Instituto Nacional de Estadistica, there were “19,000 more deaths than births in the first half of this year…[meaning] more people in Spain are dying than being born” (Dawber). Many factors have brought on this new issue, but they all boil down to the lack of employment in younger generations. With temporary jobs, inconsistent paychecks, and high unemployment rates “talented youngsters seek a better standard of living abroad” (Dawber). The long-term impacts of this mean that the remaining members of younger generations are left to pay for the pensions of the significantly larger aging population. By 2050, “the elderly are expected to increase to a third of the total population,” (Villegas). The amount Spanish youth will have to pay in taxes to cover the pensions is also significantly higher due to the life expectancy rates, “Spanish women are projected to spend 23.7 years in retirement and men 20.4 years” (Villegas). Spanish retirees earn up to 7% more than those in the workforce and in 2017, the International Monetary Fund warned Spain of the economic consequences of this set-up. The threat as it stands is the conflict of an inter-generation pension system that leaves a heavier burden on the younger members of the country (Maqueda). Not only has the country not worked towards correcting the unemployment issues as it stands, but they are also not putting regulatory measures in place to stop another financial crisis before it occurs. Rather, Spain continues to let their youth pay for a significantly larger generation that had benefitted from permanent work contracts and became as large as it did due to the familia numerosa policy, (this was eliminated during the recent financial crisis). Created under Francisco Franco, the policy aimed at keeping women at home by providing an allowance to families that would increase based on how many children the family had (PERFAR). This led to high birth rates and is attributed to why there is such a large aging
population. With high unemployment, no government-given allowance for children and only temporary jobs available, each generation continues to have less and less kids.

Another issue at the hands of some in the Spanish government is corruption. At the end of May, Prime Minister Mariano Rajoy’s PP government was replaced by the PSOE as a result of a vote of ‘no confidence’. The vote was requested by the PSOE after it was discovered that the PP was profiting from illegal kickbacks-for-contracts. The treasurer of the PP had been “sentenced to 33 years in prison and fined 44 million euros” for having been found with Swiss bank accounts hiding millions of euros (Minder). During that period of time another 28 “businessmen and politicians…received more than 300 years in combined prison sentences…and they ordered Mr. Rajoy’s party to pay a fine of 245,000 euros” (Minder). At face value this might appear that Spain has a zero-tolerance policy for corruption, this is in fact “the first Spanish political force to be convicted,” meaning that it is more than likely that corruption has been going unnoticed and untried for decades (Minder). Corruption goes beyond the PP, as the brother-in-law (Iñaki Urdangarín) of King Felipe VI was sentenced to prison for his ties to the crime. “For years, corruption has even ranked as the second biggest cause for concern after employment,” and as Spaniards continue to look at where their money is going, it is more than likely that during Spain’s years of surplus prior to the crash, money was being spent to benefit the few rather than the many (Torres).
The Youth Guarantee

3.1 Overview

As a result of being a member of the European Union, Spain and its citizens have the Youth Guarantee available to them. Spain isn’t the only country that is facing youth unemployment, as it “is one of Europe’s [biggest] challenges” (Ergo Network, 1). This means that it is crucial for the European Union to have a policy that will fix the issue at hand before it gets worse and impacts local and EU member economies, as inaction would cost the EU approximately 162 billion euros a year (Europa).

The Youth Guarantee is an agreement among all 28 European Union member states that was created to protect citizens of the European Union that are 25 years old and younger from unemployment. Anyone that falls under that age range are to be guaranteed high quality employment, traineeship, continued education and apprenticeship “within a period of four months of becoming unemployed or leaving formal education” whether it be at the national or European level (European Commission). The implementation of the Youth Guarantee was agreed upon by all EU countries in April of 2013 and was created to ensure that “no young person is left out” (European Council). In 2012, prior to the creation of the Youth Guarantee, one in every five Europeans under 25 were unable to find employment, being called the “lost generation” (Europa). In 2015, “the total estimated cost of establishing the Youth Guarantee schemes in the Eurozone [was] 21 billion euros a year” but as of 2018, “the total estimated cost… [rose to] 50 billion a year” (Europa). The European Commission states that in order “to make the Youth Guarantee a reality, national budgets should prioritize youth employment to avoid higher costs in the future” (Europa).
Within Spain, the National Youth Guarantee System was implemented via Royal Decree-Law 8/2014 in July of 2014. The law “regulates the registration procedure for the [Youth Guarantee] …and as of 5 August 2014, young people registered in the National [Youth Guarantee] can use four online training courses free of charge” (Schwartz 40). Since the “set up [of the Youth Guarantee system] in July 2014…only limited numbers of the target population have registered in the system” (41). Each country has a different method of registration for the Youth Guarantee, and for Spain the link to apply for the program is no longer functional. Rather, when young Spaniards attempt to register for the Youth Guarantee, they are faced with an “página no encontrada” (page not found) prior to being redirected to the Ministry of Labor, Migration and Social Security page.

Although Spain had taken measures to help lower youth unemployment, such as hosting a workshop in Madrid in May of 2016 for all the autonomous communities when it comes to implementing the National Youth Guarantee, the majority of those who could benefit from the program have never come across it before (ILO). After reaching out to Spaniards of all ages and backgrounds, none of them had ever heard of the program, let alone registered for it. As one of the first European Union member states to “participate in the Youth Guarantee Initiative in 2013… [Spain has] not yet delivered the expected results and resignation remains low” (Cedefop). The projection plans for Youth Guarantee are set for 2020, but as the date nears, there are still many issues on the national and international level.

Currently, the requirements for the National Youth Guarantee through SEPE are:

- Must be older than 16 but younger than 30
- Cannot have worked the day prior to applying for enrollment
- Cannot have received training the day prior to applying for enrollment
• Cannot have been in an education system the day prior to applying for enrollment
• Be a Spanish citizen or citizen of European Union
• Must be registered in any locality of the Spanish national territory
• Must present a written declaration of interest in participating in the National Youth Guarantee and a commitment to participate in actions that are within the framework of the Youth Guarantee (registration in a public employment services office can suffice)

Failure to complete any of these requirements will lead to immediate disqualification of receiving benefits of the National Youth Guarantee. One must have all these to then continue to the next step of registering through the website, using their DNI (‘Documental Nacional de Identidad’: also known as the Spanish national identity card).

3.2 Benefits of Youth Guarantee

As a result of Youth Guarantee being fairly new, there still is time for the program to be adjusted to ensure that the benefits outweigh the insufficiencies. Presently, Spaniards are at an advantage as the benefits are aligned in their favor.

• One large benefit of Spain’s National Youth Guarantee is that the cut off age for those who can take advantage of the program is 30 years old, rather than the European Union age of 26. This means that those who are a little older but still impacted by the youth unemployment crisis in regions such as Andalusia and in Spain as a whole can benefit from the program.
• Another benefit of Spain’s work with the Youth Guarantee is that Spanish citizens are able to take free online training courses right after registering for the program, meaning that even if it takes some time to find a job or internship, they can continue their education/training for a career path that they would like to take, so that they are working towards something rather than being forced to be idle (Cedefop). Spain has also changed the entry requirements as of December 2014 when the government made modifications of Act 18/2014, which means that Spanish youth can apply for the National Youth Guarantee as long as they have not been in school or employed the day prior. This change in existing legislation allows for Spaniards to increase labor mobility rather than having to wait up to three months prior to registering (Cedefop).

• Youth apprenticeship has also benefitted from the European and national levels of the Youth Guarantee, as the system has gone structural reforms since 2013. The changes in the system have allowed for the number of apprentices in Spain to go from “4,000 to 15,000 in just three years (between 2013 and 2016)” (Europa). The number of companies that offer apprenticeships has also gone up during the same time period, from 500 to 5,660 (Europa).

3.3 Insufficiencies of Youth Guarantee

Currently, the insufficiencies of Youth Guarantee outweigh the benefits, but with time and effort on both ends, (Spanish and European), the program could not only help Spaniards but members of the European Union across the board.
• Research has shown that within Spain, the Youth Guarantee has not been implemented across the board. There is an overall lack of information on the Youth Guarantee available to Spanish youth, meaning that they are not able to take advantage of the policy and the chance to find employment elsewhere (Ergo Network, 3). This means that there is a high likelihood that there are unemployed Spanish youth that are unaware of the opportunities available through the Youth Guarantee, which thus keeps the unemployment rate in regions such as Andalusia at 49% (Europa).

• Another insufficiency when it comes to the Youth Guarantee is the registration process. Research done by the ERGO Network in Spain showed that when it comes to those who are aware of the program are often facing difficulty when registering. The procedure is complicated and requires that the person applying has an “understanding of administrative language or IT skills” (1). An important number to be aware of is the high dropout rate in Spain which is 23.5%, considered to be double the EU rate (The Local). Almost a quarter of Spaniards have left the education system meaning that it is likely that they lack the extra knowledge needed to fill out the Youth Guarantee forms. As this is not considered, the registration process limits those who apply even further.

• Unfortunately, as a result of its cost of 50 billion euros a year, the Youth Guarantee has been the subject of several discussions and academic papers on whether or not it is a realistic approach to solve youth unemployment across Europe as a whole, as well as if its affordable in the long run. According to Lazlo Andor and Lukas Vesely, both members of the European Commission, “it is clear…that even a well-
targeted investment of approximately 14-15 billion euros from the EU budget over the period of 2014-20 is far from sufficient to finance the Youth Guarantee’s full implementation” (15). On top of a higher budget for the Youth Guarantee, it is clear that in order for full implementation to be more realistic, it would require each member state (such as Spain) to fund the Youth Guarantee on a national level if they hope to bring it to all of its young citizens (15). It is crucial to note that the EU member countries with the highest amount of debt are those that have the highest rate of unemployment, such as Spain, Italy and Greece, meaning that they lack the funds that a more successful (less debt, low unemployment across the board) country such as Germany has to be able to fully implement the Youth Guarantee (Kirk).

**PRAEM**

4.1 Overview

One policy that is available specifically for the region of Andalusia is PRAEM. PRAEM is a work experience program that came to fruition in November of 1987 (Europa). The main purpose of the program is to help Andalusian students gain work experience through internships as well as allow them to network with local businesses. The PRAEM scholarships are grants created and funded through the regional government of Andalusia, (also known as the Junta de Andalusia), and all scholarships are given on an annual basis (University of Sevilla). Although PRAEM was first created in 1987, it wasn’t until 1990 that it became a collaboration between the regional government and all Andalusian universities (SPEE). This allows for current students to
be able to work while maintaining their internship if they are granted a PRAEM scholarship, as well as allows for internships to be in line with the desired career path/major of the student (University of Sevilla).

In order to be able to enroll, a student must:

• Be under the age of 30
• Have Spanish nationality or be a citizen of an EU member nation
• Be residing in Spain
• Be a student of a public Andalusian university, have 50% or more of their course requirements completed for their degree, or be enrolled in graduate studies
• They cannot have previously benefitted from the PRAEM program
• Enroll through their university

The PRAEM grant lasts for up to six months, with students working 60-100 hours monthly and those that benefit from it are also to be paid at minimum 360 euros per month, depending on how many hours they work (University of Pablo Olavide). As a result of PRAEM being a program for Andalusian youth, it is a very competitive and selective program, meaning that there is no guarantee/right for a student to earn an internship in their desired career field. Rather, universities such as the University of Cordoba offer one-hundred PRAEM scholarships annually, with 16,000 students in total (University of Cordoba). The two-step selection process first starts with the universities deciding which students should go forward, and from there the candidate pool is narrowed by the businesses that work with PRAEM, each picking out their desired intern after a round of interviews (University of Sevilla).
4.2 Benefits of PRAEM

Although there are more insufficiencies in regard to PRAEM than there are benefits, the two main benefits, if used wisely, can give struggling Andalusian youth an edge on others in the job market.

- One of the largest benefits of PRAEM is that although it does not directly link students with long term jobs, the scholarship allows Andalusian youth to be able to stay busy and gain valuable experience rather than be unemployed and stay idle. As a work-experience program, those who win a PRAEM scholarship are able to grow and develop in their desired field, so that when there is a job opportunity available, whether it be in Spain or abroad, Andalusian youth have a stronger CV than their competitors and said edge can give them a better chance of getting the job. Currently, the difficulty of finding a job: “is higher the younger and the less qualified the individuals are,” so any advantage given can go a long way in the Spanish labor market (Duran).

- Another benefit of the program is that during the 3-6 months of the program, students are paid at minimum 360 euros a month, depending on how much they work (University of Pablo Olavide). If saved/used wisely, students can apply the money they earn to find job opportunities outside of Spain, (such as in the United Kingdom to Germany).

4.3 Insufficiencies of PRAEM

There are more insufficiencies related to this policy than there are benefits. This means that those suffering from high rates of youth unemployment in Andalusia are at a greater
disadvantage due to the fact the resources available to them are not as useful in solving or at least easing the unemployment burden.

- One of the most notable insufficiencies of PRAEM is that although students are given the opportunity to network and obtain an internship, there is no long-term job offers/guarantees (University of Pablo Olavide). This means that at the end of an internship, students revert back to being unemployed and their source of income is once again taken away. Due to that, PRAEM is similar to the temporary work contracts that many Andalusian youth suffer from, in which they benefit for a small period of time due to having a temporary job but then due to the nature of the contract, they return back to being unemployed (EuroWork).

- A requirement when applying for a PRAEM grant is that one cannot benefit from it more than once. Since Andalusian students are unable to reapply for PRAEM and with the program lasting at most for six months, there is no way for those who could benefit from the program to continue to grow by taking on more internship opportunities. As previously mentioned, this is another aspect that is similar to the negative cycle of temporary work contracts—Spanish youth face bursts of employment which are then quickly followed by unemployment (EuroWork).

- Another insufficiency of the PRAEM program is that there is no evidence of long-term benefits of the program. The unemployment rate in Andalusia is still at a staggering 49% and PRAEM has been a part of the regional government since the 1980’s (SPEE). With youth unemployment staying consistently high in the ten years since the economic crash, there is no evidence that PRAEM is helping
Andalusian youth find long-term jobs. The program also lacks a follow-up initiative in which after the 3-6 months, students are given assistance when it comes to entering the Spanish labor market. Rather, after the end of the internship, students are either left to continue their studies as they had before or are both out of work and done with university, with no job prospects on the horizon.

Although the PRAEM program has been around since the 1980s, there is little evidence that it is benefiting Andalusian students long-term. Rather, it appears to offer internship opportunities for a small pool of university students, and said opportunities last no longer than half a year. Overall, the program mimics the vicious cycle that temporary work contracts create, which is considered to be one of the most damaging components of the Spanish labor market for younger generations as “high rates of temporary employment have coexisted with a high rate of unemployment” (EuroFound). The benefits are few and far between and the insufficiencies significantly outweigh the former as a result. In general, “active employment policies [in Spain] have led to only limited results in promotion job creation” (EuroFound).

“Do Nothing”

5.1 Overview

When analyzing policy options for any issue, it is imperative that all parties contemplate the option of “doing nothing.” What does that exactly mean? “Doing nothing” means that no organizations, big or small, (towns, autonomous communities, all the way up to the European
Union), allow for the problem to continue rather than attempting to solve it. If all parties allowed for the youth unemployment crisis to continue, what would happen?

This option is crucial to consider as youth unemployment is considered to be one of the greatest threats to the European Union. Spain isn’t the only country that is facing this issue as both Greece and Italy are also struggling with high youth unemployment rates. At its highest, Greece had a youth unemployment rate of 61%, and although it has gone down to 40%, that percentage is staggering compared to Germany’s record low of 6.3%. In Italy, the rate of youth unemployment is at 35%. These three countries have the three highest rates of youth unemployment in the European Union and have maintained high levels of unemployment since the economic crash in 2008 (Edwards). This is a “particularly heavy burden on younger generations” and has forced those impacted by it to become the “lost generation”. The lost generation is made up of those impacted by the youth unemployment crisis, having been forced to either leave the country or live at home until they are around 32 years old, which is “five years after the average young European” (Edwards). If they are fortunate enough to find a job, it is most likely one with a “temporary work contract” that means that they can be fired at any point without explanation and the contracts tend to be “of a very limited duration: 44.5% are less than one year” (Europa). Not only has youth unemployment created an issue for young citizens impacted by it, but it also places a significant economic burden on the cities and countries located within the Eurozone (Europa). Although a “do-nothing” approach may not be 100% possible for Spain and countries in the European Union, it is important that the benefits and insufficiencies are weighted out with this policy option as it shows what can occur if countries do not begin to invest more time and effort into fixing the problem of youth unemployment.
5.2 Benefits of “Do Nothing”

It is important to note that there are less benefits to a “do nothing” approach, and the benefits listed are only short-term. The approach of leaving the issue be is not sustainable over the course of many years, but the more notable advantage of allowing youth unemployment to continue is:

- Money saved from not doing programs to reverse unemployment in younger generations is the benefit from doing nothing. As of 2018 one program known as the Youth Guarantee has a “total estimated cost…[of] 50 billion a year” and it is important to note that the initial projected cost of the program in 2013 was approximately 25 billion euros a year (Europa). That price tag is only the up-front cost, as the EU recommends that countries in the Eurozone spend more nationally to achieve better results in their own country (Europa). The money saved from programs such as the Youth Guarantee could be kept by the countries in the eurozone or used in the EU budget for something different such as education or to balance out the money that has been lost since the UK initiated Brexit.

5.3 Insufficiencies of “Do Nothing”

Although in the short run it may appear that the benefits of avoiding acting and fixing the unemployment crisis may be beneficial for Spain, that is not the case long term. Rather, if Spain did not spend time and effort on solving the youth unemployment crisis as a whole, the repercussions would not only impact regions such as Andalusia, but also the European Union as a whole.
Currently in Andalusia, almost 50% of Spaniards between the ages of 16 and 25 are unemployed and in 2013, young citizens of the European Union that were within that age range had high rates of unemployment as well, with one in five being out of work (Europa). If no action was to be taken, the rates of youth unemployment would inevitably rise as a result of the lack of programs taking place to combat the issue. With the high rates of unemployment continuing, the price of leaving citizens unemployed due to inaction would cost the European Union and all member states approximately 162 billion euros a year (Europa). As that price tag rises with months and years of continued growth of unemployment rates, the amount that countries within the European Union would have to pay would raise significantly. Currently, countries such as Germany contribute 23.277 billion euros to the EU budget, and as Germany is “Europe’s largest economy” they would have to continue to contribute more money to the EU budget, especially since the second highest contributor, the UK has left the EU (Europa).

Another negative aspect of allowing the “lost generation” (those who are unemployed youth) to continue to suffer is the high rates of suicide. Since the start of the economic crisis, “the suicide rate in Spain has risen 20 percent…and now causes more than twice the number of deaths” (Govan). In Spain, “an average of ten people kill themselves each day...[and] Spain’s suicide rate has a reached a 25 year high” (Govan). Young Spaniards are a part of “the age groups who feel the crisis [and are] more affected,” facing a sense of hopelessness and frustration as high unemployment rates continue (Govan). If Spain and the European Union as a whole allowed for unemployment rates to skyrocket, the rate
of suicides would most likely go up as well, as the sense of hopelessness would be coupled with the knowledge that no country, organization or program would be created to bail young generations out of the unemployment crisis.

- As the rate of unemployment rises, as would the rate of Spaniards leaving the country. In 2017 alone, “[a total of] 76,197 people with Spanish nationality registered as residents in foreign countries…the number has been growing year on year since 2009, with nearly 2.5 million Spaniards living [abroad” (Lambertucci). Young Spaniards have moved to countries such as the United Kingdom and Germany as a result of both having low rates of unemployment and a need for jobs to be filled. As the rates of unemployment rise, as does the number of Spaniards emigrating in order to find work. Not only does this mean that the Spanish population is and would continue to shrink, but it also means that the burden of taxes and pensions will be left to be paid for by a fewer amount of people. Currently, Spain has an aging population, meaning that the number of deaths is higher than the number of births (Sanchez). With more of the Spanish youth living abroad, the citizens that remain in the country will be forced to foot the bill of pensions for the large population of retirees. The tax burden overtime would also grow as a result of the unemployment crisis costing the EU and its member countries billions of euros annually (Europa).

- As demonstrated earlier this year, stock markets and the euro have been impacted by Spain’s political and economic turmoil. The euro “dropped to a new six and a half month low against the dollar” as a result of a no confidence vote that was to be held in Spain, and as a whole “stock markets were also under pressure…again
they are [at] their worst levels” (Fletcher). Although the no confidence vote was not a surprise for Spain or Europe as a whole, it still impacted the euro and European stock markets, both of which are connected to all EU member countries. In 2011, Spain’s previous Prime Minister Mariano Rajoy received calls from world leaders as a result of the country’s high rate of unemployment and continuing financial crisis, and if the high rates of unemployment aren’t dealt with, global markets are put at risk (Fletcher).

- As touched upon, markets and currencies are all intertwined. An unemployment issue in Andalusia might seem like a risk just for those who live in said region, but in reality, it poses a threat to Spain, the European Union and the global economy as a whole. History has shown that Spain can drastically impact the worth of the euro, and as it is the currency used by all members of the EU, the domino effect would be catastrophic, and financially “the EU faces an imminent existential threat” if a do-nothing approach was taken with youth unemployment (Fletcher).

**Conclusion**

**Policy Recommendations**

Although two of the three policies were created to aid the ongoing youth unemployment crisis in Andalusia, they both have major flaws. In order to help Andalusian youth, fixing some aspects of the earlier mentioned policies as well as paying attention to the third, (“Do Nothing”) would be useful in approaching this situation. Rather than letting the unemployment crisis
continue and/or continue with ineffective policies, there should be changes to the policies and system to help those in need.

- One of the largest issues with both PRAEM and Youth Guarantee is that those who could benefit from either program have never heard of them before. That means that hundreds of millions of euros are being spent annually on programs that are either not well known or not known at all. Rather than let that continue, these programs (and any others) should be marketed using information tables and events on college and high school campuses so that more students can take advantage of them. By doing such, the money being spent on these programs can be put to good use and Spaniards can have the opportunity to either continue their education or get an internship rather than be left doing nothing as a result of unemployment. The links and websites of both programs are also very difficult to access as students either find ‘page not found’ or require an upper level knowledge of technology needed to be able to reach applications. As a part of the marketing of both programs, it would also be beneficial for the websites to be updated so that they are user-friendly. By doing so, more students can apply with ease rather than be put off by technical terms that are not taught in classrooms. Once websites are fixed, another marketing option is via the internet. Having online advertising would reach the 16-30 age group quickly and effectively. By putting money into marketing programs, not only would those dealing with youth unemployment benefit, but also the hundreds of millions of euros going into these two programs alone would be justified.
Another recommendation when it comes to these programs is that more data should be generated on them. Currently, there is no data in regard to PRAEM on the success rate of the program and how many were either offered full-time jobs during their internship or right after. Also, with the Youth Guarantee, there is a lack of data on how many Spaniards are applying for the program yearly. If there is no data being collected on either program, then the money being used cannot be properly allocated to have the program be efficient and also truly beneficial for those it’s serving. Also, if data is generated on these programs, then there is transparency on where the money is going and on whether or not the programs are actually the best options. For example, if data is collected on the Youth Guarantee and its seen that not many students are taking advantage of it and those who are not having an easier time finding jobs, and the program costs millions of euros a year then a decision can be made on whether or not the program is worth the continuous investment. If any program isn’t worth the investment, then Spanish officials can cut the program and invest in either a new one or perhaps in more sustainable jobs in regions that need it the most, such as Andalusia. Since PRAEM has been around for a few decades there is no excuse as to why there is a lack of data, and across the board the lack of data on any of the youth unemployment programs is hindering citizen’s chances of getting jobs rather than helping.

Although the third recommendation is not directly tied to PRAEM or Youth Guarantee, it is related to the third policy option, “Do Nothing”. With Brexit
to be set in 2019, it would be very beneficial for Spaniards if Spain and the United Kingdom have an agreement when it comes to work visas. Currently there are many Spaniards that have left their own country in order to find job options abroad, ending up in cities such as Edinburgh and London. Under the Schengen Agreement, all citizens of EU countries are allowed free passage through the countries as well as the ability to work, study and live abroad with no extra paperwork. As a result of Brexit, those who are currently in the United Kingdom but are from Spain will be subjected to new rules for working and living in what was once an EU member country. What would be beneficial is that those who are currently abroad are grandfathered-in, or have to fill out a minimal amount of paperwork rather than have to apply for a visa that can be expensive and time-consuming. Due to the lack of jobs in regions such as Andalusia, there has been a mass exodus of Spanish youth to the UK and so with Brexit it is crucial that they are able to stay where they are as well as those who were looking for jobs abroad are still able to do so without jumping through as many hoops.

Closing Remarks

Overall, the Andalusian youth unemployment crisis poses a huge risk to the region, the country and the European Union as a whole. On the surface the crisis might appear manageable but in reality, nearly ten years after the Great Spanish Recession, approximately 50% of Andalusians between the ages of 15-24 are unemployed (EuroStat). With no job prospects on the horizon, many of those impacted by this issue have decided to leave Spain altogether and move
to places such as Germany and the United Kingdom. Those who remain in the southernmost region are left to pay for the high taxes that cover the significantly larger group of Spanish retirees. This has created a reverse triangle of sorts, in which the smallest group of citizens, (with no jobs), are left to pay for the largest section of society.

That, coupled with the current political climate in Spain, increases the risk of economic and/or political troubles in the future. Earlier this month, Andalusia’s election resulted in the far-right party Vox gaining seats in parliament, the first time an alt-right party has done so since the end of the fascist dictatorship of Francisco Franco in 1975. The rise of Spanish nationalists wanting to ‘make Spain great again’ is just one of the many political dangers the country is facing, with Catalonia threatening to become independent and the many corruption scandals coming to light in the earlier half of 2018 that led to the vote of no confidence in May that saw Prime Minister Mariano Rajoy and the Partido Popular (PP) ousted by members of parliament.

The rise of nationalism is not confined to Spain, but instead has been a movement that has swept across Europe as a whole, impacting governments as well as the euro. Within the last year, the euro has faced a significant drop as a result of European corruption scandals, budget proposals, and elections. With Brexit negotiations still up in the air, therein lies another opportunity for the euro to drop once again. As a shared currency for 28 nations, the unemployment crisis of Andalusia could be one piece in the perfect storm that could have devastating impacts for the European Union as a whole.

Spain’s current practices are not conducive to long-term sustainability, and as the youth unemployment crisis continues to harm Andalusia nearly a decade after its start, it is clear that this situation can only be stretched out for so long. Short-term adjustments are no longer benefitting Andalusian youth, nor is it safe for the country as a whole. When an economic crash
eventually occurs, there is a high likelihood that Spain will face a harder fall than most, leaving its younger generations to pick up the pieces. If Spain cannot support their youth in their time of need, how will they in turn be able to support their own country in the years to come?
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