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**Job creation in southern Europe doesn't tell the whole story: 'Unemployment is dropping, because we accept miserable wages'**

Italy, Greece, Spain, Portugal: While unemployment has fallen sharply in these countries over the last decade thanks to the boom in tourism, the high proportion of temporary contracts as well as regional disparities persist.

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When it came to asking him about vacations, João Lima rolled his eyes. "There's so much work, when do you expect me to leave?" For the past four years, barring the Covid-19 interlude, this 30-something from Lisbon has been working back-to-back contracts as waiter and tourist guide. "Exhausting, but I'm not complaining," he said modestly.

In 2012, when he graduated from translation school, Portugal was plunging into recession. Finding work was impossible at the time. "I was unemployed for five years: it was terrible. Everyone in my generation was in the same boat. Some of his classmates went abroad. Those who stayed on survived thanks to family solidarity. João Lima found a new job in 2017, when the economy finally took off again.

Since then, Portugal has enjoyed an impressive economic turnaround, much like its southern Eurozone neighbors heavily penalized by the 2010 debt crisis. In 2023, its gross domestic product (GDP) grew by 2.3%, as much as that of Greece (2.3%) and Spain (2.5%), while the eurozone sank into stagnation (0.5%). Italy was slightly behind (0.7%) but did better than Germany (-0.3%).

**Weaknesses in training**

Buoyed by this recovery, the improvement on the employment front has been spectacular: Portugal's unemployment rate, which peaked at 17.9% in early 2013, fell to 6.6% by the end of 2023, according to Eurostat. In Greece, it has fallen from 27% in 2014 to less than 10% today. Italy, meanwhile, created 456,000 jobs between the end of 2022 and the end of 2023, according to the national statistics institute (ISTAT), while unemployment stood at 7.2% in December 2023. In Spain, it still peaks at 11.7%, but that's half the figure for 2013 (26%), and the country has created 783,000 jobs in 2023. A record, if we exclude the post-Covid rebound of 2021 and the large-scale regularizations of undocumented workers in 2005.

However, despite these good figures, the structural weakness of local employment remains significant. Disparities between regions are staggering: the unemployment rate is barely 6.3% in Spain's Basque Country, compared with 17.6% in Andalusia, and 4.8% in Italy's Lombardy region, compared with 17.1% in Campania.

Added to this is a persistent weakness in terms of training. According to Eurostat, over 35% of Portuguese, Italians, Spaniards and Greeks over the age of 25 have a level of education below the baccalaureate, compared to an EU average of 20%. Above all, despite the economic upturn, job insecurity has shown little sign of abating.

**'Miserable wages'**

Sitting on the terrace of a Madrid café, 36-year-old Virginia Fernandez Varela sighed as she shared her story. She had just lost her job as an administrative assistant in the mortgage department of a major Spanish bank, a position she had held for a year. "With interest rates rising, housing sales are falling, and the last to arrive were the first to be laid off," explained the woman, who had previously worked as a hairdresser, beautician, cleaner and waitress. "You have to keep on the move a lot to find a job here, and wages are pathetic, even with the increase in the minimum wage [up from 1,080 euros to 1,134 euros monthly gross over 14 months in January], it's impossible to rent an apartment: I'm still living with my parents."

To limit the phenomenon, Spain's radical left-wing minister Yolanda Diaz introduced bold labor market reforms in 2022. They are beginning to bear fruit. Thanks to the tightening of conditions for fixed-term contracts and the creation of a new contract known as "fixed discontinuous," which guarantees employees a certain number of working weeks per year and allows them to pay social security contributions even during months of inactivity, the rate of fixed-term employment has fallen to 13% in the private sector, compared with over 20% five years ago.

"But we cannot yet see any real effects on job insecurity and high job turnover," said economist Florentino Felgueroso of the Foundation for Applied Economic Studies. "The proportion of employees who become unemployed each quarter remains very high, with significant flows in and out of the job market."

**'Short contracts'**

This precariousness is partly the result of those countries' strong specialization in tourism, which has been booming in recent years. In 2023, Portugal (population 10 million) welcomed a record 18 million visitors, more than before the Covid pandemic. Spain also broke its record last year, with 84 million visitors. In Greece, tourism, the mainstay of the economy, accounts for 18% of GDP, while manufacturing sectors such as textiles, furniture and clothing have contracted over the last decade.

As a result, many young people are turning to tourism or commerce for work, forgoing the careers they studied for. Elizabeth Voglis holds a degree in antique and painting restoration in Greece and has taken one low-paying job after another: saleswoman in a souvenir store, waitress in a restaurant... "Unemployment is falling, because we accept miserable wages and fixed-term contracts," said the 32-year-old, who still lives with her parents in central Athens, unable to afford to rent her own place.

Christos Tsakiris, a 39-year-old chef, leaves every year from late February to early November to work on islands like Santorini, pointed out that tourism is the only sector that hires. "But these are short contracts, and employers try to save money by asking a kitchen assistant to also do the washing up, for example." Of the 10 people employed in the same kitchen as him in summer 2023, six left before the end of the season, because of working conditions they considered to be too difficult.

**Inequalities between men and women**

Another weakness is the high level of structural inequality between men and women. According to Eurostat, the employment rate for Italian women is just 55%, compared with 74.7% for men. This is 14 points below the average for member states, and a far cry from the 80% recorded in Scandinavia. The problem is comparable in Greece (55.9%), but less acute in Spain (64%) and Portugal (74%).

In Italy, this partially cultural discrepancy is also due to the notorious inadequacy of social services. "The question of care always reverts to the woman in a country like ours, where crèches and retirement homes are rare, paternity leave is little used and the social shock-absorber function is performed by families," said Anna Benini, founder of LianeCare, a consultancy specializing in work-life balance.

Once they have left their jobs to devote themselves to others, Italian women find it hard to return. "The private sector is not sufficiently willing to give them a chance," said Carolina Gianardi of Inclusione Donna, a network of organizations promoting the development of female employment. In her opinion, the nature of the country's entrepreneurial fabric plays a role: 95% of Italian companies have fewer than 10 employees, according to a 2022 report produced for the Confederation of Transalpine Cooperatives by CENSIS, an economic research institute. Small and medium-sized businesses are less sensitive to inclusion issues than large groups.

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