

06/2012

## Increasing instability in labor trajectories



The Spanish labor market is characterized by its large number of temporary contracts. However, few investigations have analyzed the effect of this labor instability from a longitudinal perspective. UAB researchers have studied how this instability has a continued effect over time, which has even produced permanently precarious employment trajectories. They have also identified the groups that suffer most from these kinds of trajectories as well as the main factors that lead to them. They have concluded that gender, age and educational level are among the most important variables in determining the likelihood of precarious careers, which are becoming more common among larger groups of the working population.

Despite the loss of temporary employment that the economic crisis is causing throughout Spain, the rate of temporary employment in Catalonia and the whole of Spain is among the highest in

Europe (18.6% and 23.8%, respectively, according to data from the first quarter of 2012 Spanish Labor Force Survey). However, the phenomenon of temporality has been little studied from a longitudinal standpoint, such that it is very difficult to determine to what extent there are trajectories in which temporary employment is a permanent feature. Nor is it known whether these temporary contracts are combined over time with unemployment or inactivity, or if, conversely, they represent a stage towards a more stable employment situation. Finally, it is also unknown whether the most precarious paths are concentrated in certain social profiles or whether in recent years they have spread throughout the population. All these issues were addressed in a study that took as a reference period the years from 2001 to 2006. This period corresponds to the years before the current economic crisis, in which reforms have increased the labor market flexibility of the previous period.

Spain lacks good longitudinal labor databases. For our analysis we used the Inequalities Panel of the Fundació Jaume Bofill (PaD). Out of those surveyed, people that had some type of employment activity between 2001 and 2006 were selected for statistical analysis. All the variables related to employment and training were evaluated, as well as those that allowed us to identify the socio-economic profile of each case. The PaD refers only to the Catalan population, but the results can be applied to the rest of Spain, since that the labor market regulatory framework is the same and employment dynamics have followed very similar patterns. In fact, as noted, the study was not seeking to establish a "count", but rather to observe the influence of temporary contracts on labor trajectories and to determine the characteristics of the most affected profiles. Data from the PaD was analyzed by means of multivariate analysis techniques, which permitted us to classify different types of trajectories, and to identify the variables that had a causal effect on labor trajectories.

The results of the analysis show that there are, indeed, workers that have experienced situations of permanent instability throughout their labor careers beyond their first years of employment. In fact, the data analysis identifies five main types of trajectories, two of which are highly discontinuous. The two paths that are most clearly discontinuous –here referred to as Female Discontinuity trajectory and Precariousness trajectory– are those which combine periods of temporary employment and inactivity (especially in Female Discontinuity trajectory) or temporary employment and unemployment (especially in the Precariousness trajectory). We also identified a type of labor career characterized mainly by a stretch of temporary contracts in the trajectory – which we called Chronic Temporary Employment trajectory. Finally, those trajectories in which temporary contracts had little effect were called Linear and Professional, the latter having a better occupational progression than the former.

As for the social profiles of people who experienced more discontinuous trajectories, the results show a high number of women in both the Female Discontinuity trajectory and Precariousness trajectory. The majority of women in the first type of trajectory were over 55 years and while the majority of women in the second trajectory were under 39 years. The importance of gender is also confirmed by causal analysis (with some nuances). This same analysis also shows age to be an influencing factor on the more discontinuous trajectories, since a younger age increases the likelihood of a discontinuous path. The third most important variable is educational level, which tends to be low in people with precarious labor paths. However, young people with higher education are also experiencing unstable employment; these cases were classified under the heading of Chronic Temporary Employment trajectory.

The analyzed data does not allow us to state categorically that a generational break exists in Spain in relation to labor trajectories. When longer time series will be available it will be possible to confirm whether those workers born since the 70s have managed to develop more stable trajectories or if, as suspected from the current economic situation, there has been a point of no return for much of the working population. Nevertheless, it is possibly to contend that discontinuous trajectories have extended beyond women with little educational level. These discontinuous trajectories now seem to affect both men and women up to 40 years, regardless of their educational level.

**Joan Miquel Verd**

[JoanMiquel.Verd@uab.cat](mailto:JoanMiquel.Verd@uab.cat)

## References

"La inestabilidad del empleo en las trayectorias laborales. Un análisis cuantitativo" Joan Miquel Verd; Martí López-Andreu, Revista Española de Investigaciones Sociológicas, Núm. 138, pp. 135-148. Abril-Junio 2012. ISSN: 0210-5233

[View low-bandwidth version](#)