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**1768 - COMPARISON OF UNEMPLOYMENT IN THE 80'S & IN THE
ACTUAL CRISIS IN SPAIN**

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ABSTRACT

This study has been made in order to see the effects of the 80's and current crises on unemployment and compare them. Even if there are abundant studies about the issue of unemployment during times of crisis there are almost no studies comparing the effects of both crisis. The main purpose of this paper is to compare the effects of the 80's and the current financial crisis in terms of unemployment at different levels in the economy; national level, sectorial level, gender level and regional level. For this study we obtained the quarterly data from INE (Instituto Nacional de Estadística) and transform it into yearly data. The indicators used were activity, employment and unemployment. What we found is that there is no significant difference in terms of national unemployment, with only 0.54% more unemployment in the 80's. The difference between these two crises is reflected at a sectorial level, where each crisis has seen more affected the sectors related to the nature of each of the crises. The participation of women in the labor market has help decreasing gender differences. At a regional level we have seen that the divergence among regions has increased a 7.91% during the period. We can conclude that although the difference among these crises is not significant at a national level, their effects were very different in the various regions and sectors in the economy.

KEYWORDS: Unemployment, Comparison, Housing Bubble, 80's Crisis, Financial Crisis.

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1. INTRODUCTION

In this section, we will make a brief introduction to what will be exposed along this paper, as well as a brief explanation of what will be exposed in each section and the main reasons for the study.

The main objective of this paper is to compare the effects on employment, activity and unemployment of the last two big economic crises in Spain, the 80's crisis and the current crisis, and to examine deeper these effects by sectors, gender and regions. The reason for choosing these two periods of time are in the case of the current financial crisis, that it is something that affects all of us, especially people who are going out to the labor market in the actual times, and it could be interesting to see how the crisis affects our labor market. On the other hand, we have chosen the 80's crisis because this period was the worst economic period since the Second World War (Aceña, 2010) for Spain, so we thought that it could be interesting to see compare the actual crisis to a crisis of such magnitude in order to see the severity of the current situation.

In this paper, we will start by presenting what other authors have published about this two crises in the literature review, making a brief summary of what each of them has done, and presenting the new contributions of this paper. Later, in the Data & Methodology section, we will explain how the data has been obtained as well as the different computations that have been done in order to make the data manageable. We will also define the main rates and variable used along this paper.

In order to start with the data, we will make a small presentation of the origins and causes of each of the crises, so we can get into context, as well as looking at their effects in the National labor market.

Once we have seen the general effects of the crises at a National level we will focus on the impact of the crises at a deeper level, by looking in a detailed way at the different sectors, genders and regions.

Focusing on the different sectors, we will see the main four sectors in the economy: Agriculture, Industry, Building Sector and Services. We will observe how the nature of each of the crisis makes its effects bigger on certain sectors, and we will take a closer look at the building sector due to the origins of the current financial crisis. Then we will analyze how women are affected in times of crisis compared to men and we will also make a gender comparison at a sector level in order to see which are the most "masculinized" sectors, and

thus the ones with bigger inequalities. Finally, to end up with the data, we will study the differences by regions comparing Navarra (North) against Murcia (South). Inside this level we will also have a look at the gender inequalities and youth situation in order to try to explain the regional differences, as well as the sectorial situation so we can see if the economic activity differences help explaining the difference on the effects of unemployment.

To conclude, we will analyze the results obtained throughout the paper in order to draw conclusions about the current situation of Spain compared to that in the 80's at the different levels studied, looking at the economic sector that have been most affected in both crises, examine the evolution in the gender inequalities and finally analyzing if the regional differences have increased (Diverged) or decreased (Converged) with the actual crisis.

2. LITERATURE REVIEW

The literature on the issue of unemployment in Spain is very extensive, but there are few studies comparing the two crises which will be analyzed in this paper, since most of the studies focus either on one crisis or the other. However there is a paper written by Betrán C. & Pons, M.A. (2014), which makes a detailed study about the crises comparing the two of them, this comparison consists of a study about the history of both crisis and their effect on the main macroeconomic indicators, which are, real GDP, Unemployment, Output Gap and real Manufacturing Production. As just mentioned, the paper by Betran C. & Pons, M.A. (2014), makes only an aggregate comparison of both crises; we will try to go deeper in this issue by comparing the effects of the crises in a more detailed way, looking at unemployment by Sector, Age, Gender and Region, which will be explained in more detail later.

As far as regional differences in unemployment are concerned, the most elaborated works that can be found are the ones by López-Bazo, Barrio & Artis (2002), "La Distribución Provincial del Desempleo en España", which analyzes the level of spatial dependence between provinces as well as the impact of different factors on the overall regional distribution of unemployment; and Garcia de Blas (1980), "La distribución espacial del paro en España", this paper is made in the middle of the 80's crisis before reaching the unemployment peak in 1985, but the author puts in place the severity of Spain's situation in unemployment. His study focuses, as the title says, in the differences in unemployment across regions, looking for an explanation and solutions for this situation. He also

mentions the inequalities between men and women and young people according to the unemployment rate, but doesn't enter into any detail. Another study is the one made by Raquel Plaza Acero (1993), "Análisis de las diferencias interprovinciales del desempleo en España ", which is based on the work of the previously mentioned author, Garcia de Blas, developing, at the same time, a little more the regional study about unemployment. This study focuses its attention in explaining the different factors that determine the geographical disparities in unemployment, concluding that the main factors that affect the interregional disparities in unemployment are competitive and institutional factors. The main differences in these factors that affect unemployment are between the North and the South, as mentioned by the author, most of the Northern regions are above the National media of unemployment while most of the Southern regions are below, this discussion has been around for a while now, not only for Spain but as a general rule as mentioned by E. Barrenechea (1983).

All the regional comparisons mentioned predate the current crisis, so in this paper we can analyze how the financial crisis has affected the regional distribution of unemployment, as in the 80's crises there are many articles that support the fact that the difference among the North and the South still exist, but not only that, they say that the current crises has even increased this gap (S. Alcelay & M.J. Pérez, 2014; R. Bande, 2014). In order to analyze these differences and their effects compared to the 80's crises, we will compare Navarra and Murcia. We have chosen these two regions due to the fact that the major differences exist between the North and the South both in employment and wealth (Mars A. 2013), so we have chosen Navarra in the North because it is our region and it could be interesting to see how the crises affects us. And Murcia in the South because it is the most similar region compared to Navarra as long as the size is concerned in the South, although in terms of population Murcia doubles Navarra, 1.4 and 0.6 million people respectively.

3. DATA & METHODOLOGY

In this section we will explain how the data has been chosen as well as its origin and the different computations made in order to make it manageable. For this we will first explain the year selection for this study, then we will focus on the data of each different section in order to see how it has been obtained and to finish, we will define some basic things as well as the rates employed along this paper.

The data for this piece of work has been extracted from the INE (Instituto Nacional de Estadística) website. What we first did with the data was to decide which years were the

ones that we were going to analyze. In order to make both crises as comparable as possible, the years chosen were; the interval of 1978-1986 for the 80's crisis and 2006-2014 for the actual financial crisis. The reason for this selection is that this way we can compare the worst moments of both crises, 1985 and 2013 as long as unemployment is concerned, it would be interesting to see the development of both crises after its peak, but we don't have data for the outcome of the actual crisis. It has to be mentioned that as long as sectorial data is concerned, the years of study have been modified due to the lack of available data (only from year 2008 on), so in the case of sector studies, we have used data from years 1980-1986 and 2008-2014, in order to maintain the comparison of the crises at its highest peak.

The data, as just mentioned, is Official from the INE, but we needed to modify some of the data obtained in order to make accurate for the study. In the case of National data and the Regional one, we downloaded the quarterly data and then we made a media of the 4 quarters of the year in order to obtain the yearly data, this data was given in rates. The data obtained by sectors was given in thousands of people, but we could not compute the rates due to the lack of information, since we did not have the amount of people in working age divided by sectors. What we did in this case was to download the quarterly data and transform it into annual data, another disadvantage of this data was the lack of the amount of active people, which we calculated by adding both the amount of employed and unemployed people. As long as the building sector data is concerned, what we did was to make an index of the data based on 2008, the first year available by sector, and in the case of the amount of houses built we also calculated the quarterly data, out of the monthly data obtained from the database.

To end up with this section we will define the three different rates employed along the paper:

- Activity & Activity Rate: The number of people who are either employed or are actively looking for work, employed or unemployed. The activity rate is calculated as follows:

$$\frac{\text{Employed} + \text{Unemployed}}{\text{Working Age Population}}$$

- Unemployment & Unemployment Rate: The amount of people who are not currently working but are actively seeking for a job. The Unemployment rate is

calculated as follows:

$$\frac{\text{Unemployed}}{\text{Working Age Population}}$$

- Employment & Employment Rate: The amount of people who are currently working. The employment rate is calculated as follows:

$$\frac{\text{Employed}}{\text{Working Age Population}}$$

- Working Age Population: The amount of people between 15 and 64 years old (OECD, 2015).

Once the variables have been defined, we will start analyzing the data and comparing the results obtained from both crises.

4. NATIONAL COMPARISON OF BOTH CRISES

In this section we will analyze both crises from a general point of view; we will see how Spain as a whole was affected in each case to later compare the effects of the crises on unemployment rate, activity rate and finally we will introduce a new rate, the unemployment rate relative to activity rate, in order to try to make the crises comparable taking into account the difference in the activity rate.

In order to compare both crises we first need to know how each crisis was caused, which were the main factors that caused these unemployment situations. We will start by explaining the causes of the 80's crises, to later focus on the actual situation.

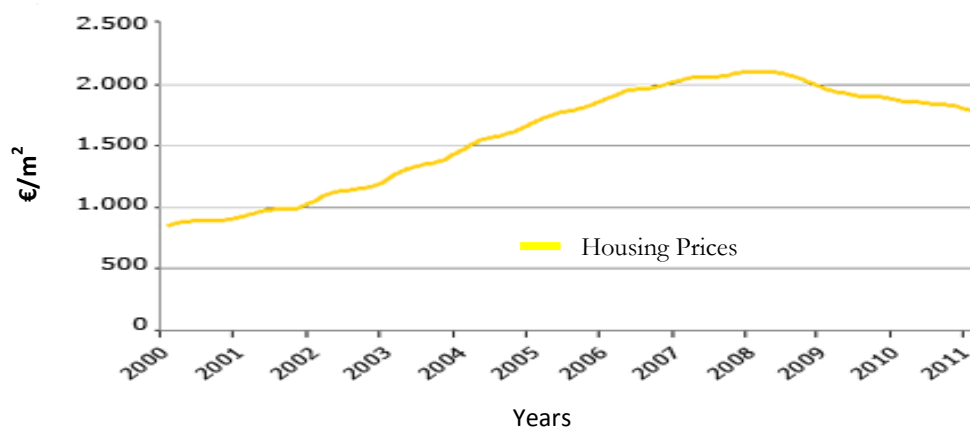
During the 80's unemployment was conditioned by the situation of the 70's, when two big shocks in the price of oil took place, the first one in 1973 and the second one in 1979. Spain was still under Franco's dictatorship when the first Oil Crisis took place, and the reaction of the government to it was not good, they thought that it was going to be a short time crisis, so what the government did was to pay the price difference, this made Spanish population immune to the price shock; until 1977 that the government stopped paying this price difference, so when the second oil crisis took place in 1979 it had double the effect on Spain. There were some factors that made Spain especially vulnerable to this crisis; the most important one was the Political Transition after Franco's death in 1975, the protectionism during Franco's dictatorship made many Spanish firms uncompetitive when

we finally open our economy to the rest of the world, causing many firms to close down, creating more unemployment, and also the fact that it was during this time when the people born during the 60's "Baby Boom" entered the labor market, increasing the activity rate, along with women entering the labor market. Another important factor was that Spanish industry was energy-intensive, so it was very affected by oil price shocks, making this sector even less competitive.

The current crisis was a Financial Crisis which started in the USA in 2006, with the collapse of the housing bubble, and then stock markets all over the world suffered large drops in 2008 due to globalization. But what is a Housing Bubble? A housing bubble is a situation in which housing prices increase hard and fast unjustifiably, as shown in Figure 1, usually due to speculation.

FIGURE 1

Evolution of Housing Prices

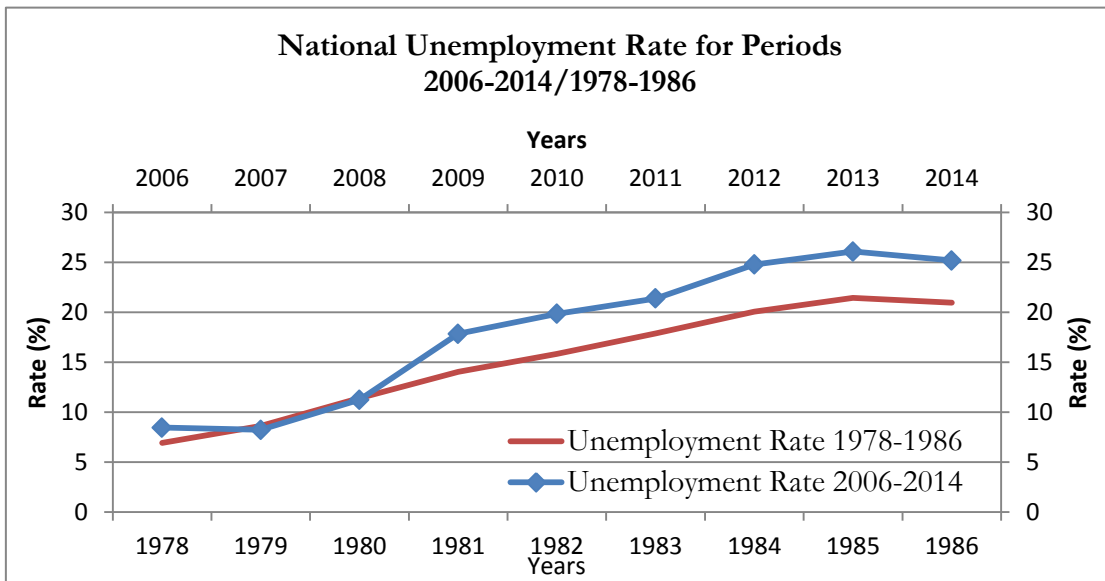


Sources: Gobierno de España Ministerio de Fomento

During this period the housing prices increased, causing supply to increase to a point in which the amount of houses built was bigger than demand; this caused the bubble to burst, decreasing prices. In Figure 1 we can see the evolution of housing prices in Spain, where Home prices (m²) increased a 210.52% from 2000 to October 2007 and then dropped a 14.28% by November 2009.

The crash of the building market caused the worst unemployment of the Euro zone in Spain, which rose to 17.86% in December 2009 and reached its peak in 2013 with 26.1% of unemployment, as we can see in Figure 2, which shows the National unemployment rate for the periods we are examining.

FIGURE 2



Sources: Own elaboration from Data by INE [1.12 Tasas de actividad, paro y empleo por sexo, distintos grupos de edad y tipo de tasa.](#)

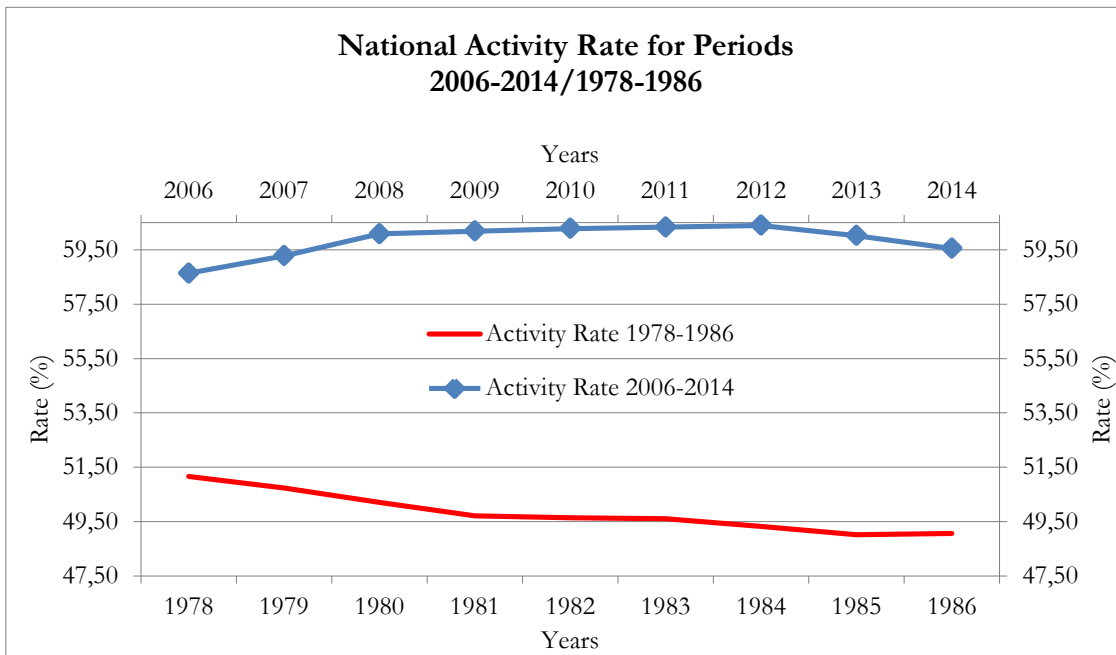
Looking at the national unemployment rate in Figure 2 we can see that after reaching the minimum in the Second quarter of 2007, 8.23%, which reached the levels of 1978, the actual crisis has caused more unemployment than the one in the 80's, has had a larger impact on unemployment, during the periods observed the unemployment is 2.87% average higher in the actual crisis than in the 80's, being the maximum difference observed 4.71% in 1984/2012. But does this mean that the actual crisis has been worse than the one in the 80's?

The answer is no, since there is much more people working nowadays than in the 80', an average difference of a 10.03% during the periods studied, which can be clearly seen in the national activity rate shown in Figure 3.

We can see that the difference in the activity rate during these two periods is very significant. This difference is mainly due to the women entrance in the labor market during the period known in Spain as the Transition, from Franco's Dictatorship to the Democracy.

This makes it impossible to compare the unemployment rate in both periods, since the unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of unemployed individuals by all individuals currently in the labor force; therefore the same percentage in different periods of time have different implications.

FIGURE 3



Sources: Own elaboration from Data by INE [1.12 Tasas de actividad, paro y empleo por sexo, distintos grupos de edad y tipo de tasa.](#)

For this reason we have tried to put it all in the same basis and we have divide the unemployment rate of each period by its current activity rate, in order to get a good comparison taking into account both rates. This way we obtain the unemployment rate according to the activity rate of that period. By dividing it with the activity rate we don't get the same amount of people, but yes the same measure of people, even if for each period the 100% activity rate is a different number, all periods are measured in the same terms, and thus we can make a realistic comparison, comparing the unemployment rate according to the amount of active people of each period. We will explain this through a numerical example:

First Situation

$$\frac{100 \text{ Million}}{150 \text{ Million}} \times 100 = 66.67\%$$

$$\frac{20 \text{ Million}}{100 \text{ Million}} \times 100 = 20\%$$

Second Situation

$$\frac{75 \text{ Million}}{125 \text{ Million}} \times 100 = 60\%$$

$$\frac{15 \text{ Million}}{75 \text{ Million}} \times 100 = 20\%$$

Activity Rate

Unemployment Rate

In the situation above obviously the first situation will have a higher unemployment if we take into account the total amount of people, even though both situations have the same percentage unemployment, the activity rate is higher in the first situation, and thus the amount of people unemployed will be higher in the first situation. In order to take into

account this factor, the difference in the activity rate, what we do is to divide both rates to equalize them in terms of Activity Rate:

$$\frac{20\%}{66.67\%} \times 100 = 30\%$$

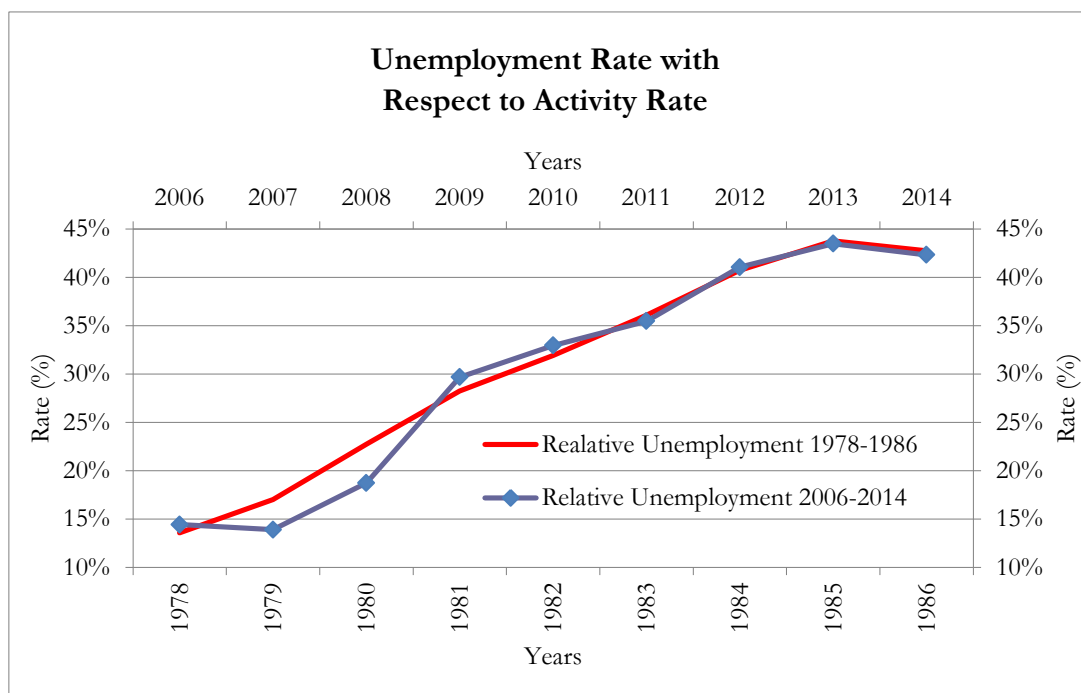
$$\frac{20\%}{60\%} \times 100 = 33.33\%$$

So this way we see that the unemployment is a little bit bigger in the second situation than in the first one if we take into account the percentage of people who is active in the labor market, and not the total amount of people.

What we obtain is that the unemployment rate relative to the activity rate is higher in the 80's than in the 2000's in the beginning and the peak of both crises, although the difference in this last one is not very significant, as we can see in Figure 4. In this Figure we can see that there is not a significant difference in the severity of unemployment, with an average unemployment of 30.21% and 30.75% during the 2006-2014 and 1978-1986 periods respectively.

After this we would say that comparing the effects of unemployment on both crises, the one in the 80's was worse than the one today, but taking into account the small difference in this rate, only a 0.54%, we cannot conclude that one of the crises was much worse than the other as long as unemployment rate is concerned, although if we take into account the

FIGURE 4



Sources: Own elaboration from Data by INE [1.12 Tasas de actividad, paro y empleo por sexo, distintos grupos de edad y tipo de tasa.](#)

amount of people, the actual crisis has been much worse, with an average difference of 1382.95 thousand people between both periods.

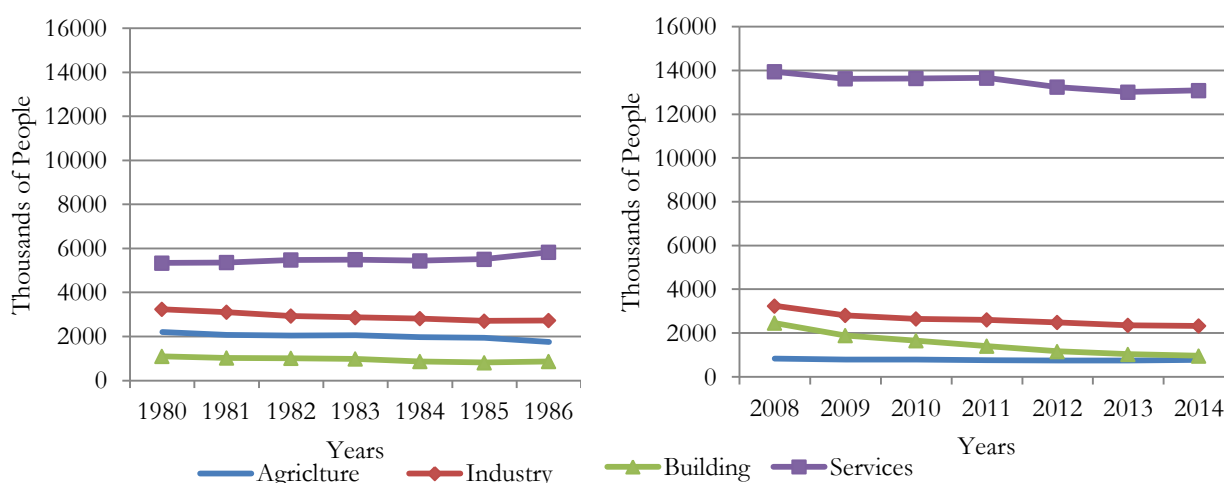
5. THE CRISES BY SECTORS

In this section we will take a look at the different indicators by sector, in order to see which are the most affected sectors in times of crisis. As mentioned before, the data for this section is given in thousands of people, since there is no data available in percentage terms, and it is not possible to compute it because we don't have the population in working age available by sectors. Moreover for the actual crisis there is only data available from 2008 to 2014 so in order to have the same amount of years for graphical representations and to a more realistic comparison we will take the data from year 1980 to 1986, in order to compare the peak of both crises. We have computed the media of the quarterly data obtained from INE, in order to obtain the yearly data.

In order to have a general view of how the different sectors are affected by the crises, we will start by looking at all the sectors together, so we can see better the differences, and then we will go sector by sector, in order to see specific factors that influence the evolution of the specified sector.

FIGURE 5

National Employment by Sector
1980-1986/2008-2014



Sources: Own elaboration from Data by INE 1.2 [Ocupados por sexo, sector económico y grupos de edad \(4\)](#) e 3.20 [Ocupados por grupo de edad, sexo y sector económico](#)

We will start by looking at the employment by sectors, which is reflected in Figure 5, for the periods 1980-1986 and 2008-2014 respectively. In this Figure we can see that the

importance of employment in each sector follows the same structure, although the amount of people employed is pretty different in most of the cases due to the change in the economic structure and the increase in the activity rate, as seen in Figure 3. Services is in both cases the sector with highest employment, although the amount of people employed has increase in 7.75 million people since 1980; this is followed by the industry sector which actually employs less people than in the 80's due to the actual importance of the tertiary sector. The most visible difference comes with the importance of agriculture and the building sector, during the 80's agriculture was more important than the building sector, but agriculture has lost a lot of importance due to the mechanization of labor in this sector and the migration of people to big cities.

In order to have a clearer view of the increase in Activity, we will take a look at Table 1; here we can see the National Activity by sectors. This Table makes the comparison more quantifiable by looking at the numbers instead of a graph, and also enables us to compare the years of one crisis with its corresponding one on the other crisis, taking as a reference the peak of both crises in terms of unemployment, 1985 and 2013.

TABLE 1

NATIONAL ACTIVITY BY SECTOR (Thousands of People)									
	1980-1986				2008-2014				
	AGRICULTURE	INDUSTRY	BUILDING	SERVICES	AGRICULTURE	INDUSTRY	BUILDING	SERVICES	
1980	2308	3497	1425	5635	960	3450	2882	14904	2008
1981	2192	3443	1404	5727	982	3174	2553	15060	2009
1982	2144	3337	1396	5913	1002	2917	2153	15083	2010
1983	2162	3302	1377	5989	986	2847	1844	15176	2011
1984	2172	3300	1322	6011	1021	2799	1591	14965	2012
1985	2184	3213	1248	6162	1011	2636	1367	14702	2013
1986	2017	3209	1248	6496	1026	2561	1241	14647	2014

Sources: Own elaboration from Data by INE 1.2 [Ocupados por sexo, sector económico y grupos de edad \(4\)](#); 1.8 [Parados por sexo, sector económico \(5\) y grupo de edad \(4\)](#); 3.20 [Ocupados por grupo de edad, sexo y sector económico](#) & 4.34 [Parados por grupo de edad, sexo y sector económico](#)

If we look at Table 1 we can see that the activity has increased from one period to the other in total terms, if we add the differences of all sectors, or what is the same by looking at Figure 3 which shows the National Activity Rate. But if we focus on the different sectors we see that the service sector is the one with the highest increase in the national activity, with an average increase of 8 million people along the period, in order to explain this increase it has to be taken into account that the actual economy is based on Services, in

Spain this sector represents a 75.9% of the total employment and a 72.1% of the GDP (R. Pampillón, 2014).

In the Building Sector can also be seen an increase in the activity, although in this case it only increases an average of 0.6 million people. Furthermore, this increase comes from the first years of the crises, since if we look at years 1986/2014, we observe that the active population in 2014 has decreased to levels of 1986; this is related to the nature of the financial crisis of 2008.

The case of the other two sectors that we have left, Agriculture and Industry, is exactly the opposite; the activity has decreased in both cases an average of 1.1% and 0.4% respectively. It has to be mentioned that in the case of Agriculture the activity has decreased a 46.03%, this is due to the change in the economic structure, since the relevance of this sector in the GDP has decrease from a 7% in 1980 to a 2.6%, but the decrease has been even larger in terms of employment, from a 18.6% to a 4.7% respectively (R. Pampillón, 2014).

Following we will analyze each sector in more detail using the graphs in Figure 6, in this Figure we can see the three indicators that we have been examining along this paper: employment, unemployment and activity, for each sector.

As mentioned several times, the current crisis has been a financial crisis caused mainly by the housing bubble, so it is logical to see its effects on the building sector, but its effects have been expanded to the rest of the sectors as well. These effects are what we will try to explain now, comparing them at the same time to the effects of the 80's crisis.

We will start with Agriculture, which we can see was much more important in the 80's than nowadays specially in terms of employment, which has decrease a 64.96% since 1980, in terms of GDP the decrease has been less severe, a 4.4%. The reason for the decrease on GDP to be less severe is the mechanization of the work, thanks to innovation, which enables to make the same labor with less people. This implies at the same time a decrease in the Activity due to the lack of work, which can be seen in Figure 6.9. But what catches our attention is the sudden increase in unemployment in 1983, which can be observed in Figure 6.5. This increase in unemployment can be explained through the "Plan de Empleo Rural" (PER), a subsidy to various regions in the south of Spain in order to invest in the rural areas, in order to help agrarian unemployed temporary workers. These worker must be registered on the Especial Regime of Agrarian Social Security (REASS) and give credit of 35 days worked in order to receive a grant of 426€, which is way below the average 860€ received by contributing to unemployment (G. Donaire, 2013). The creation of this subsidy

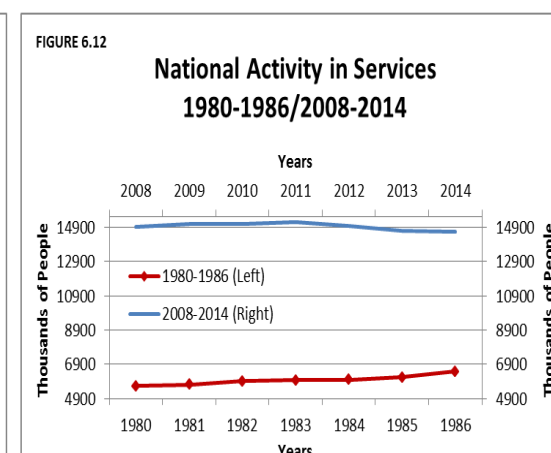
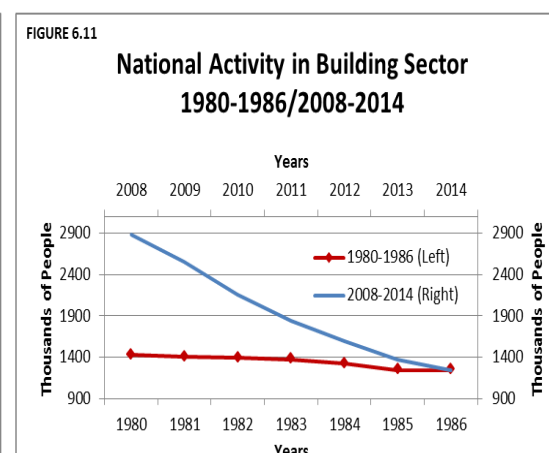
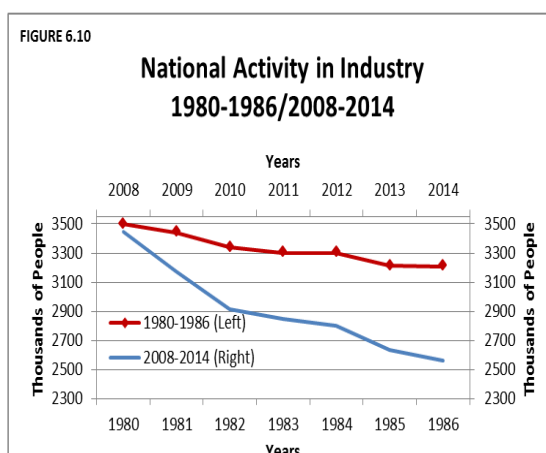
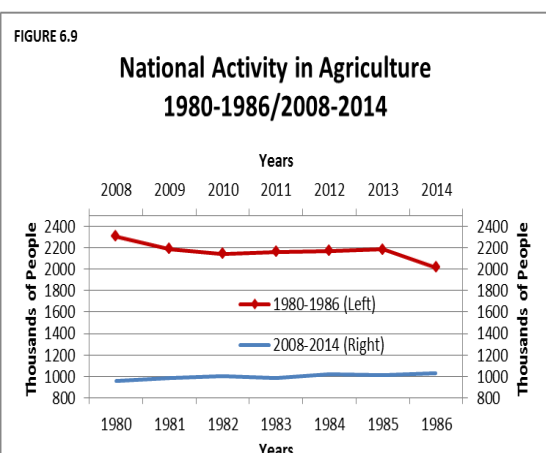
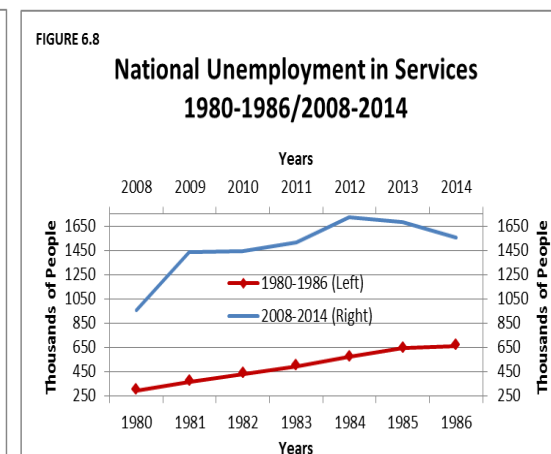
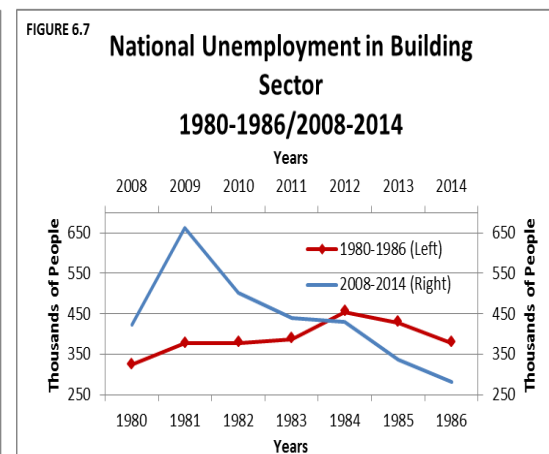
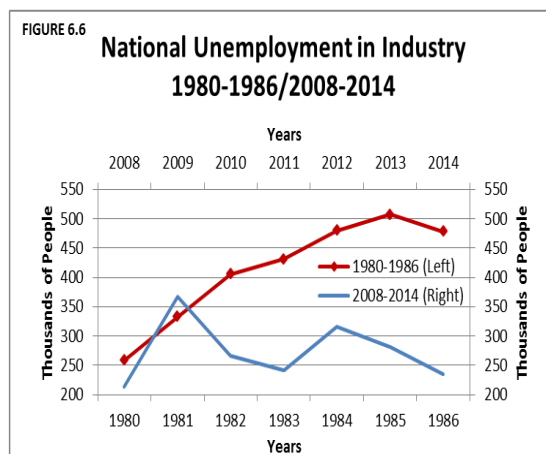
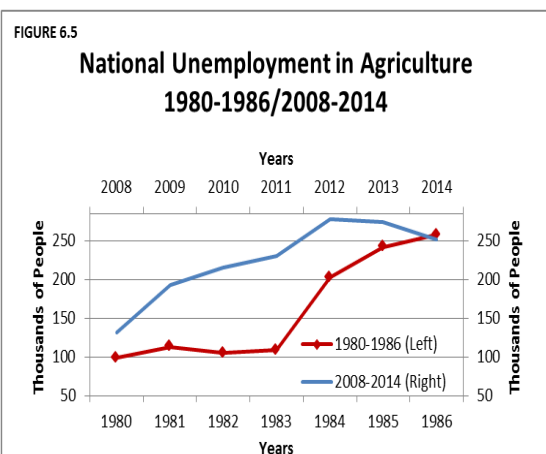
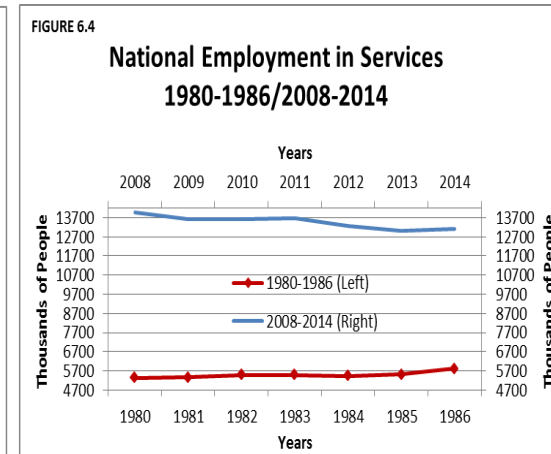
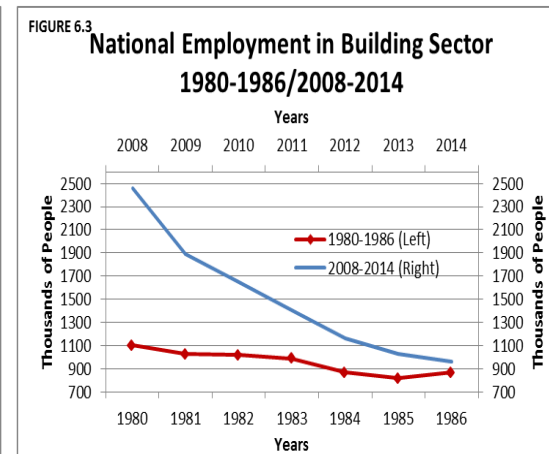
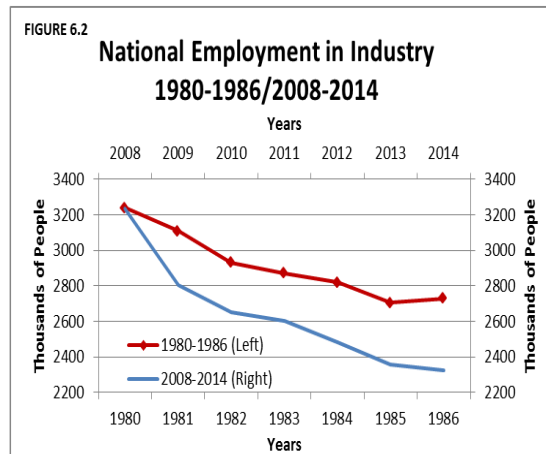
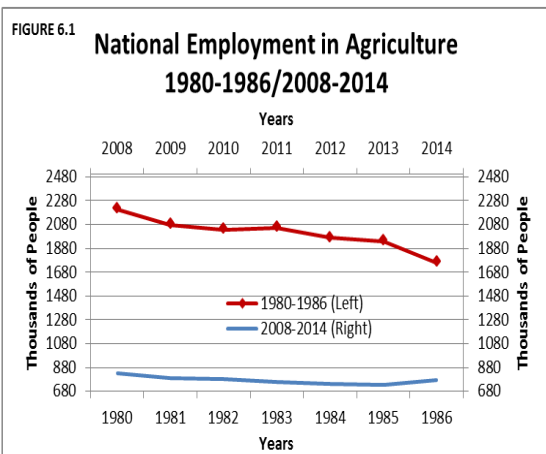
lead to the increase on unemployment, as every farmer registered on the REASS counted as unemployed (J.J. Gonzalez, 1990), so we could say that this is a fictitious situation of unemployment, since this was an existent structural unemployment situation (G. Escudero, 1986) that was recognized though the inscription on the REASS.

Industry suffered a big change during the 80's; this sector was coming from a period of accelerated growth in the 60's and from 1975 on several factors will show the end of this era. During the Transition the government will try to open the Industry to an increasing international trade world through the Stabilization Plan, replacing the previous model base on import substitution. But the complicated political situation and the several increases in oil prices made it impossible for Spain to compete against other industrialized countries. This situation is reflected in Figures 6.2, 6.6 & 6.10, where we can see the 15% reduction in employment, which was accompanied by only a 6.9% reduction in activity, causing a big increase in unemployment during the period 1980-1985. In these Figures we can see that nowadays industry has lost importance in terms of employment so the effects in the current crisis are not as severe as in the 80s.

In the building sector we can see, in Figures 6.3, 6.7 & 6.11, that the actual crisis has had a big impact. The most curious thing is the reduction in employment and activity, which fall to levels of 1986; this shows the overemployment created by the excess supply of houses which end up bursting the housing bubble. In the case of unemployment we can see in Figure 6.7 that the peak was reached very fast in 2009 and then it decreased also pretty fast, this fast decrease is due to the decrease in the activity of this sector. But we will go deeper in this sector in the following section, due to its importance in the actual situation of unemployment in Spain.

If we now look at Figures 6.4, 6.8 & 6.12, which represent the evolution of the Service sector, we can see that there is a big difference between the actual and the 80's crisis. This difference is due to the change in the importance of the tertiary sector in the economy, which was not as developed as today and has gained importance both in terms of employment and GDP percentage, with an increase of 31% and 15.6% respectively (R. Pampillón, 2014). In the Figures mentioned, we can observe that the current crisis has had a bigger impact on this sector, this is related to what we have just mentioned, the relevance of this sector in the Actual economy of Spain. The Spanish economy is based on the tertiary sector, as most developed economies, but moreover the Spanish economy is very

FIGURE 6



Sources: Own elaboration from Data by INE [3.20 Ocupados por grupo de edad, sexo y sector económico](#), [4.34 Parados por grupo de edad, sexo y sector económico](#), [3.20 Ocupados por grupo de edad, sexo y sector económico](#) & [4.34 Parados por grupo de edad, sexo y sector económico](#), [1.2 Ocupados por sexo, sector económico y grupos de edad \(4\)](#), [1.8 Parados por sexo, sector económico \(5\) y grupo de edad \(4\)](#), [1.2 Ocupados por sexo, sector económico y grupos de edad \(4\)](#), & [1.8 Parados por sexo, sector económico \(5\) y grupo de edad \(4\)](#).

influenced by the evolution of Tourism, which supposes a 10.2% of the GDP (A. Ussia, 2012). Tourism is one of the most affected activities inside the tertiary sector in times of crisis, since it is not a basic necessity and people cut off spending, so the international tourism level has decreases during crises and recession periods. The economic situation influences people when choosing their vacation destination, so countries like Turkey or Egypt, which have weak currencies and are cheaper, have become important rivals of Spain in this field (M. Soriano Vilar, 2010).

As a conclusion of this section, we can say that due to the different economic structures in the two periods that we are examining, each crisis has had a bigger impact on different sectors. The 80s crisis had a bigger impact on Agriculture, as mentioned before through the PER, and on the industry sector, due to the nature of the crisis, oil prices influenced this sector's competitiveness and the difficult political situation that Spain was going through didn't help either. These effects are reflected on Figures 6.5 & 6.6, which reflect the unemployment in these sectors. On the contrary, the current crisis has had a bigger impact on the other two sectors. The tertiary sector, which is the Spanish economic base, as mentioned before, has seen its unemployment increased a 79.46% since the beginning of the crisis until 2012, this can be explained by the tied relationship between tourism and disposable income. The case of the building sector is more related to the nature of the crisis, the housing bubble, which will be analyzed in the following section.

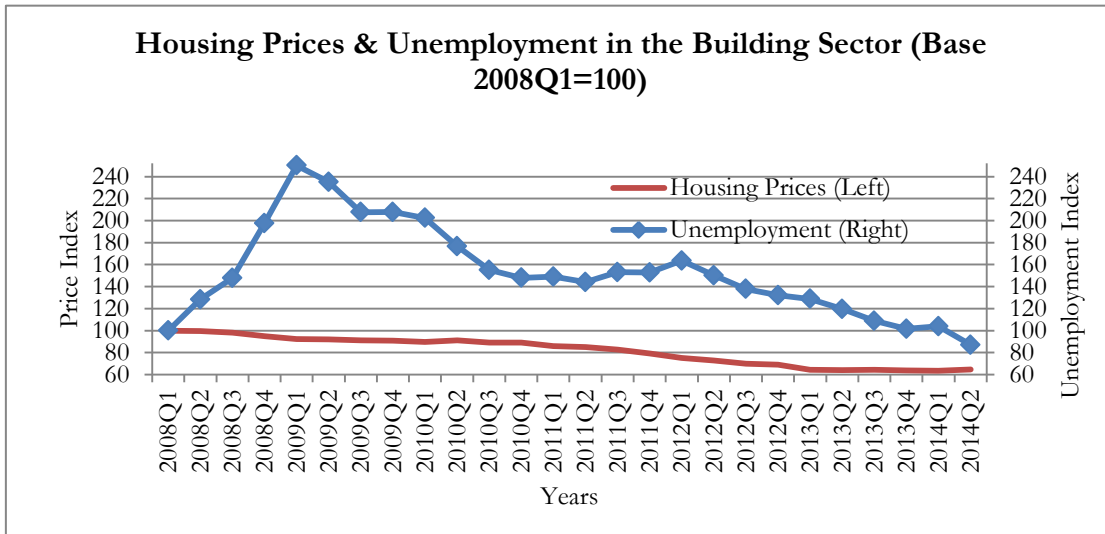
5.1. Development Of The Building Sector During The Last Crisis

The current crisis was a financial crisis caused mainly by the housing bubble (Garcia Montalvo, J., 2009), so it can be interesting to go a little deeper in this sector.

We found the following quarterly data for the period 2008-2014: Price indexes for the housing sector in Spain and the unemployment, shown in Figure 7, where can be seen that the prices of houses have decreased almost a 40% since the beginning of the crisis, while in the case of unemployment, it goes off with bursting of the bubble in 2008, reaching its peak in the first quarter of 2009, increasing a 250.08% in only one year.

We also found monthly data for the amount of houses constructed from the statistics of Banco de España so we made a media for each three month period in order to obtain quarterly data as it is shown in Figure 8. As it can be expected in this figure we can see, at the beginning of the crisis at least, that the unemployment is related to the amount of houses built, unemployment increases while the amount of houses constructed decreases,

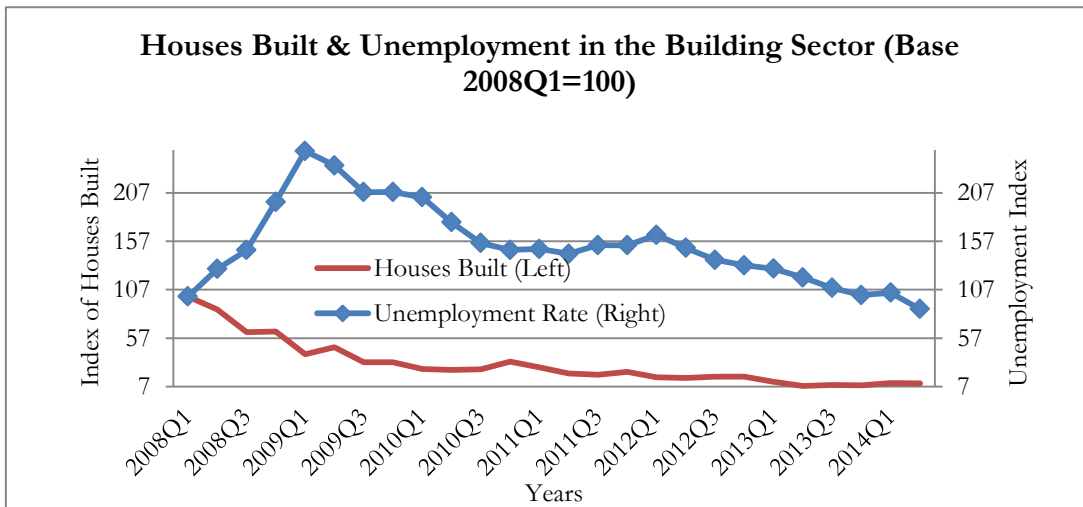
FIGURE 7



Notes & Sources: This data had its Base in 2007, but since most of the data for the building sector starts in the first quarter of 2008, we computed the index for this basis. Own elaboration from Data by INE 1.1 [Índices por CCAA: general, vivienda nueva y de segunda mano.](#)

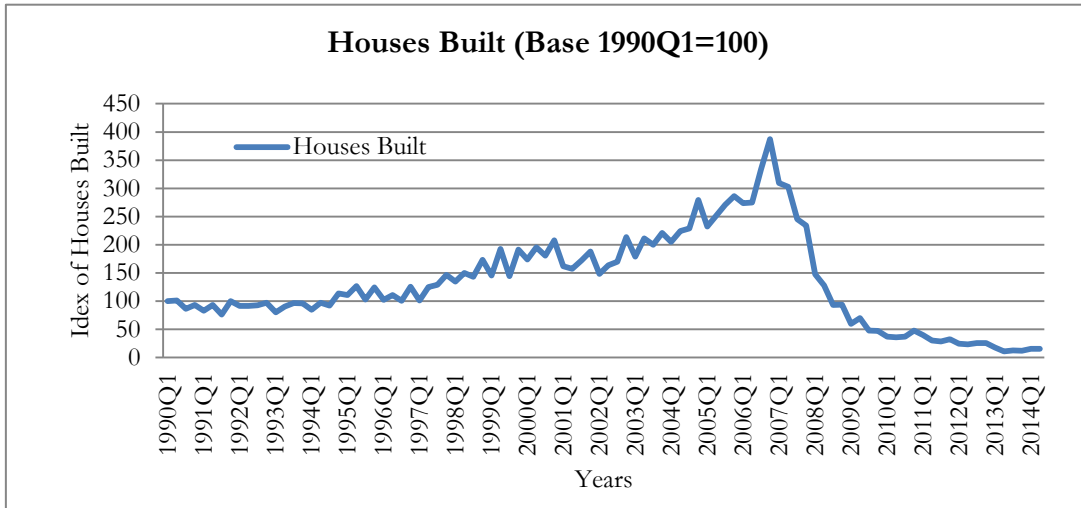
so we can say that they follow an inverse relationship, as in the rest of the economy, when production decreases unemployment increases, this was discovered by Arthur Okun (1962), known as the Okun Law, mentioned by Sequeira (2014). The decrease in construction is huge; the minimum was reached in the second quarter of 2013 with a 92.41% decrease with respect to 2008, this shows not only the crisis in this sector but also the overproduction in this sector in the period before the crisis, in order to see this clearly we have computed Figure 9 which shows the Index of houses built based on the first quarter of 1990. Here we can see that from 1990 the amount of houses built had increased a 387.31% by the fourth quarter of 2006.

FIGURE 8



Sources: Own elaboration from Data by Banco de España

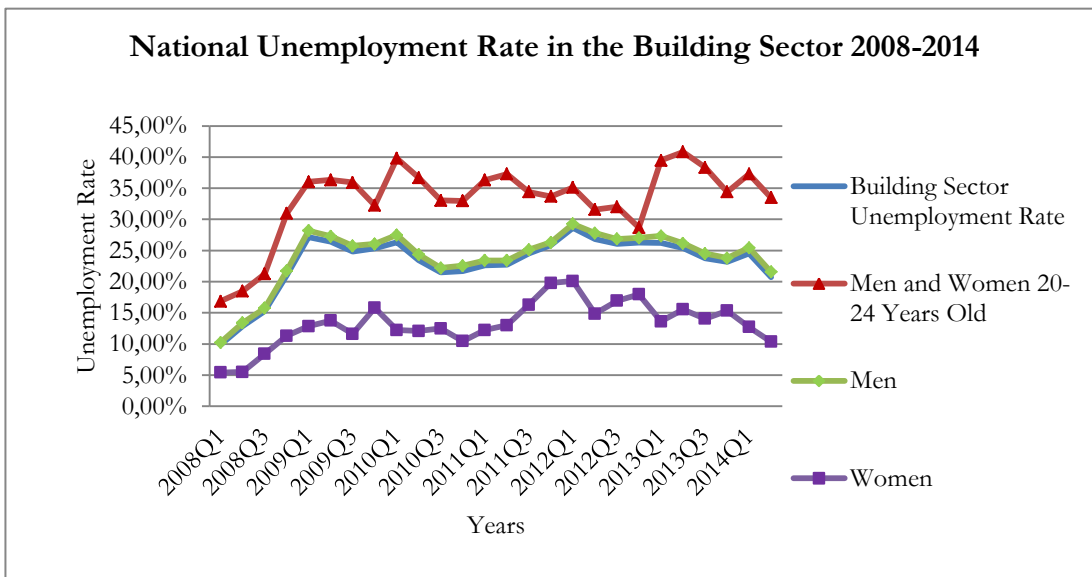
FIGURE 9



Sources: Own elaboration from Data by Banco de España

Now we will focus on the unemployment and other related variables in this sector. Figure 10 has been computed by dividing the amount of people unemployed by the active people in order to get the unemployment rate for the building sector, since the data was not available directly in rates we have compute them.

FIGURE 10



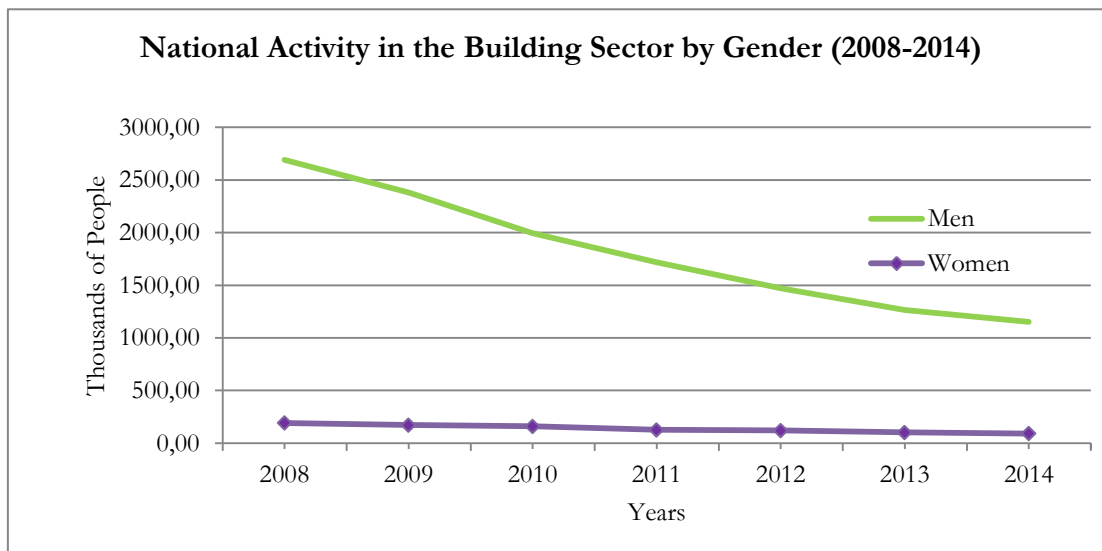
Sources: Own elaboration from Data by INE 4.34 [Parados por grupo de edad, sexo y sector económico](#) & 1.8 [Parados por sexo, sector económico \(5\) y grupo de edad \(4\)](#)

By looking at the unemployment rate in the building sector, Figure 10, we can see that the building sector mostly employ men, since the general unemployment of the sector goes along with the one of men. Women unemployment in this sector is below, mainly due to the fact that the activity rate is also much lower for women, as we can see in Figure 11,

where we can see that the activity for women in this sector is basically the same, no matter if there is a crisis or not, this data was computed by adding both unemployment and employment data, since the activity data was not available by sector, age and gender. Going back to Figure 10 we can see that the most affected ones are young men and women between 20-24 years old with an average unemployment of 33.21%, while men and women have a 23.96% and 13.25% unemployment respectively.

If we compare the two crises we are comparing in this paper, we will expect the current crises to have a bigger impact in this sector, since as mentioned before, this crisis was a financial crisis caused by the housing bubble. We will take a look at the three basic variables related to the labor market.

FIGURE 11



Sources: Own elaboration by Data from INE 3.20 [Ocupados por grupo de edad, sexo y sector económico](#) & 4.34 [Parados por grupo de edad, sexo y sector económico](#)

If we look at Figure 6.11 we see that the activity in thousands of people for the periods chosen for both crises. We can see that the difference in the activity in this sector from one crisis to another is pretty significant, from the beginning of one crisis to the other (1980/2008) there is a difference of 1,456.55 thousand people, but looking at both Figure 6.11 and 6.3, this last one shows the employment in thousands of people during both crises, we can see that both the level of employment and the activity were much higher than the real capabilities of the sector, since by 2014 the building sector employed almost the same amount of people as in 1986, 960.55 and 870.15 thousand people respectively, this difference is much lower if we look at the activity in which there are 1241.45 and 1247.83 thousand people active respectively. So we could say that the difference in these

two indicators shows the excess resources that were being used in the building sector, causing the housing bubble and its following burst.

To end up with this section, we will take a look at Figure 6.7; here we can see the unemployment in the building sector. This figure is the result of subtracting Figure 6.3 to Figure 6.11, or what is the same activity less employment. The peak of unemployment in this crisis was in 2009 with 662.7 thousand people unemployed in this sector, while in the 80's was in 1984 with 454.95 thousand people, a difference of 207.75 thousand people, it is an important difference but we have to take into account that in 2009 there were 1230.5 thousand people more willing to work in the building sector than in 1984.

The curious thing is that even if the activity falls back to levels of 1986 by 2014, as we have seen in Figure 6.11, the number of people unemployed in this sector was higher at the end of the 80's crisis than nowadays, as we can see in Figure 6.7. This is due to the difficult situation that Spain was going through, the political situation after Franco's death, made it difficult to control the crisis in which Spain was in that moment, even if the government tried to stimulate the industry (Ley 21/1982, Sectorial Acts...) the crisis worsened after the second oil crisis in 1979 and 1982 was the worst economic period since the Second World War (Aceña, Septiembre 2010). The lack of public and private investment drove the building sector into a decrease in production and an increase in the unemployment in this sector (Alerta en la Construcción ABC, 1984) as reflected in Figure 6.7, the building sector was the most affected one by the increase in the prices of oil products (Construcción: Un Sector en Grave Crisis ABC, 1980).

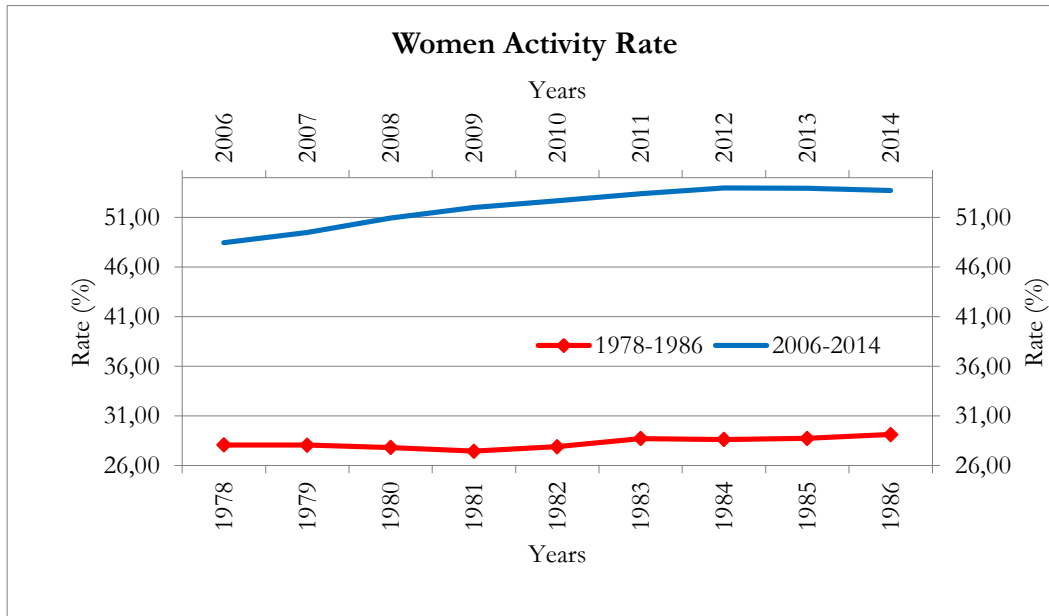
6. WOMEN IN THE NATIONAL LABOR MARKET

It is nothing new the fact that women and men are not treated the same way in the labor market, so in this section, we will get into these differences and see in which sectors the biggest differences are, as well as the evolution of women in the national labor market comparing both crisis.

We will start by looking at the difference in the amount of women working between both crises, which is shown in Figure 12 through the activity rate. We can see that the difference between women working in the 80's and women working nowadays is very significant. This is due to the fact that during the 80's was the moment when women entered the labor market in Spain, after Franco's death, followed by the Transition to Democracy, it was during this period when women also access to higher level education, this influenced the

participation on women in the labor market (Ministerio de Trabajo e Inmigracion, 2007), we can see that since 1978 the participation of women in the labor market has almost doubled, from 28.06% to 53.73% by 2014.

FIGURE 12



Sources: Own elaboration from Data by INE [1.12 Tasas de actividad, paro y empleo por sexo, distintos grupos de edad y tipo de tasa](#), [4.2 Tasas de paro por sexo y grupo de edad](#), [2.2 Tasas de actividad por sexo y grupo de edad](#) & [3.4 Tasas de empleo por distintos grupos de edad, sexo y comunidad autónoma](#)

The period of the 80's that we are observing was the beginning of women in the labor market, were women entered the labor market young but most of them still leave their jobs after being married or having their first children, but nowadays this usually doesn't happen and the permanency ratio has increased, it is especially among this group of women where the activity and employment rate have increased the most.

Even if there has been a great progress in the integration of women in the labor market, there are still many inequalities regarding gender in this field. The stereotyping still keeps the differences in many sectors and jobs in the economy, where the presence of women is less significant, while some other occupations are seen as women professions, we can see some of these occupations in the following table, extracted from the work of Cebrián López & Moreno Raymundo (2008) about the situation of women in the Spanish Labor Market.

In Table 2 we can observe that women participate more in activities related with what women used to do at home, take care of others and education; while men's participation is bigger in those sectors which require a higher physical activity or strength and leadership.

TABLE

SECTOR DISTRIBUTION OF EMPLOYMENT. INDUSTRIES WHICH ACCUMULATE APPROXIMATELY 50% OF EMPLOYMENT BY GENDER (2006)			
FEMALE		MALE	
Retail Activities	14,4%	Building Sector	20,5%
Health & Social Services	11,0%	Public Administration & Defense	6,2%
Restaurants	9,5%	Retail Activities	6,0%
Other Business Activities	9,4%	Other Business Activities	5,5%
Education	9,0%	Restaurants	5,4%
		Agriculture, Hunting & Related Activities	5,1%
		Transports	4,5%
Cumulative Percentage	53,3%	Cumulative Percentage	53,3%

Sources: CEBRIAN LOPEZ, INMACULADA & MORENO RAYMUNDO, GLORIA (2008) "La Situación De Las Mujeres En El Mercado De Trabajo Español: Desajustes Y Retos" *Economía Industrial* N° 367 Pág. 121-137

In this section we will focus on these differences among men and women in the labor market as long as unemployment, employment and activity are concerned.

FIGURE 13 **Women & Men Unemployment Rate**
1978-1986/2006-2014



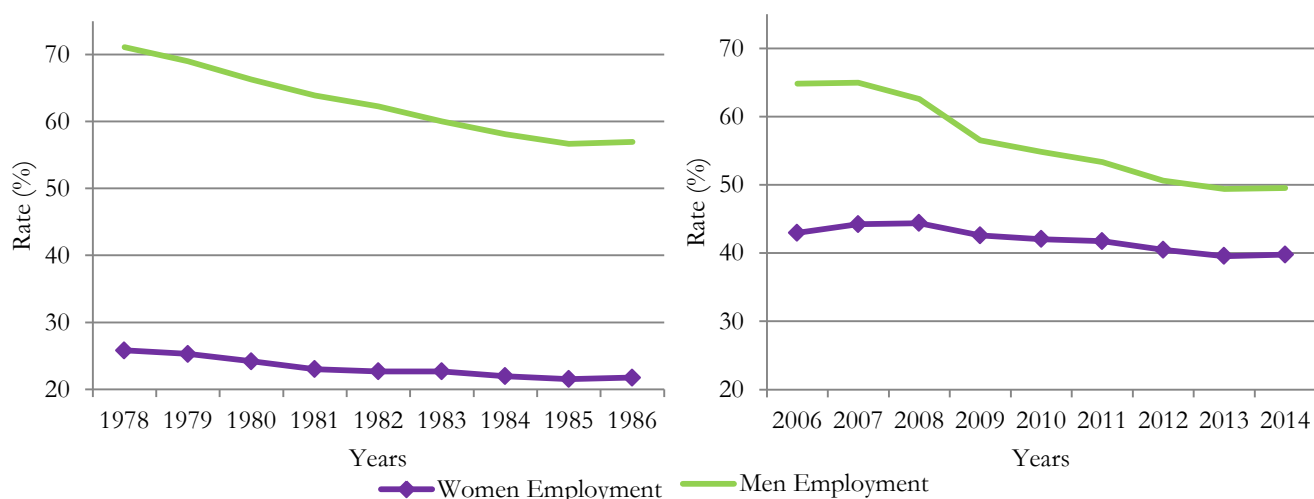
Sources: Own elaboration from Data by INE 1.12 [Tasas de actividad, paro y empleo por sexo, distintos grupos de edad y tipo de tasa](#) & 4.2 [Tasas de paro por sexo y grupo de edad](#)

Figure 13 shows the unemployment rate by gender for the 80's and the current crises respectively. In this Figure we can see that the women unemployment rates have always been higher than those of men, but what is clearly represented here is the change in the

actual times, even if there is still a difference, the gap between unemployed men and women has been reduced, during the 80's crisis there was an average difference of 3.67% more unemployment in the case of women, while in the current crisis the average is 1.88%, so we can say that the difference has been reduced a 1.79% average. The concern of society for all type of equality has increased, and in the developed countries the biggest concern is for men and women equality in the labor market specially, in Europe they have developed the European Employment Strategy, in which the opportunity equality between men and women is one of the main pillars, in Spain the commitment to improve the situation of women in the labor market is one of the key factors of the employment policy in the recent years (J.A. Alujas Ruiz, 2010, page. 61-80).

This fact can also be seen in Figure 14, which shows the employment rate of men and women during both crises. Here we can see that the differences between the rates of employment of men and women have been reduced a 35.51% from 1978 (45.29%) until 2014 (9.78%), but not only that, we can also see that the decrease in employment is usually lower for women, the main reason for this is that we have to take into account that the activity rate is also lower in the women's case as we can see in Figure 15, this Figure reflect the activity rate by gender.

FIGURE 14 **Women & Men Employment Rate**
1978-1986/2006-2014



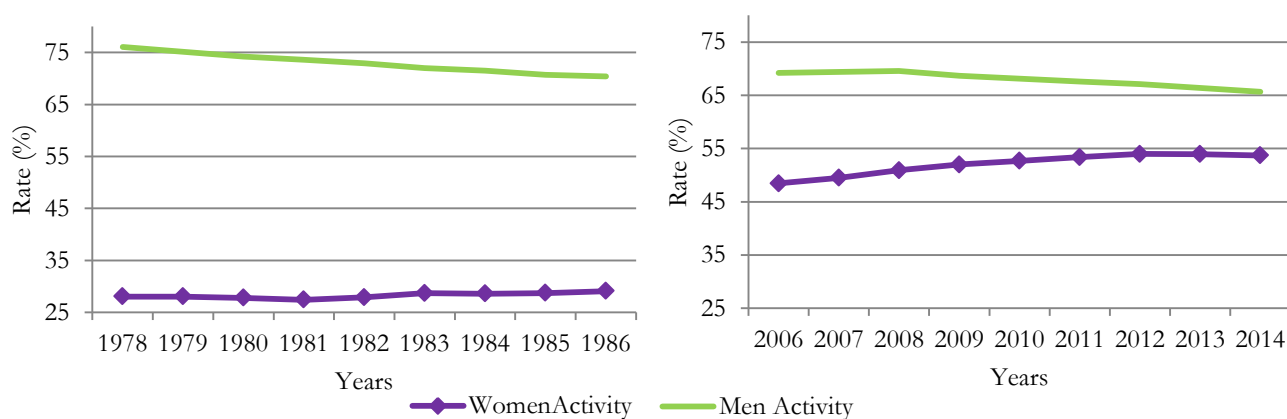
Notes & Sources: The Data about employment for this period is only available by Age and Gender by Region. Own elaboration from Data by INE 3.4 [Tasas de empleo por distintos grupos de edad, sexo y comunidad autónoma](#) & 1.12 [Tasas de actividad, paro y empleo por sexo, distintos grupos de edad y tipo de tasa](#).

The curious thing about the activity rate is that in the case of women increases in both crises while men activity rate decreases. Why?

Usually in times of crises or during recession periods, when the unemployment increases, the activity rate decreases, since people get discouraged after a long time search. In Figure 15 we can see that in the case of women this doesn't happen, instead the employment rate increases during both crises.

This can be explained through the hypothesis of the "Added Worker" Woytinsky (1940) mentioned by T. Domingo (2011, Page. 7), which argues that during recession periods with high unemployment and poor future perspective secondary workers, such as women, are the ones who go out to the market to offset the lack of regular salary in the family, after the head of the family lost his job. This implies that women can find jobs which are not accessible for men; this is due to the feminization of many jobs. So we can say that the unemployment brings two different behaviors, the discouragement of those who lost their job after a long time search and the motivation of women who can access to jobs to which their husband cannot due to the feminization of some professions.

FIGURE 15 **Women & Men Activity Rate**
1978-1986/2006-2014



Sources: Own elaboration from Data by INE 1.12 [Tasas de actividad, paro y empleo por sexo, distintos grupos de edad y tipo de tasa](#) & 2.2 [Tasas de actividad por sexo y grupo de edad](#)

After looking at Figures 13-15 we can conclude that both crises have had a bigger influence on men, whose activity has decreased and unemployment has increased more than that of women. Although this impact is not the same in both crises, since the amount of people actively looking for a job is much higher now than in the 80's as we have seen in Figure 3, an 8.81% higher. But as explained in Figure 4, we cannot compare both percentages, since

the same percentage assumes more unemployed workers in the current crisis than in the 80's due to the fact of a higher activity. If we take the worst moments of both crises, 1985 and 2013, the amount of active men is 9769.775 and 12596.6 thousand men respectively, and 1941.075 and 3205.6 thousand men unemployed.

80's Situation	Current Situation
$\frac{1941.075 \text{ Thousand}}{9769.775 \text{ Thousand}} \times 100 = 19.86\%$	$\frac{3205.6 \text{ Thousand}}{12596.6 \text{ Thousand}} \times 100 = 25.44\%$

The following equations show what mentioned above, but instead of taking the same percentage we will take the same amount of men, showing that the percentage of unemployment is higher for the 80's since there were less men actively in the labor market. For this we will cross the unemployed men in order to compare the percentages we get with the percentages above:

$\frac{3205.6 \text{ Thousand}}{9769.775 \text{ Thousand}} \times 100 = 32.81\%$	$\frac{1941.075 \text{ Thousand}}{12596.6 \text{ Thousand}} \times 100 = 15.41\%$
--	---

So we can see that the same amount of men unemployed gives a lower unemployment rate in the actual times in both cases due to the increase in activity, 32.81% and 25.44% in the 80's and now respectively if we take the unemployed men in 2013, and 19.86% and 15.41% if we take the unemployed in 1985.

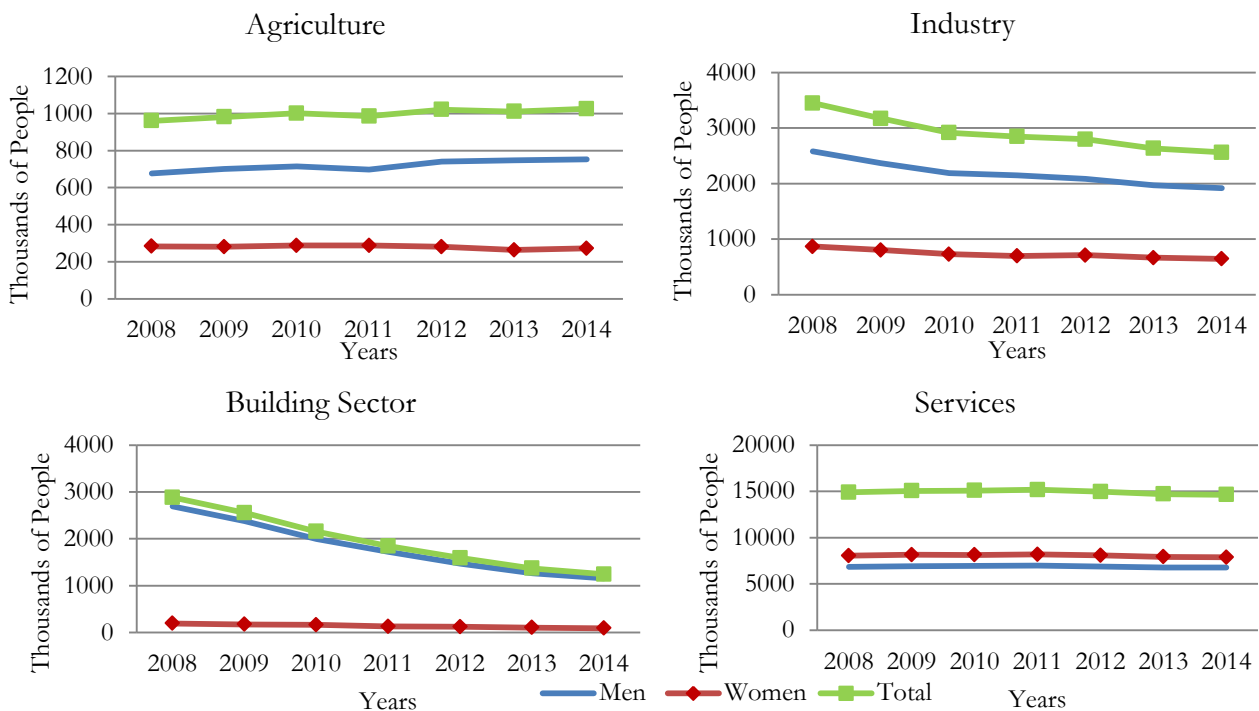
So in absolute terms we can say that the impact of the current crisis in the unemployment of men has been bigger than the one in the 80's, and also compared to that of women. This can be due to the fact that this crisis has been caused mainly by the housing bubble (Garcia Montalvo, J., 2009) and the activity in this sector is composed mainly of men, as we have seen in Figure 11.

6.1. Women By Sector

In order to continue with the differences among men and women in the labor market we will now see in which sectors the biggest differences are. Until now we have focused our attention on the gender differences at a national level, but if we look at Figure 16 which shows the activity rate by gender for every sector in the economy, we can see that the biggest differences, according to the total activity of each sector, are in the Building sector, Industry, Agriculture and finally Services, with a 93.3%, 74.86%, 70.5% and 45.95% of the workers being men in each sector respectively, in 2008.

FIGURE 16

NATIONAL ACTIVITY BY SECTORS (2008-2014)



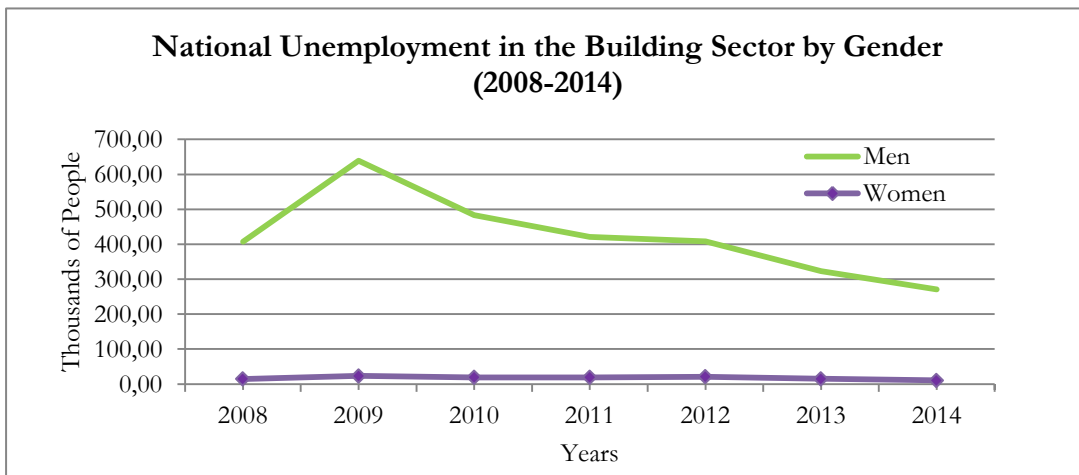
Sources: Own elaboration from Data by INE 3.20 [Ocupados por grupo de edad, sexo y sector económico](#) & 4.34 [Parados por grupo de edad, sexo y sector económico](#)

In Figure 16 we can see that as mentioned in Table 2 there are still inequalities between men and women. We can see that the biggest differences are in those sectors which require more physical activity, as it is the case of the Building Sector and Industry. This can also be told in the case of agriculture, but in this case we have to take into account that the amount of people working in this sector has been reduced a 58.41% from 1980 to 2008 due to the change in the economic structure, in which this sector has lost its importance in the economy. The curious thing is that even if the amount of people has been reduced that much the difference among men and women working in this sector has only been reduced a 3.3%. In the case of Services we can see that there is gender equality as long as activity is concerned, there are even more women than men.

So as just mentioned the building sector is the one with the biggest gender differences; we have seen the influence of this sector in the national market, now we will focus on the differences by gender of this sector and how each gender has been affected in this crisis, for this we will take a look at the 3 indicators that we have been using along this paper: Activity, Unemployment and Employment.

In Figures 17 & 18 we can see the unemployment and employment by gender in this sector during the actual crisis (2008-2014). These two Figures reflect clearly the insignificance of the presence of women in this sector; this group is not affected by economic cycles, since due to their low contribution their situation is almost the same in times of crises as in times of economic prosperity. But in the case of men, we can see that they are very affected in this sector, as we can see in Figure 16 the 93.3% of the workers in this sector are men, so as opposed to the case of women, men are very affected by economic cycles in this sector, as it is the case of the current crises. This can be seen in Figure 17, where we can see that the men unemployment increases a 56.93%. If we take into account that the current crises has been a caused by the Housing Bubble, it would make sense that men would be more affected, generally, in this crisis than women, we can see this in Figure 13, which shows the national unemployment rate by gender for both crises. By looking at this Figure, we can see that the unemployment rate has increased more in the case of men in the current crisis; the increase in the unemployment rate of women from 1985 to 2013 has only been a 1.57% while in the case of men the increase has been of a 5.73%.

FIGURE 17

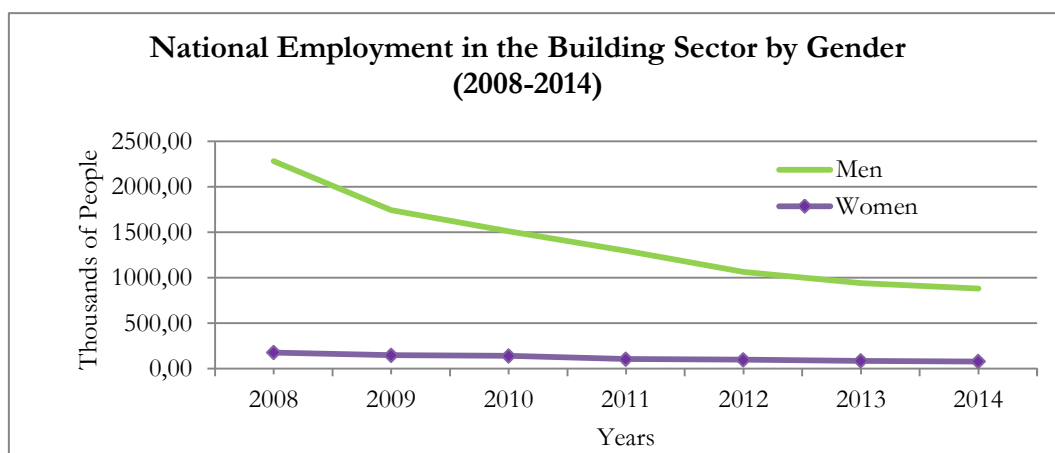


Sources: Own elaboration from Data by INE 4.34 [Parados por grupo de edad, sexo y sector económico](#)

After looking at Figure 13 we could say that men have been more affected by this crisis than women, due to the nature of the crisis, as mentioned before. This is not only due to the fact that the actual crisis has been caused by a sector which is mainly composed of men, but to the economic structure. In Figure 16 we see that all the sectors, except for the service sector, are mainly composed by men, and their great participation in the sector makes men more vulnerable in times of economic recessions. In the case of the building sector and industry, which are the sectors with higher gender differences, the activity of

men decreases during the crisis while the one of women keeps more or less constant along the period.

FIGURE 18



Sources: Own elaboration from Data by INE 3.20 [Ocupados por grupo de edad, sexo y sector económico](#)

Therefore we could say that although the inequality between men and women has been reduced a 36.04% in term of Activity Rate since 1978, it still persists, especially in those sectors which require a higher physical activity. This is not the case in the tertiary sector in which the activity rate is higher in the case of women; it has to be taken into account that this is a very important sector that constitutes a 72.1% of the Spanish GDP (R. Pampillón, 2014), so it is an important progress for the future of women in the labor market.

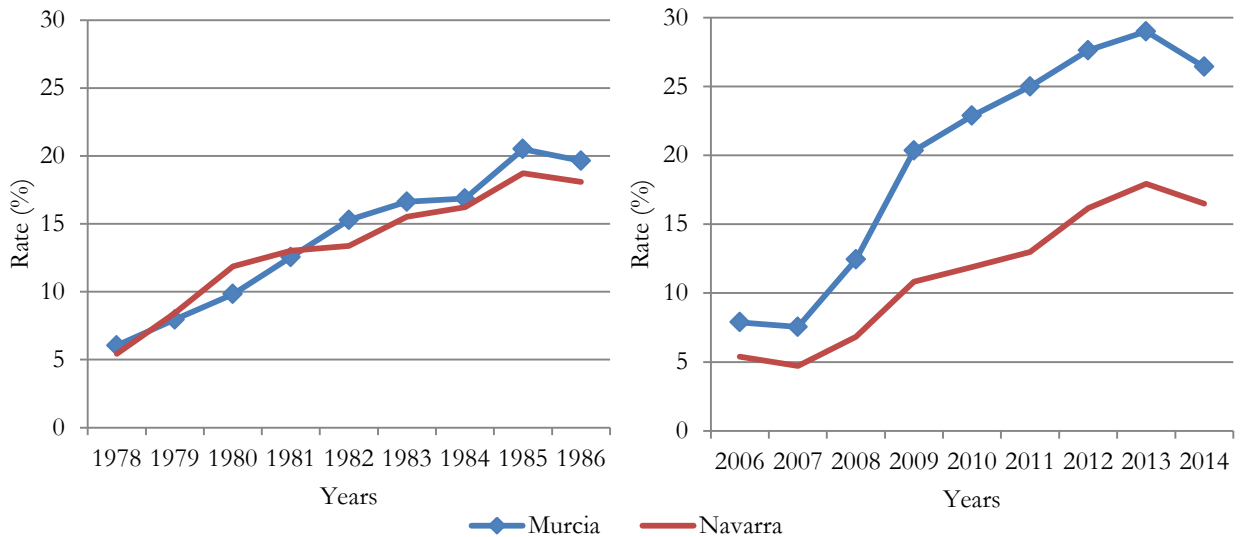
7. REGIONAL DIFFERENCES

In this section we will look at the different indicators by Region, for this we will compare Murcia, chosen as the South region, and Navarra chosen as the region in the North. This selection, as mentioned before, has been done due to the existent differences between the north and the south (Mars A. 2013), and the reason for choosing this two specific regions is that both are similar in terms of size, although the amount of population is very different, in Murcia there is more than twice the population of Navarra, with 1.466.818 and 640.790 people respectively. We will take this into account when looking at the data by Sector, since it is given in thousands of people, in order to make this data comparable between regions, we will use the working age population in each region, which in 2014 was of 1182.2 and 521.8 thousands of people in Murcia and Navarra respectively.

If we look at the Regional Rate of Unemployment in Figure 19, we can see that the differences with respect to the 80's crisis have increased from an average of 0.51% to 8.42% more unemployment in Murcia than in Navarra. It may be worth noticing that the

current crisis in Navarra has not surpassed the unemployment levels achieved in the 1980s, while for Murcia, the crisis that started in 2008 is far worse than the 1980s in terms of unemployment in the region, with almost a 10% more unemployment in the current crises peak compared to the one in the 80's.

FIGURE 19 **Unemployment Rate by Region**
(1978-1986/2006-2014)



Sources: Own elaboration from Data by INE [3.3 Tasas de actividad, paro y empleo por comunidad autónoma, sexo, distintos grupos de edad y tipo de tasa](#) & [4.4 Tasas de paro por distintos grupos de edad, sexo y comunidad autónoma](#)

Looking at this Figure we could say that the difference between Regions in the actual crisis has increased, as mentioned before the average difference between the regions observed has increased a 7.91% from one crisis to the other. But can we say that in times of crises or economic recessions the differences between regions increase?

Looking at Figure 19, we could not conclude that the divergence among regions is bigger in times of crises, since in the 80's this two regions were very similar in unemployment terms, although not in this crisis. A report by the Economic and Social Council (CES) on income distribution also highlights the increase in regional disparities, addressing the impact that innovation has had on it. We will examine this fact deeper by looking at regional differences by sector in the next section.

7.1. The Regions By Sectors

In this section, as just mentioned, we will see the main regional disparities looking at the different sectors in the economy. We have mentioned before that the data for this section

is given in thousands of people, and that the amount of people in Murcia is twice the one in Navarra, so we will be careful when looking at the data, taking this factors into account.

If we look at the economic structure in the current crisis in both regions, which is shown in Table 3 through the activity rate in each sector by region, we can see that the economic structure is very similar, but with some important differences. The importance of agriculture in terms of activity in Murcia is three times bigger than the one in Navarra, with an average difference of an 8.45%. This is a normal characteristic of regions in the south of Spain which are more focused on agriculture and the building sector rather than in industry (Bande, R., 2014).

TABLE 3

RELATIVE ACTIVITY BY SECTOR & REGION (%) (2008-2014)									
Navarra					Murcia				
	AGRICULT	INDUSTRY	BUILDING	SERVICES	AGRICULTUR	INDUSTRY	BUILDING	SERVICES	
2008	4,42%	27,74%	11,36%	56,48%	9,40%	14,93%	15,14%	60,53%	2008
2009	4,50%	28,82%	9,57%	57,11%	10,95%	13,28%	13,25%	62,53%	2009
2010	4,40%	25,09%	8,94%	61,56%	13,76%	12,31%	11,51%	62,42%	2010
2011	3,15%	24,91%	8,52%	63,43%	14,09%	12,46%	9,13%	64,32%	2011
2012	3,45%	25,54%	7,90%	63,11%	13,60%	13,21%	8,31%	64,88%	2012
2013	5,95%	25,80%	6,03%	62,22%	14,13%	12,79%	6,96%	66,12%	2013
2014	5,25%	24,82%	5,12%	64,81%	14,40%	12,68%	5,64%	67,27%	2014

Sources & Notes: Own elaboration from Data by INE [3.3 Ocupados por grupo de edad, sexo y sector económico, por comunidad autónoma](#) & [4.1 Parados por sector económico y comunidad autónoma](#). The rates in this table have been obtained by making the percentage according to each line total amount of people for each region.

The distribution of the relative activity shown in Table 3 makes it difficult in the south, in this case in Murcia, to create employment in the industry sector in situations like the current one. In the actual times, the unemployment is especially notorious in the building sector and in agriculture in the south compared to the north, as we can see in Table 4, which shows the relative unemployment by sector and region for the current crisis.

TABLE 4

RELATIVE UNEMPLOYMENT BY SECTOR & REGION (%) (2008-2014)									
Navarra					Murcia				
	AGRICULT	INDUSTRY	BUILDING	SERVICES	AGRICULTUR	INDUSTRY	BUILDING	SERVICES	
2008	3,07%	28,50%	17,24%	51,19%	12,95%	12,95%	26,95%	47,15%	2008
2009	2,85%	31,87%	18,53%	46,74%	13,44%	13,90%	32,18%	40,48%	2009
2010	7,98%	18,51%	19,57%	53,94%	21,50%	11,87%	21,31%	45,32%	2010
2011	6,87%	19,74%	15,34%	58,05%	20,95%	10,73%	18,08%	50,24%	2011
2012	2,45%	24,68%	18,97%	53,90%	19,91%	12,09%	18,61%	49,40%	2012
2013	6,82%	23,34%	10,23%	59,62%	18,80%	10,56%	14,88%	55,76%	2013
2014	5,24%	18,03%	6,08%	70,65%	19,12%	11,83%	10,59%	58,47%	2014

Sources & Notes: Own elaboration from Data by INE [4.1 Parados por sector económico y comunidad autónoma](#). The rates in this table have been obtained by making the percentage according to each line total amount of people for each region.

In this Table we see that the differences in unemployment are very much related to the differences in the relative activity shown in Table 3. The main problem in the current crisis in the south is that the two sectors with the biggest differences among regions have been very punished by the crisis, agriculture and the building sector. So in the southern regions, due to the small importance of the industry in the economy, compared to those regions in the north, an average difference in the activity of this sector of a 13.04% less activity in Murcia, it is difficult to create employment in industry in order to substitute the unemployment in those sector as agriculture or building sector.

TABLE 5

RELATIVE UNEMPLOYMENT BY SECTOR & REGION (%) (1980-1986)									
Navarra					Murcia				
	AGRICULTURE	INDUSTRY	BUILDING	SERVICES	AGRICULTURE	INDUSTRY	BUILDING	SERVICES	
1980	3,65%	32,88%	35,62%	27,85%	10,27%	28,78%	31,49%	29,46%	1980
1981	3,26%	22,61%	42,57%	31,57%	19,08%	26,90%	26,00%	28,01%	1981
1982	1,82%	26,32%	38,26%	33,60%	13,87%	25,22%	30,58%	30,34%	1982
1983	3,41%	25,69%	32,85%	38,05%	14,37%	29,09%	28,54%	27,99%	1983
1984	4,05%	28,32%	33,09%	34,54%	15,61%	26,66%	25,41%	32,33%	1984
1985	7,72%	36,29%	19,70%	36,29%	21,17%	26,74%	19,24%	32,84%	1985
1986	9,59%	37,18%	13,86%	39,38%	18,35%	25,30%	17,60%	38,76%	1986

Sources & Notes: Own elaboration from Data by INE [2.3 Parados por comunidad autónoma y sector económico \(5\)](#). The rates in this table have been obtained by making the percentage according to each line total amount of people for each region.

If we look at Table 5, which shows the relative unemployment by sector and region for the 80's crisis, we see that during the period analyzed the differences in unemployment in percentage terms were less severe, especially in the industry and building sectors.

So we could say that the main differences among regions have increased in the actual times with respect to the 80's crisis this could be explained by the wealth characteristics of the northern regions, as well as the mayor investment on innovation, which has had a great impact on the regional income distribution as reported by CES. These characteristics make northern companies stronger in times of crisis, enabling them to create more employment or to avoid higher unemployment.

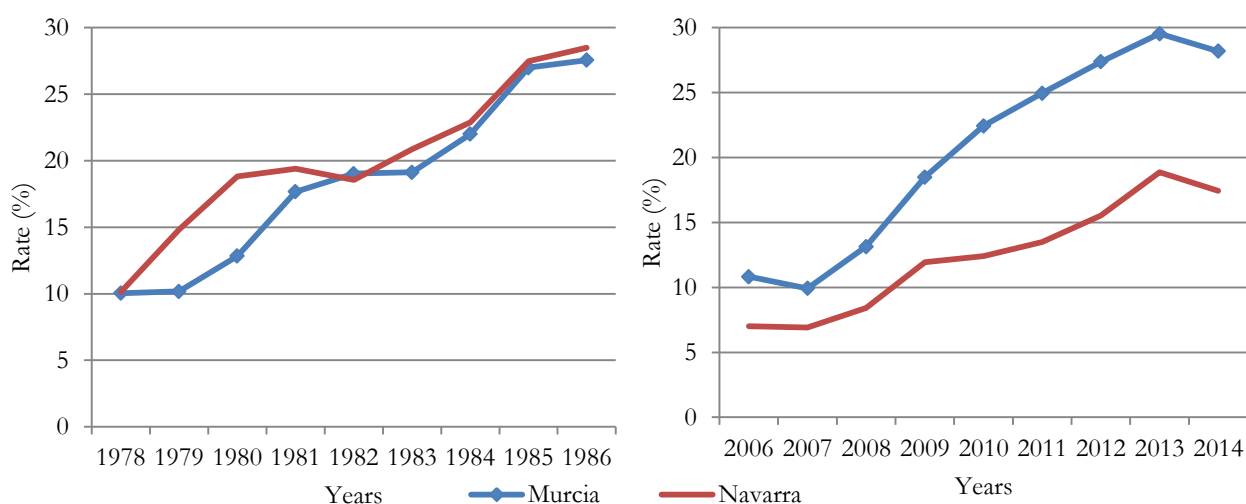
7.2. Women In The Regional Labor Market

In this section we will see women's situation in the two different regions of study, in order to see this gender's situation in each labor market. When looking at women situation in the labor market at a national level, we compare their situation with that of men; in this case the differences between men and women are in the same levels in both regions, following

the national distribution, so we will focus only in women, looking at the disparities between this gender in the different regions.

In Figure 20 we can see the women unemployment rate by region for both periods under study. It can be observed that the disparity in the rate of unemployed women between both regions is very different, with an average difference of 1.78% more unemployment in Navarra during the 80 and 8.09% more unemployment in Murcia in the current crisis, so the average increase in the unemployment difference from one crisis to the other has been of 9.87% more unemployment in Murcia.

FIGURE 20 Women Unemployment Rate by Region
1978-1986 / 2006-2014



Sources & Notes: Own elaboration from Data by INE [4.4 Tasas de paro por distintos grupos de edad, sexo y comunidad autónoma](#)

We can say that at a gender level, the differences are also bigger in the current crisis than in the 80's, being unemployment higher in the south than in the north. The reason for this difference could be explained by the level of education of women in each region which is shown in Table 6, for the school year 2008-2009.

TABLE 6

RELATIVE AMOUNT OF WOMEN REGISTERED IN UNIVERSITY STUDIES BY REGION (2008-2009)				
	1st and 2nd Cycle	Grade	Masters	PhD
Murcia	92,24%	2,15%	4,47%	1,14%
Navarra	84,15%	1,38%	6,42%	8,04%

Sources: Own elaboration from Data by INE [13.1 Alumnado matriculado en estudios universitarios por Comunidad autónoma, Tipo de estudio y Sexo.](#)

In this table we see that the amount of women with high education is considerably higher in Navarra than in Murcia, especially in the case of doctorate studies, with a difference of a 6.9%.

7.3. Convergence Or Divergence

Once the regional differences have been analyzed, we can say that the divergence between the north and the south has increased, as we have seen in this comparison between Navarra and Murcia. In the beginning we were suggesting that the divergence was because of the crises, but we have seen that it is only in this crisis that the differences increased to significant levels, since Murcia and Navarra had similar situations in the 80's, excluding agriculture, since in the south this sector has always had more importance than in the north. The recession and essentially the real estate collapse have destroyed part of the achievements of convergence between regions in terms of income that had been achieved since 2000 (Mars, A., 2013), we see that this is also the case of unemployment.

So we can conclude that the divergence between regions has increased to significant levels in the current crisis, and makes visible the differences in terms of wealth, which makes it difficult for poorer regions to develop their economies and they are left behind while developed regions keep increasing the distances through innovation and investments, improving even more their economies.

8. CONCLUSION

The implemented analysis comparing the 80's and the current crisis enables us to say that the main differences of these two crises lie in the different sectors, gender and regions. Although we cannot conclude that one crisis is worse than the other in general terms of unemployment, as we have seen in Figure 4, which shows the unemployment rate with respect to activity rate in order to make the crisis comparable due to the differences in activity between both crises.

From a sectorial point of view, we can see that the differences are very much related to the origins of each of the crises, as well as the change in the economic structure. In the 80's crisis the most affected sectors were agriculture, which at that time represented 18.6% of employment (Pampillón. R., 2014) and industry which was affected by the increase in oil prices that caused the crisis at that time. On the other hand, in the current crisis the most affected sectors have been the building sector, due to the nature of the crisis which was mainly caused by the housing bubble, and services which have seen their activity affected

by the decrease in the disposable income of people caused by the crisis, this has impacted especially on tourism.

As long as gender is concerned, the main difference has been reflected on the national activity rate of women shown in Figure 12, where we can see that the participation of women in the labor market has almost doubled, with an increase of a 25.67%. In the case of gender differences, the actual situation has also seen this improved, with an average reduction of 1.79% in the unemployment differences, as has been seen in Figure 13. But even though the gender differences have been reduced, they still persist, especially on those sectors that require higher physical activity.

Finally we see that in the case of regional differences the divergence has increased a 9.32% in terms of unemployment since 1978 as we can see in Figure 19. The recession caused by the current crisis and the housing bubble have revealed that the southern regions remain weaker than those in the north in terms of income and unemployment, addressing the impact that innovation has had on it, and making it harder for those in the south to catch up with the achievements of convergence that had been achieved since 2000 (Mars, A., 2013).

In conclusion we can say that the differences between both crises lie on the nature of each crisis, as well as in the economic structure, excluding the gender case which is due to development of Spain along the years and the social concern for opportunity equalities. As we have seen in the sectorial part each crisis affects the sectors that are related to the nature of the crisis, and this affects at the same time the regional distribution of unemployment due to the lack of reaction capacity of some regions, increasing disparities and causing divergence.

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