

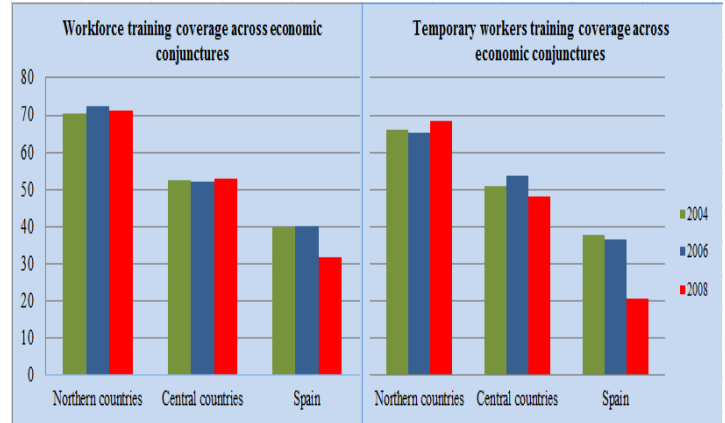
# Fixed-term contracts, economic conjuncture and training opportunities

## A comparative analysis across European labour markets

Giorgio Cutuli & Raffaele Guetto

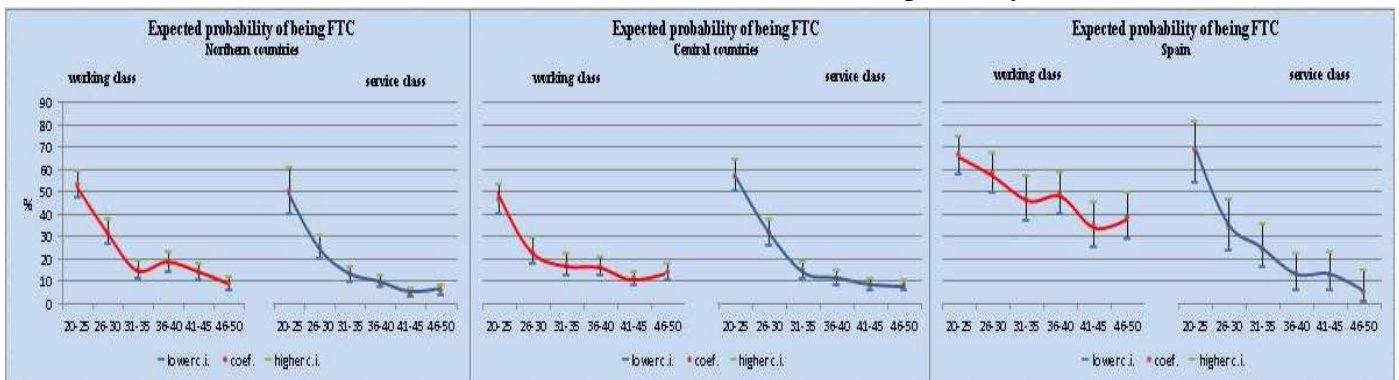
This article addresses the following questions: did the recent economic crisis exacerbate the training differentials between permanent and temporary workers? If yes, did that happen to the same extent across different European labour markets? There is a growing bulk of literature suggesting that the kind of flexibilization reforms carried out in countries belonging to the conservative welfare regime, especially in its “Mediterranean” configuration, has given rise to high labour market segmentation and severe effects in terms of entrapment in precarious careers, wage gaps and postponement of family formation.

We claim that these effects could be even stronger during a negative economic conjuncture. As it has been done in the literature concerning unemployment rates, we show that the gap between insider and outsider workers in Spain in terms of training provisions has increased with the recent economic crisis. Descriptive statistics suggest that only in Spain there has been a substantial retrenchment in training coverage, mainly due to an adjustment of training provisions for temporary workers. Multivariate logistic regressions and counterfactual analyses confirm this result as a unique feature of Spain.



In order to assess the finding, we argue that training costs can be shrunk by employers, to rapidly adjust firms’ investments according to the economic cycle, only where temporary workers constitute a well defined social group of marginal workers within workplaces. In this setting, FTCs are used as a “buffer” to cope with changes in demand more than a screening device of the workforce.

Our results show a huge homogeneity of Spanish FTCs in terms of those factors on which the “partial and targeted” reform strategy was based on (age, unemployment experience and gender) and the persistence of relevant shares of temporary employment at older ages for the working class, as a result of entrapment dynamics.



Analyses are based on three waves of the European Social Survey (2004, 2006 and 2008) for nine European countries (ES; DE, FR, BE and NL for Central Europe; FI, SE, NO and DK for Northern Europe).



UNIVERSITÀ DEGLI STUDI  
DI TRENTO



**FamIne**  
Families of Inequalities

Funded under the 7<sup>th</sup> FP  
call: ERC-2010-StG  
Social and economic consequences  
of changing work-family equilibria  
in European societies

