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## Spanish unemployment Indignant, undignified

**It is the young who suffer most from high unemployment**

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JOSÉ GARCIA used to work as a doorman. But two years ago he lost his job. Since then the 62-year-old has lived off unemployment insurance built up when he was working. This month it runs out. Now he hopes for €426 (\$550) a month in long-term state subsidy. With unemployment above 27%, he does not expect to work again. “I’ll keep looking, but the queue will always be long,” he says.

The jobless rate is unlikely to drop below 25% before he claims his pension at 65. The prime minister, Mariano Rajoy, hopes to turn the jobs corner before the next election in late 2015, but his record so far is dismal. Over the past 17 months 1.2m jobs have gone, taking the total lost since 2007 to over 6m. Net job growth needs GDP growth above 1%, yet the government does not predict that until 2016. In the European Union only Greece’s jobless figures are worse. And in southern provinces such as Cadiz the rate is above 40%. Among under-25s, the figure is a horrific 57%.

Some analysts say these figures hide a large underground economy. That may be true, although Visa Europe reckons that it is no bigger than the European average and, with the decline of construction, is contracting. But even if the numbers are exaggerated, the rate remains accurate on one count. Over 3m fewer workers now pay taxes or social-security contributions than did five years ago. That knocks the public accounts.

Unemployment may be peaking in part because the workforce is shrinking as the young study for longer and emigration picks up. Business leaders say labour reforms have preserved jobs, as the



unions are now more flexible. But they have not created many new jobs. Javier Díaz-Giménez of the IESE business school says more is possible. He favours German-style mini-jobs and more part-time work, which accounts for only 15% of Spanish jobs compared with almost 50% in the Netherlands. Merely creating jobs, he suggests, will boost growth.

Mr Garcia's main worry is his 16-year-old son. Spain's strict school system ejects pupils whom other European countries keep teaching. A quarter leave at 16 without qualifications. They once found jobs on building sites. But precious few of these are left—hence the present hype over plans by an American billionaire for hotels, casinos and conference centres outside Madrid. Mr Garcia just hopes that his son will pass his exams next month, so that he can stay for two more years at school and keep off the unemployment register. But then what? In today's market the young often lose out most.

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