

EMPLOYMENT AND UNEMPLOYMENT IN 2013 ACCORDING TO THE SPANISH LABOUR FORCE SURVEY

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Introduction

According to the Spanish Labour Force Survey (“EPA” by its Spanish abbreviation), in 2013 Q4 employment decreased by 65,000 with respect to the previous quarter, which, in seasonally adjusted terms, translates into an increase, for the first time since mid-2008, of around 37,000 (0.2%). More than half a million jobs were destroyed in the year as a whole, representing a fall of 3.1% compared with –4.5% in 2012. By sector of activity, in construction and market services the pace of job destruction slowed, and in the case of market services employment even posted a year-on-year increase in the last quarter (0.9%). Conversely, in industry and non-market services the pace of decline rose in 2013, although the quarterly profile showed a gradual improvement (see Table 1). By type of employment, noteworthy, on one hand, was the slower fall in temporary employees during the year, which even grew by 2.5% in the October-December period, and, on the other, the rise in part-time workers (6.5%), compared with a further decrease in full-time workers (5.7%).

Other indicators, such as social security registrations and employment data of the Quarterly National Accounts (QNA) throughout 2013 followed a similar pattern to that of persons in employment as per the EPA (see Chart 1), gradually improving as the year progressed. In Q4, social security registrations showed an increase in employment in quarter-on-quarter terms (0.4%) in the seasonally adjusted series which extended into early 2014.

As for the labour supply, in 2013 the labour force declined considerably (by –1.3% compared with –0.2% in the previous year), as a result of the drop in the working age population (of 0.6%) and a slight decrease in the aggregate participation rate to 59.6% (see Table 2). By nationality, the drop in those working or seeking work was a result of the downward trend of foreigners since 2010 and of the decline in the Spanish labour force (–0.6%).

These contractionary developments of the labour supply contributed to moderating the rise in unemployment, amounting to 226,000 in the year as a whole compared with the increase of 70,000 in the previous year. The annual average number of individuals unemployed was close to six million, which represents 26.4% of the labour force [1.4 percentage points (pp) more than in 2012]. During the year, however, the trend in unemployment moderated substantially to the point that the number of unemployed showed a year-on-year decrease of 69,000 in Q4, which put the unemployment rate at 26%, identical to that recorded a year ago (see Table 3). Officially registered unemployment also ended the year by declining in year-on-year terms by –1.8% in Q4.

Employment

In 2013 Q4 the fall in employment slowed notably, dropping by 199,000 with respect to the same period in 2012, which is equivalent in seasonally adjusted terms to an increase in employment, for the first time since mid-2008, of approximately 0.2%. The year-on-year rate stood at –1.2%, compared with –2.9% in Q3 (see Table 1). For the population aged between 16 and 64, which is customarily used for international comparisons, these developments left the employment rate at 55.4%, the same as that recorded a year ago.

EMPLOYMENT PERFORMANCE ACCORDING TO THE EPA (a)
Year-on-year rates of change (%)

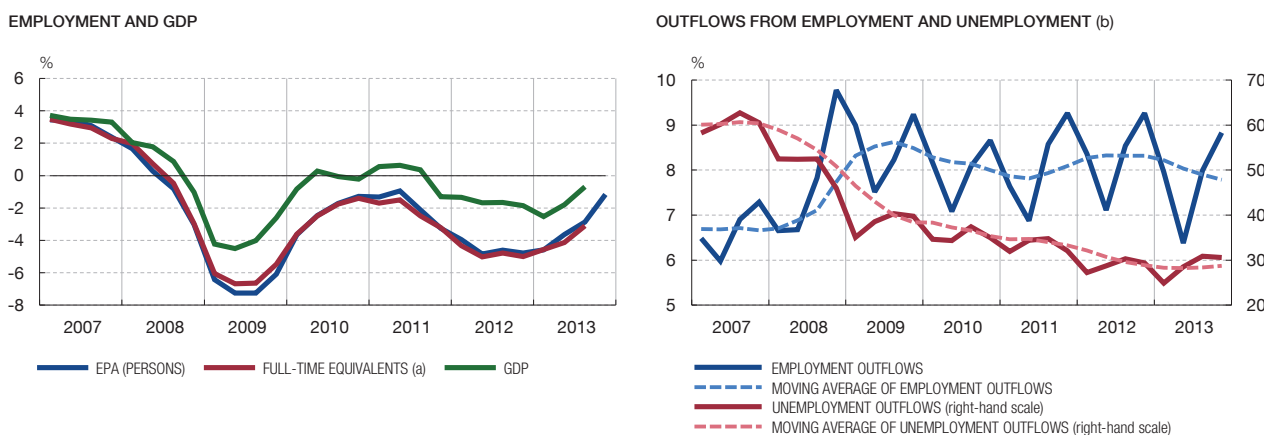
TABLE 1

	2011	2012	2013	2011					2012					2013			
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Employed	-1.9	-4.5	-3.1	-3.3	-4.0	-4.8	-4.6	-4.8	-4.6	-3.6	-2.9	-1.2					
Employees	-1.6	-5.7	-3.8	-3.2	-4.7	-5.9	-6.2	-6.1	-5.5	-4.7	-3.4	-1.4					
By length of contract																	
Permanent	-2.1	-3.6	-3.4	-3.4	-3.4	-3.5	-3.7	-3.6	-3.5	-4.0	-3.8	-2.5					
Temporary	0.1	-12.1	-4.8	-2.5	-8.6	-12.7	-13.4	-13.5	-12.1	-6.9	-2.3	2.5					
By length of working day																	
Full-time	-2.3	-6.9	-5.7	-3.6	-5.1	-6.8	-7.6	-8.0	-7.8	-6.8	-5.0	-2.9					
Part-time	2.9	1.1	6.5	-0.7	-2.3	-0.4	2.1	5.3	7.1	6.4	5.7	6.6					
Self-employed	-3.6	1.4	0.1	-3.7	-0.3	0.3	3.7	1.8	0.0	1.3	-0.4	-0.4					
Employed persons by industry																	
Agriculture (1)	-4.1	-0.9	-1.1	0.5	-0.9	-1.2	1.8	-3.0	-6.8	3.9	-2.1	0.9					
Manufacturing (2)	-2.1	-4.9	-5.7	-3.7	-3.2	-5.4	-5.2	-5.7	-5.8	-5.7	-6.6	-4.6					
Construction (3)	-15.6	-17.6	-11.4	-18.8	-20.6	-16.6	-17.1	-15.9	-11.5	-14.2	-10.8	-8.9					
Services	0.0	-3.3	-2.0	-1.6	-2.4	-3.7	-3.6	-3.6	-3.6	-2.7	-1.5	0.0					
Market (4) (a)	-0.7	-3.1	-0.8	-1.9	-2.8	-3.9	-2.7	-3.0	-2.1	-1.5	-0.5	0.9					
Non-market (a)	1.6	-3.9	-4.7	-0.8	-1.5	-3.2	-5.7	-5.2	-6.9	-5.5	-4.0	-2.2					
Market economy (1 + 2 + 3 + 4)	-2.9	-4.7	-2.6	-4.0	-4.7	-5.3	-4.3	-4.6	-3.9	-3.1	-2.6	-0.9					
Employed persons by educational level (b)																	
Low	-12.3	-15.3	-11.4	-15.7	-15.8	-16.6	-14.6	-14.1	-14.7	-12.6	-11.1	-6.8					
Medium	-1.4	-4.2	-2.7	-2.5	-3.1	-4.5	-4.4	-4.8	-3.9	-3.2	-2.6	-0.9					
High	2.1	-0.8	-1.0	0.8	-0.6	-0.4	-1.0	-1.1	-2.3	-1.3	-0.4	0.1					
Employed persons by nationality																	
Spanish	-1.2	-4.0	-2.5	-2.4	-3.2	-4.2	-4.3	-4.4	-4.0	-3.3	-2.0	-0.6					
Foreign	-6.5	-8.1	-7.1	-8.5	-9.2	-9.0	-6.8	-7.5	-8.5	-6.1	-8.6	-5.1					
MEMORANDUM ITEMS																	
Year-on-year changes, in 000s of persons																	
Total persons employed	-352	-823	-532	-601	-719	-886	-836	-850	-799	-634	-497	-199					
Levels, as a %																	
Employment rate (16-64)	58.5	56.2	55.2	57.6	56.5	56.5	56.3	55.4	54.5	55.1	55.5	55.4					
Ratio of salaried employees	83.4	82.4	81.8	83.3	82.7	82.7	82.2	82.1	81.8	81.8	81.7	82.0					
Temporary employment ratio (c)	25.3	23.6	23.4	25.0	23.8	23.7	24.0	23.0	22.1	23.1	24.3	23.9					
Part-time employment ratio (c)	14.6	15.6	17.3	14.6	15.2	15.9	15.2	16.3	17.2	17.7	16.6	17.6					

SOURCES: INE and Banco de España.

- a** Non-market services encompass: public administration and defence, compulsory social security; education; human health and social work activities. The remainder are market services.
b Low: no or only primary education; high: tertiary education.
c Figures are a percentage of salaried employees.

On the disaggregated information of the EPA, the slowdown in the year-on-year rate of decline in employment is attributable to both lower outflows from employment and to a rise in outflows from unemployment, which in the last two quarters were higher than in 2012 (see right-hand panel of Chart 1). The increase in unemployment outflows was centred on temporary employment, although there was also a slight rise in those to permanent employment. In 2013 as a whole, the slackening of job destruction flows was rather widespread both by sector of activity and by sex or age, although worth noting is the lower destruction of jobs among individuals with lower levels of education. Unemployment outflows were uneven in 2013. Thus, employment inflows for men increased, while they



SOURCE: INE.

- a Full-time equivalent jobs from the National Accounts.
- b As a percentage of the source population, i.e. the employed for the employment outflow rate, and the unemployed for the unemployment outflow rate. Calculated on the common sample of each two consecutive quarters taken from EPA microdata. Unemployment outflows include both those to employment and those to inactivity. Moving averages are the average of the last quarter and the three preceding ones.

continued to decrease for women. In terms of the duration of unemployment, the improvement was centred on the unemployed who had been out of work for less than a year.

Returning to the aggregate data, the slowdown of job destruction was seen in all sectors of activity, and employment even grew in agriculture and market services. In agriculture, the persons employed increased by 0.9% year-on-year, after tracing a rather erratic path over the year. In market services, employment rose by 0.9% (-0.5% in Q3), resulting mostly from a significant improvement in accommodation and food service activities, although the increases in employment in transport and storage activities and the stability of employment in wholesale and retail trade also contributed. In industry the rate of decline in employment moderated by 2 pp to -4.6%, similar to the moderation seen in construction, a sector in which job destruction continued vigorously (-8.9%). In the market economy overall, employment fell by 0.9% in Q4, compared with -2.6% in Q3.

In the non-market sectors as a whole, employment decreased by 2.2% (-4% in Q3), while the adjustment in education and health came to a halt and employment in these sectors rose by 0.9%. In the general government sector, employment continued to fall (-4.2%), albeit at a lower rate than in the first half of the year. By level of government, the pace of decline slowed both in central government (-7.3%) and in regional government (-5.8%), while employment in local government rose once more (2.4%). By contract type, in the non-market sectors as a whole, the rate of decrease of temporary workers eased (from 8.5% in the previous quarter to 0.6%), and permanent employees showed a higher decline (-3.1%).

In the economy as a whole, the self-employed posted a decline of 0.4% at end-2013, in line with what was seen in the previous quarter while the decline in salaried employees eased to -1.4%, 2 pp lower than in Q3. This recovery in wage-earners centred on those with a temporary contract, whose numbers grew 2.5%, while the fall in permanent employees moderated to -2.5% (see Chart 2). The temporary employment ratio stood at 23.9%, 0.9 pp higher than a year ago, the second consecutive increase after declining for a year and a half.

	2011	2012	2013	2011				2012				2013			
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Year-on-year change (%)															
Labour force	0.1	-0.2	-1.3	-0.1	0.0	-0.1	-0.2	-0.7	-1.0	-1.5	-1.6	-1.2			
Spanish nationals	0.6	0.4	-0.6	0.3	0.4	0.5	0.5	0.1	-0.3	-0.7	-0.9	-0.5			
Foreign nationals	-2.8	-3.6	-5.5	-2.3	-2.1	-3.5	-3.8	-5.0	-5.1	-6.1	-5.7	-5.0			
Population above age 16	0.0	-0.2	-0.6	0.0	0.0	0.0	-0.2	-0.5	-0.6	-0.6	-0.7	-0.6			
Spanish nationals	0.3	0.1	-0.1	0.2	0.2	0.2	0.1	0.0	-0.1	-0.1	-0.2	-0.1			
Foreign nationals	-1.8	-2.3	-4.3	-1.9	-2.0	-1.5	-2.2	-3.6	-4.3	-4.3	-4.8	-3.6			
Level, as % of the population in each category															
Participation rate	60.0	60.0	59.6	59.9	59.9	60.1	60.1	59.8	59.7	59.5	59.6	59.4			
Age 16 to 64	74.7	75.1	75.0	74.7	74.9	75.1	75.3	75.0	75.0	74.9	75.1	75.1			
By sex															
Male	67.4	66.9	66.2	67.3	66.9	67.1	67.2	66.5	66.3	66.1	66.4	65.9			
Female	52.9	53.4	53.3	52.9	53.4	53.4	53.4	53.4	53.4	53.3	53.1	53.3			
By age															
Age 16 to 29	62.5	61.1	59.7	61.3	60.7	61.3	62.2	60.0	59.8	59.3	60.9	58.9			
Age 30 to 44	88.6	89.1	89.3	88.8	89.2	89.0	88.8	89.4	89.4	89.3	88.9	89.8			
Age 45 or more	42.1	42.8	42.9	42.4	42.6	42.9	42.9	42.9	42.8	43.0	42.9	43.0			
By educational level (a)															
Low	27.2	26.0	25.0	26.7	26.4	25.9	26.0	25.5	25.2	24.8	25.1	24.9			
Medium	71.1	70.7	69.6	70.8	70.8	71.2	70.8	70.1	70.1	69.9	69.6	69.1			
High	81.3	81.9	81.1	81.2	81.7	81.8	81.8	82.1	81.6	81.2	80.5	81.0			
By nationality															
Spanish nationals	57.8	58.0	57.7	57.8	57.8	58.0	58.2	57.8	57.7	57.7	57.7	57.6			
Foreign nationals	76.1	75.1	74.1	75.8	75.8	75.1	74.7	74.8	75.2	73.7	74.0	73.7			

SOURCES: INE and Banco de España.

a Low: no or only primary education; high: tertiary education.

As has been the case since 2008, the number of full-time employees decreased sharply in 2013 (-5.7% over the year as a whole), although the rate moderated as the year progressed, standing at -2.9% in the last quarter. Part-time employment, however, grew robustly in this quarter (6.6%), in line with its performance over the year as a whole. As a result of these developments, the part-time employment ratio edged higher by 1.7 pp to 17.3% in 2013.

In terms of nationality, the pace of job destruction eased for both Spanish nationals and foreigners, but more significantly for the former (decreasing from -4% to -2.5%), than for the latter, who shed jobs at a rate of -7.1% (see Chart 3). The breakdown by sex shows that for males, the group hardest hit by the crisis, there was a greater slowdown in job losses. By age, the rate of decline in employment moderated more sharply for young people but remained at highly negative rates (-4.6%) at year-end, a period when it improved significantly for the other age groups. In terms of level of educational attainment, the decline in employment eased across the board during the year, although it remained high among the lower skilled (-6.8% in Q4).

Labour force

The labour force shrank by 1.2% in 2013 Q4, owing to the decrease in the population over age 16 (0.6%) and the further slide in the participation rate to 59.4%, 0.4 pp lower than a year earlier. The fall in population continued to be steeper among foreigners (-3.6%) than

CHANGES IN UNEMPLOYMENT ACCORDING TO THE EPA

TABLE 3

	2011	2012	2013	2011	2012				2013			
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Year-on-year change (%)												
Unemployed	7.9	15.4	3.9	12.3	14.9	17.8	16.1	13.1	10.0	5.0	2.2	-1.2
Level, as % of the working population in each category												
Unemployment rate	21.6	25.0	26.4	22.8	24.4	24.6	25.0	26.0	27.2	26.3	26.0	26.0
By sex												
Male	21.2	24.7	25.8	22.5	24.1	24.6	24.7	25.6	26.8	25.6	25.5	25.3
Female	22.2	25.4	27.0	23.3	24.9	24.7	25.4	26.6	27.6	27.1	26.5	26.9
By age												
Age 16 to 29	35.0	40.8	43.0	36.4	39.6	40.2	40.7	42.7	44.6	43.3	41.7	42.2
Age 30 to 44	20.0	23.1	24.1	21.5	22.7	22.6	22.8	24.2	25.0	23.8	23.7	23.9
Age 45 or more	16.1	19.3	21.2	17.3	18.7	19.1	19.6	20.0	21.3	21.1	21.1	21.1
By educational level (a)												
Low	32.6	38.1	40.3	34.9	36.9	37.6	38.5	39.4	41.4	39.8	40.5	39.4
Medium	23.3	27.0	28.5	24.5	26.6	26.7	26.8	28.0	29.2	28.6	27.9	28.2
High	11.3	13.3	14.4	12.1	12.4	12.6	13.7	14.6	15.0	13.9	14.4	14.4
By nationality												
Spanish nationals	19.6	23.1	24.6	20.7	22.2	22.7	23.3	24.2	25.1	24.7	24.2	24.3
Foreign nationals	32.8	36.0	37.1	34.8	36.9	35.8	34.8	36.5	39.2	35.7	36.8	36.6
Long-term unemployment												
Incidence (b)	48.2	52.5	58.5	50.0	50.0	52.2	52.5	55.0	56.3	58.4	58.5	60.9

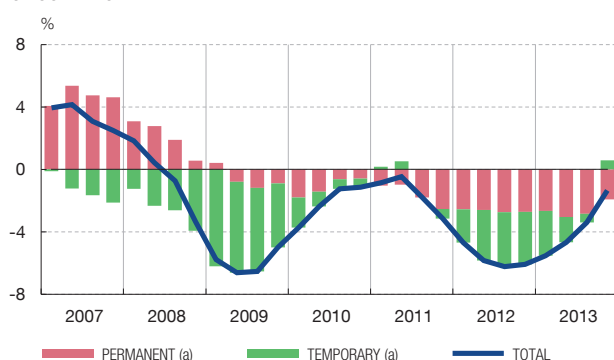
SOURCES: INE and Banco de España.

- a Low: no or only primary education; high: tertiary education.
- b Those unemployed more than one year as a percentage of the total unemployed.

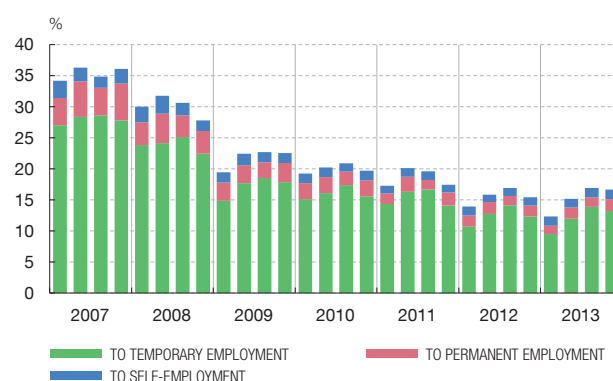
EMPLOYMENT
Year-on-year rates from original time series

CHART 2

SALARIED EMPLOYEES ACCORDING TO THE EPA: BREAKDOWN BY LENGTH OF CONTRACT



UNEMPLOYMENT OUTFLOWS, BY TYPE OF EMPLOYMENT OBTAINED (b)



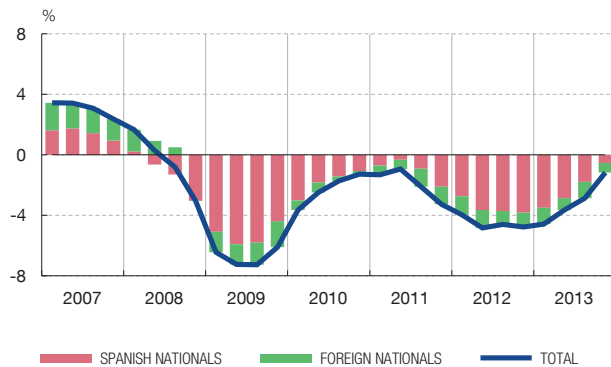
SOURCES: INE and Banco de España.

- a Contributions to year-on-year rate of change.
- b As a percentage of the unemployed. Calculated on the common sample of each two consecutive quarters taken from EPA microdata.

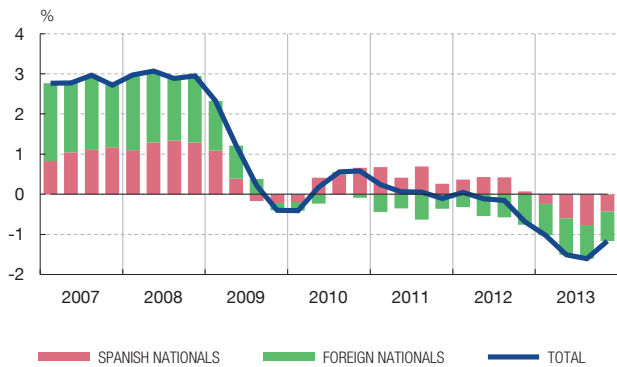
EMPLOYMENT AND LABOUR FORCE
Year-on-year change and contribution by nationality

CHART 3

EMPLOYMENT



LABOUR FORCE

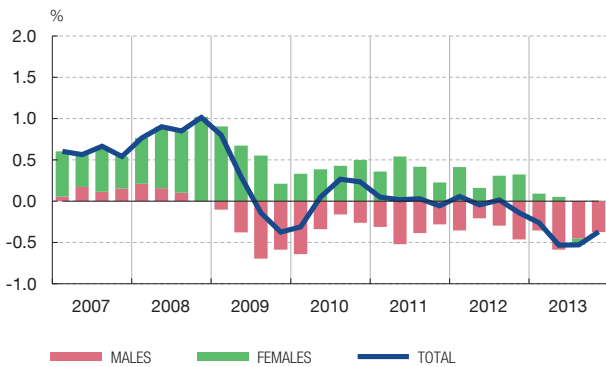


SOURCES: INE and Banco de España.

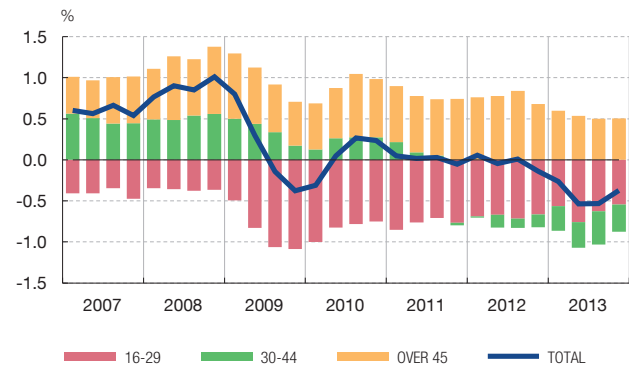
PARTICIPATION RATE
Year-on-year change and contribution by sex and age

CHART 4

CONTRIBUTION BY SEX



CONTRIBUTION BY AGE



SOURCES: INE and Banco de España.

among Spanish nationals (-0.1%), although the rate of decline of the former eased in comparison with previous quarters.

If individuals over age 65 are excluded from the participation rate, as is customary in international comparisons, it would stand at 75.1% in Q4, 0.1 pp higher than a year ago. By nationality, the participation rate declined for both groups (Spanish nationals and foreigners) and for the first time since 2010 for Spanish nationals. The breakdown by sex shows that the participation rate for females decreased slightly by 0.1 pp to 53.3% in the year as a whole, after the upward trend of recent years, and that for males declined to 66.2%.

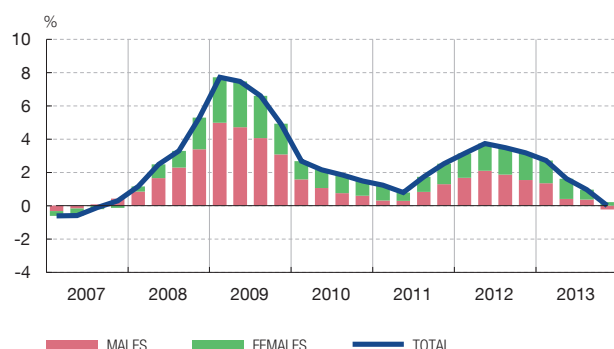
In terms of age group, in 2013 the participation rate only fell in those aged under 30, for whom it dropped to 59.7%, 0.4 pp down on its level in the previous year. By level of education, last year the participation rate of university graduates declined by 0.8 pp to 81.1%, while individuals with a lower level of educational attainment whose participation rate is still the lowest (at 25%, 1 pp lower than in 2012) saw a moderation in the fall under way since 2009.

UNEMPLOYMENT RATE

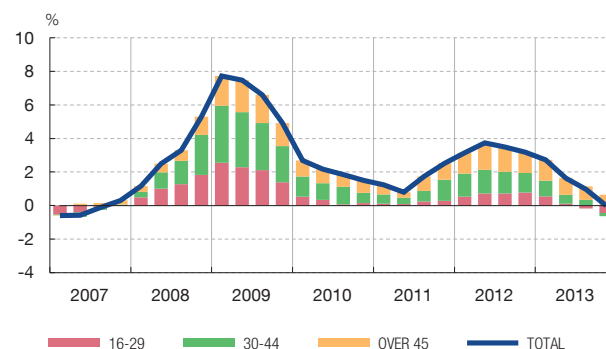
Year-on-year change and contribution by sex and age

CHART 5

CONTRIBUTION BY SEX



CONTRIBUTION BY AGE



SOURCES: INE and Banco de España.

Unemployment

In 2013 Q4 the number of unemployed decreased by 8,400, and by even more (around 77,000, or -1.3%) if seasonal effects are stripped out. This situation is similar to that in registered unemployment which, on data up to January 2014, continued its downward trend to post a year-on-year fall of 3.3%. The unemployment rate held steady in Q4 at 26%, unchanged from the same period of the previous year (see Table 3). The estimate of the seasonally-adjusted unemployment rate decreased by 0.3 pp with respect to the previous quarter.

The female unemployment rate rose by 1.5 pp in 2013 to 27%, while the male rate increased by 1 pp to 25.8%. Both rates, however, showed progressively more moderate increases during the year, and even, in the case of males, posted a negative year-on-year change at year-end (see Chart 5). The same occurred in the unemployment rates of the youngest age group (below age 30) and of the intermediate groups, which in 2013 Q4 stood below their value a year earlier. By contrast, in the case of persons over age 45, although they have the lowest unemployment rate of the three groups, it continued to grow throughout the year, ending 2013 at 21.1%, 1 pp higher than at end-2012. The unemployment rate for those with a lower level of educational attainment again increased the most (by 2.2 pp to 40.3%). The rate of unemployment rose once more in the other groups, although the year-on-year rise moderated over the year, to the point of falling by 0.2 pp in Q4 in persons with university studies.

Lastly, the number of unemployed out of work for more than one year increased sharply again in 2013 to stand at more than 3.5 million, raising the incidence of long-term unemployment to 58.5% in the year as a whole, 6 pp more than in 2012, and to 60.9% in Q4. The data broken down by sex or age show that the incidence of long-term unemployment rose across the board, although less so among young people, where it was 53%, significantly below the figure of 67% in persons aged 45 to 64.

14.2.2014.

