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**UIMP** Universidad Internacional  
Menéndez Pelayo

**3rd Banco de España-CEMFI-UIMP Conference on the Spanish Economy**

**“Spain’s productivity and labor market performance and the (lack of)  
convergence to the EMU”**

UIMP, Santander, 4 - 5 July 2024

On the lack of convergence in employment rates

Florentino Felgueroso

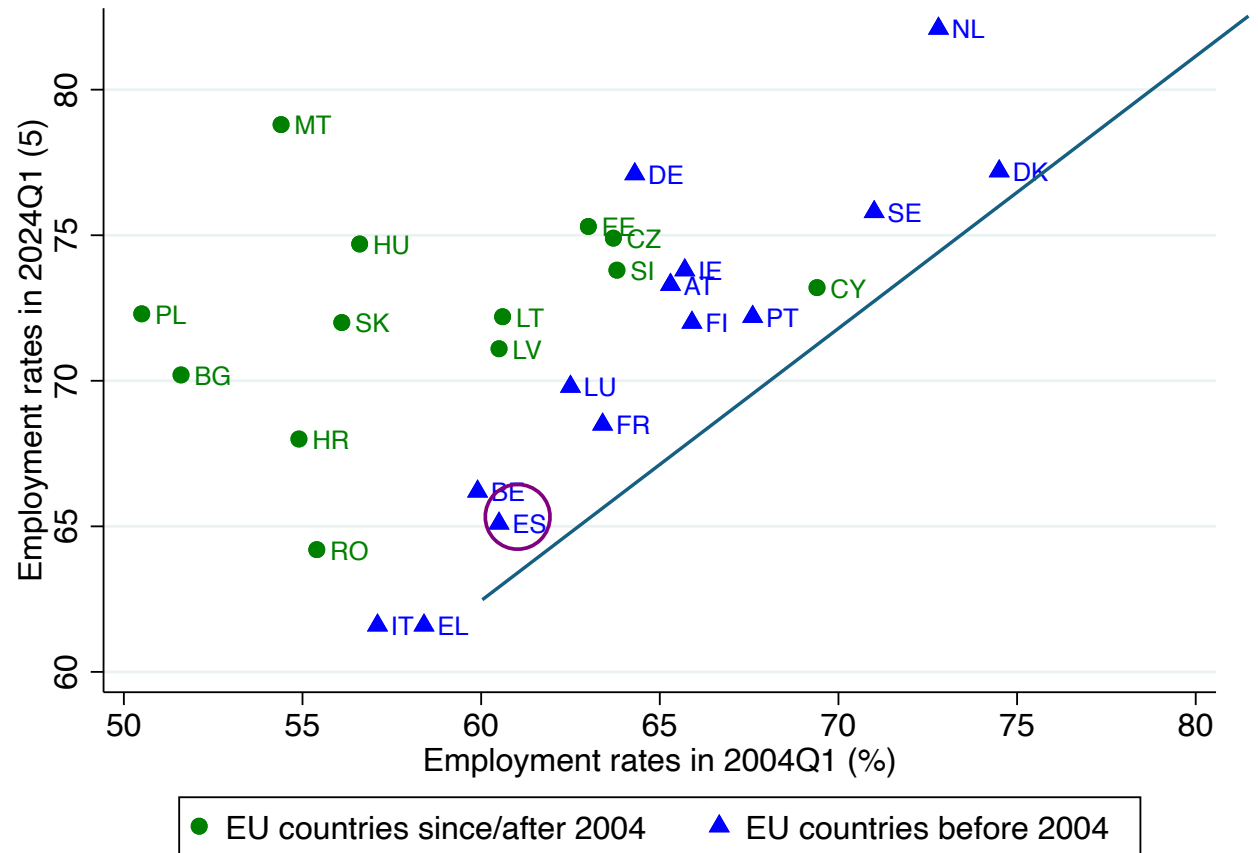
Fedea

In 2004, Spain was in 17th position in the EU27 employment rate ranking. Today, it is in 24th position.

Since May 2004, 13 countries joined the EU (in green circles).

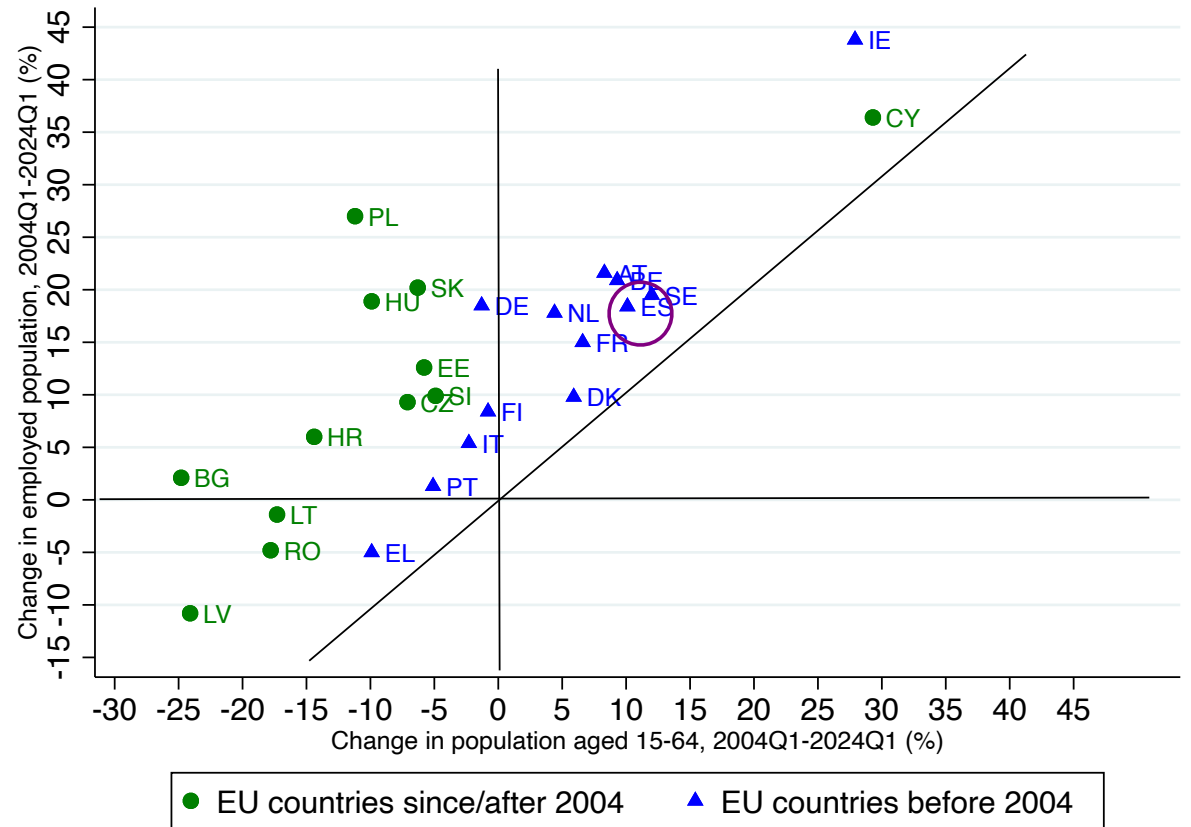
Most of them had lower employment rates than the Spanish one (-2 p.p on average). Today they surpass Spain by 7.3 p.p.

Employment rates in EU countries: 2004 vs 2024 (% , Q1, Eurostat)



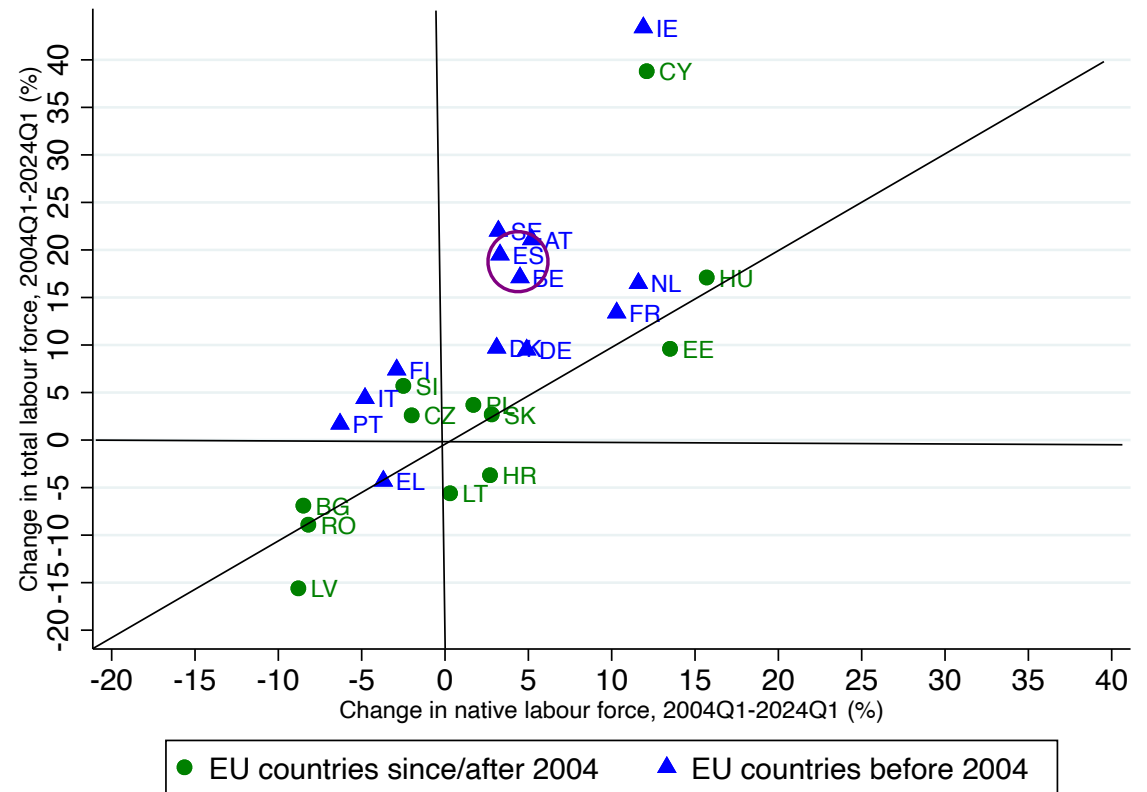
... However, most of the countries that joined in 2004 lost population. Spain grew both in population and employment

**Changes in population and employed persons  
(%, 2004-2024, Q1)**



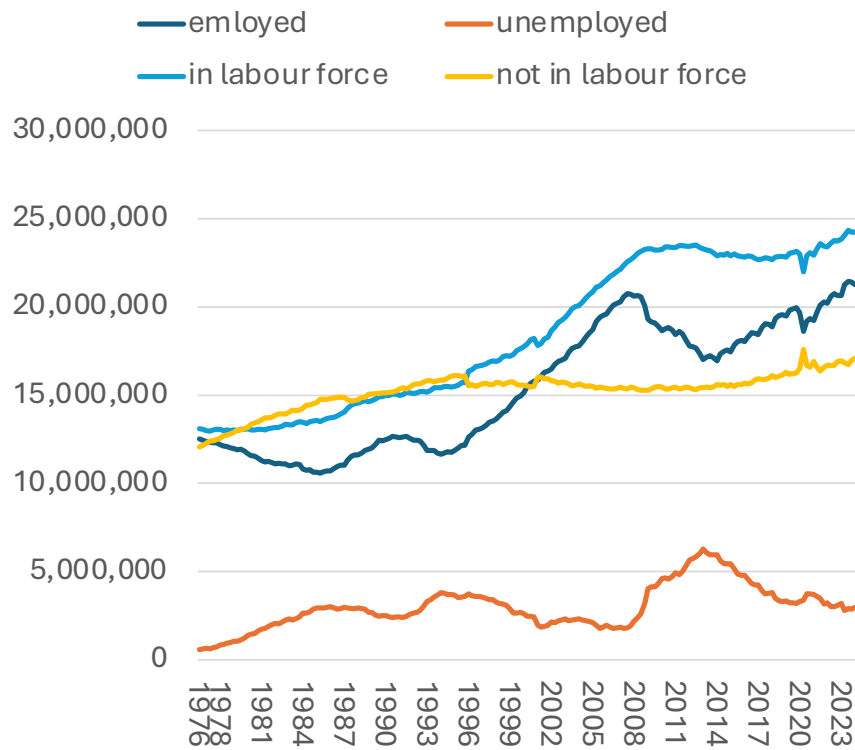
Spain in the same group as Sweden, Austria and Belgium: significant growth in the total labor force with a moderate increase in the native labour force.

**Changes in labour force: total vs native active population, 15-64 years old, 2004-2024, Q1, (%)**

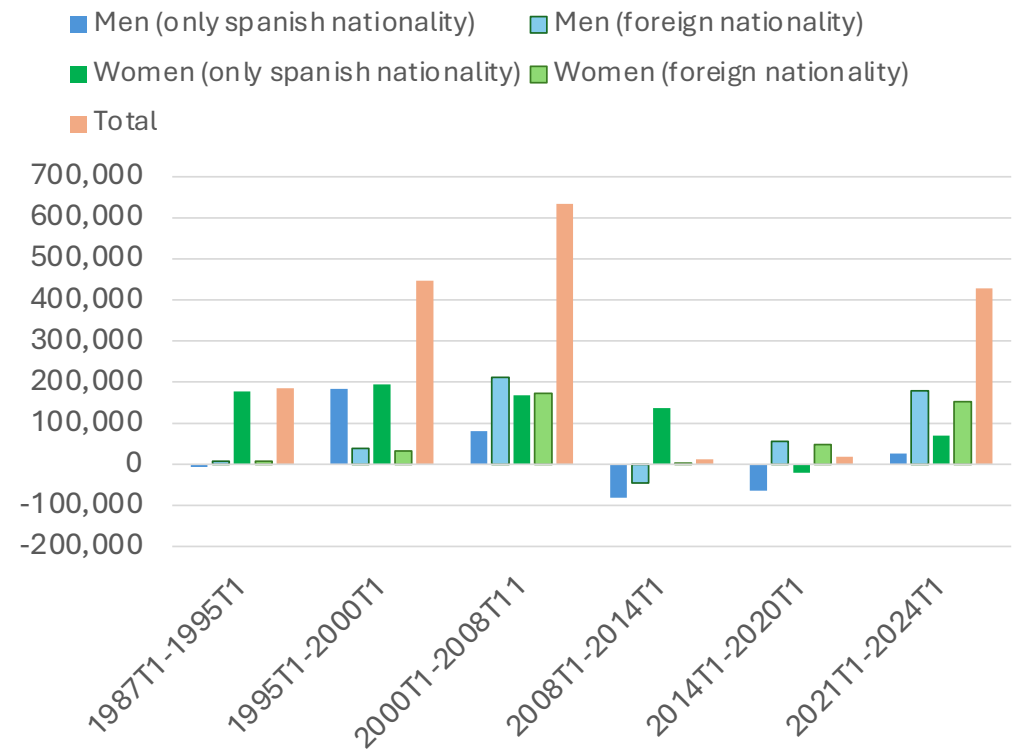


After the pandemic, we have returned to the path of employment growth that began at the end of the Great Recession. labour force participants are growing again after a long period of stagnation (2008-2019). This growth is almost exclusively due to immigrants. The growth in the number of active native women has slowed down since after the end of the Great Recession.

**Evolution of population aged 16-64 by labour status (Spain, 1976-2024, EPA)**



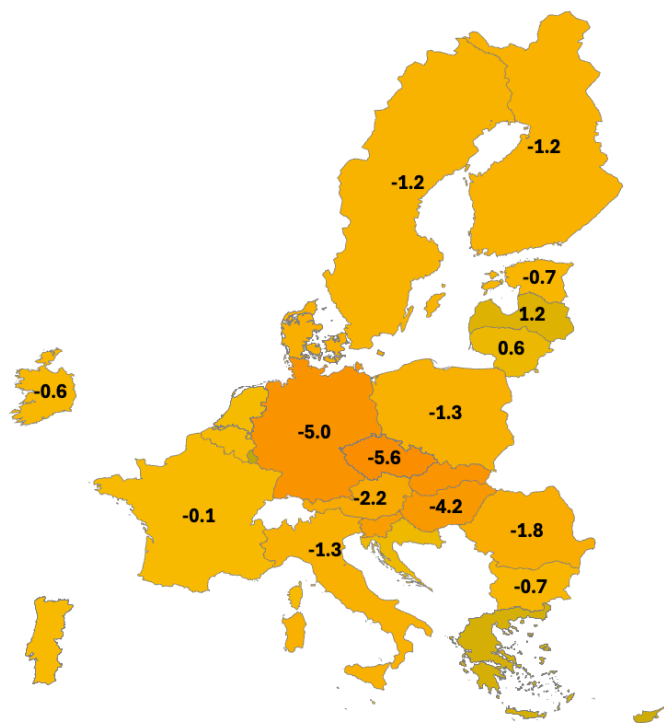
**Changes in labour force by gender and nationality (Average annual growth, Spain, 1987-2024 Q1, EPA)**



... but the lack of convergence is not only due to demographic adjustment

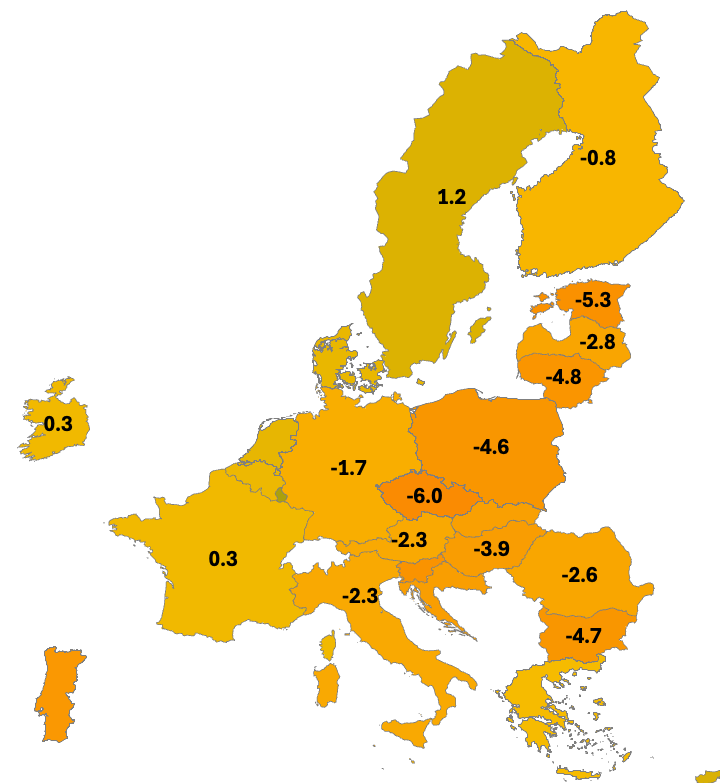
Employment in High and medium high-technology manufacturing / Population 15-64: differences between Spain and EU countries (2023, Eurostat)

High and medium high-technology manufacturing -23.0 0.0 10.0




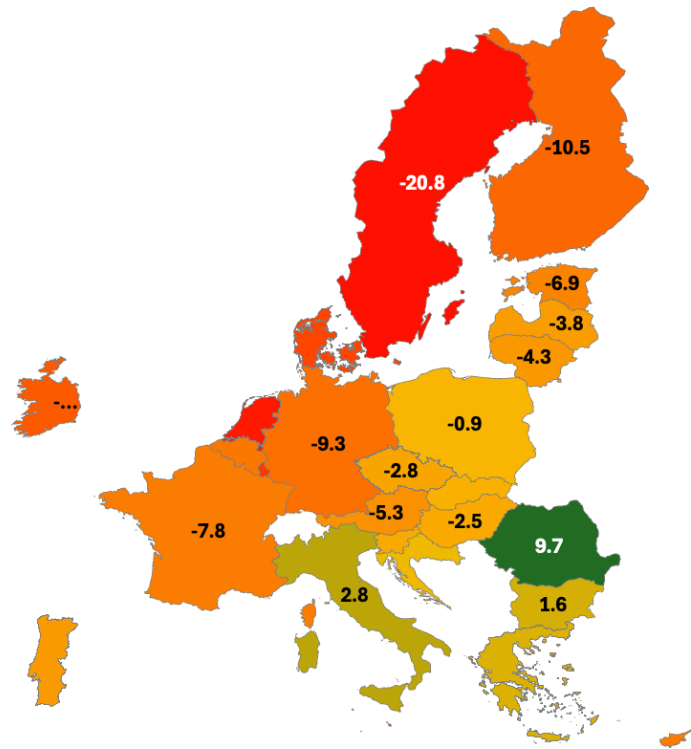
Employment in Low and medium low-technology manufacturing / Population 15-64: differences between Spain and EU countries (2023, Eurostat)

Low and medium low-technology manufacturing -23.0 0.0 10.0




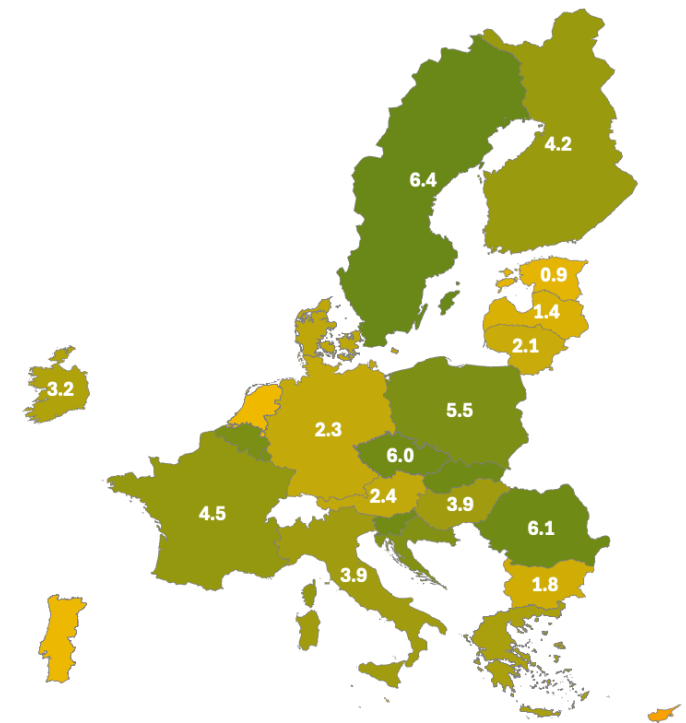
Employment in **knowledge-intensive services/Population 15-64:**  
differences between Spain and EU countries (2023, Eurostat)

Knowledge-intensive services   
-23.0      0.0    10.0



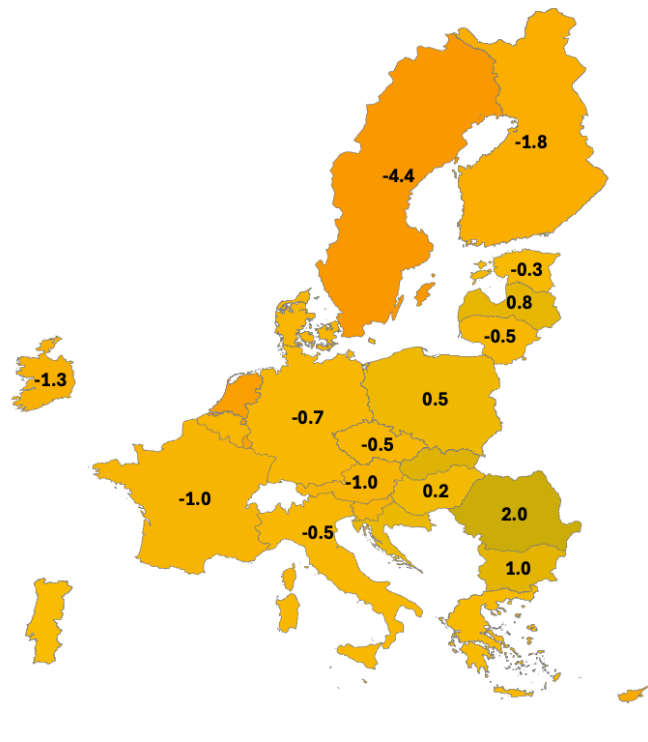
Employment in **Less knowledge-intensive services/ Population 15-64:**  
differences between Spain and EU countries (2023, Eurostat)

Less knowledge-intensive services   
-23.0      0.0    10.0



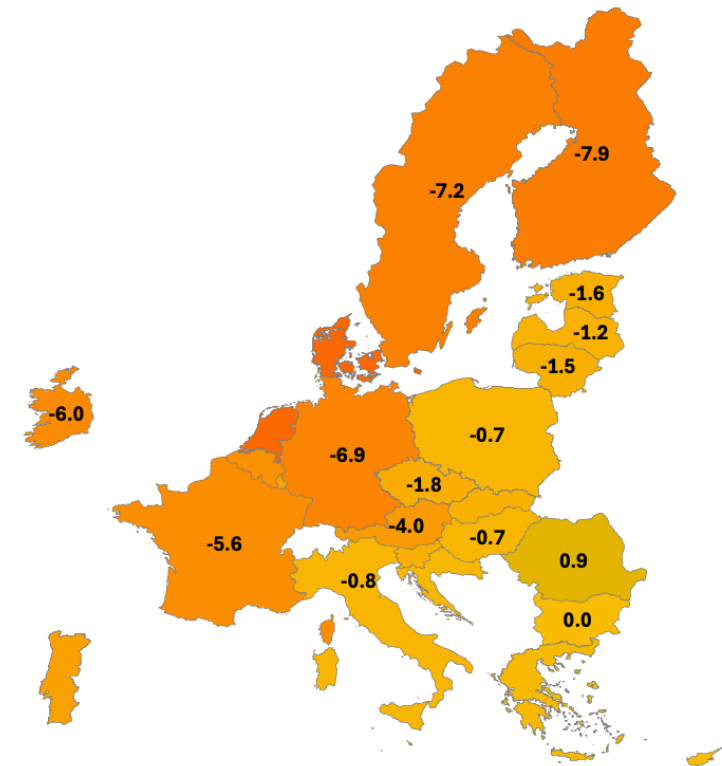
**Employment in Professional, scientific and technical activities/Population 15-64: differences between Spain and EU countries (2023, Eurostat)**

Professional, scientific and technical activities -23.0 0.0 10.0

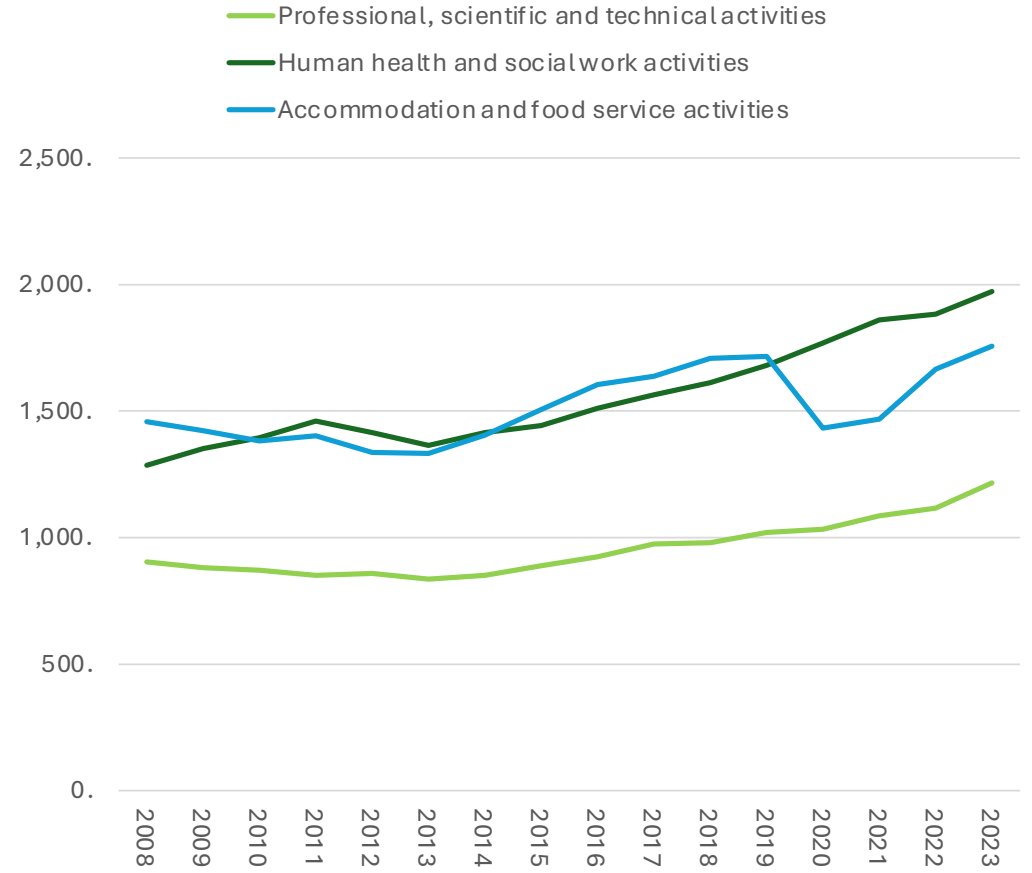
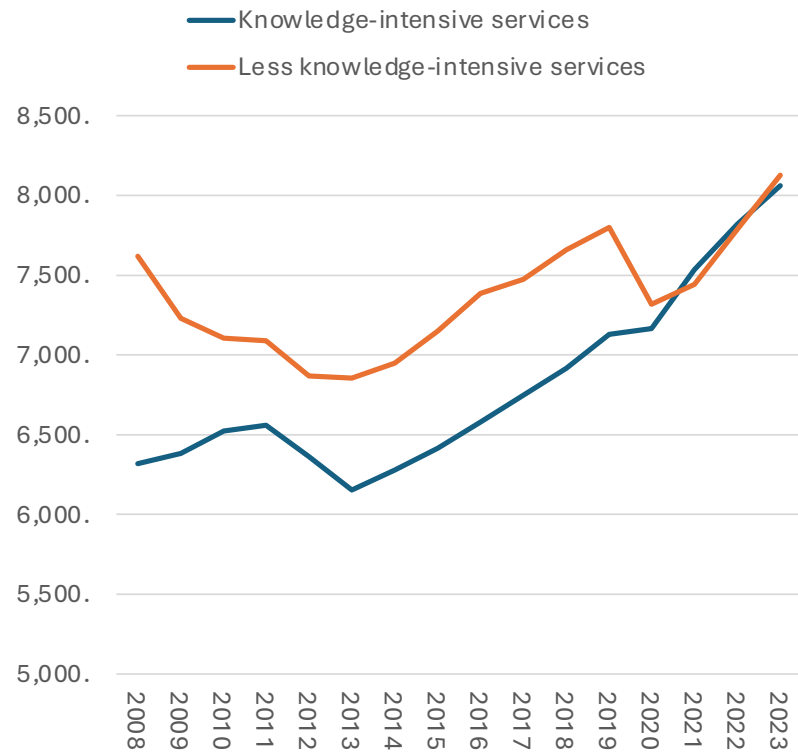


**Employment in Human health and social work activities/ Population 15-64: differences between Spain and EU countries (2023, Eurostat)**

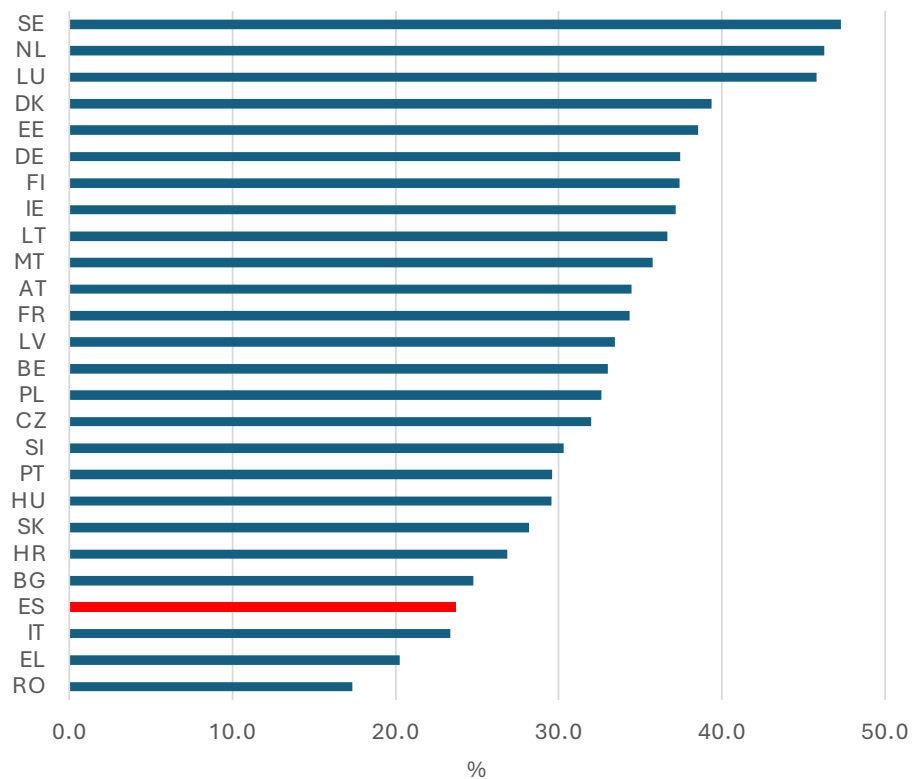
Human health and social work activities -23.0 0.0 10.0



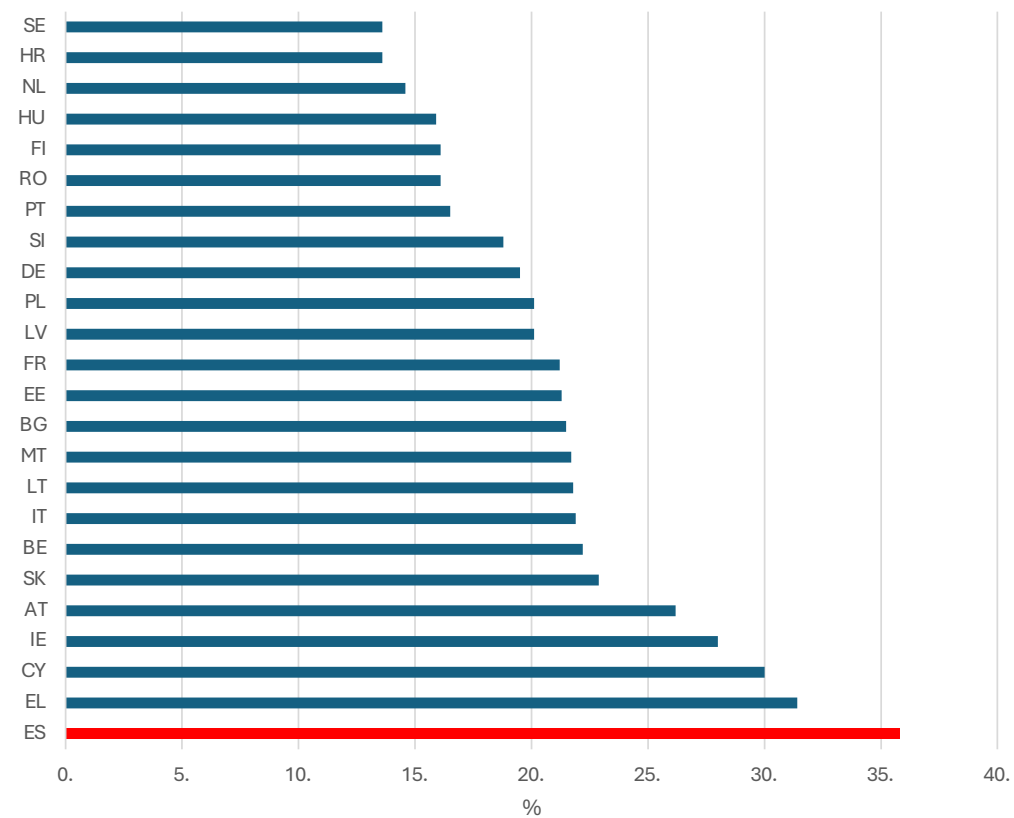




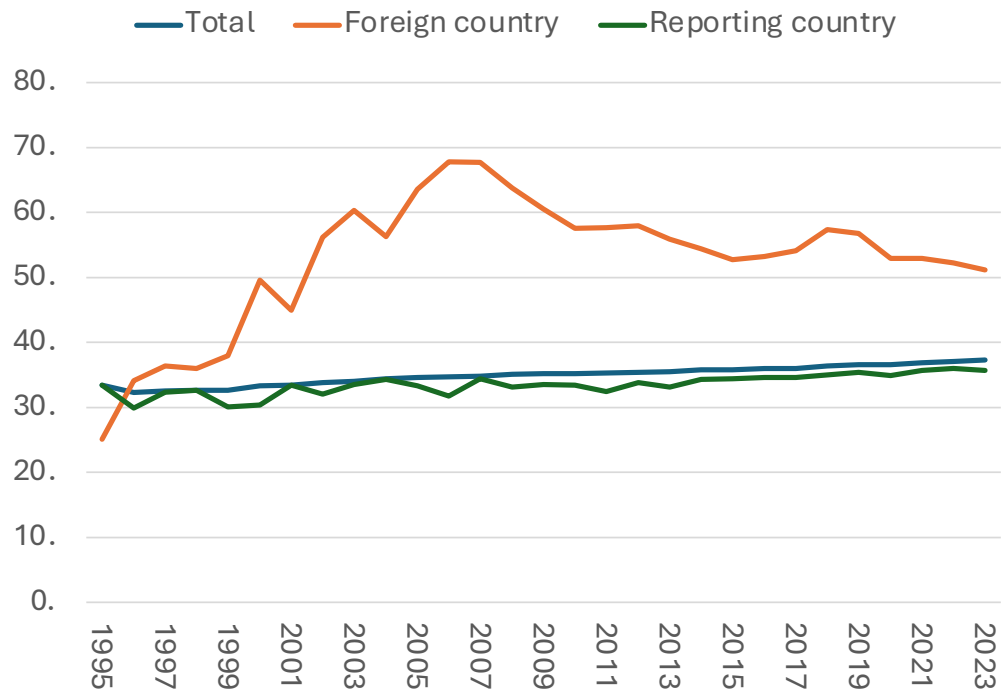
**Employed as managers, professionals and technicians and associate professionals (ISCO 1-3)/Population 15-64 in EU countries (2023, Eurostat, %)**



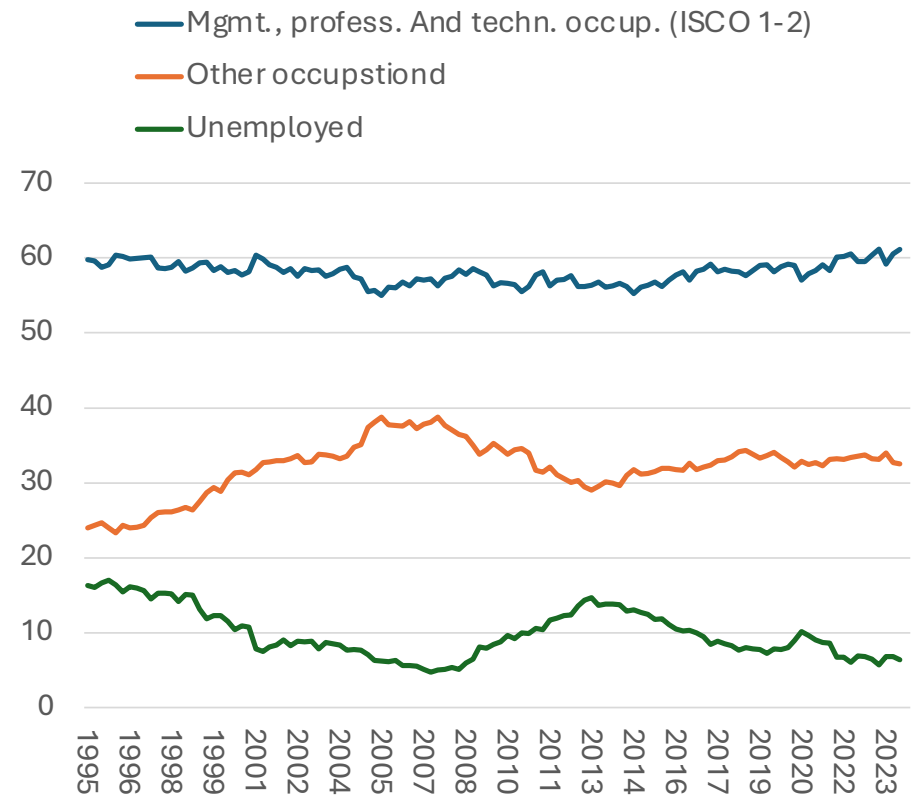
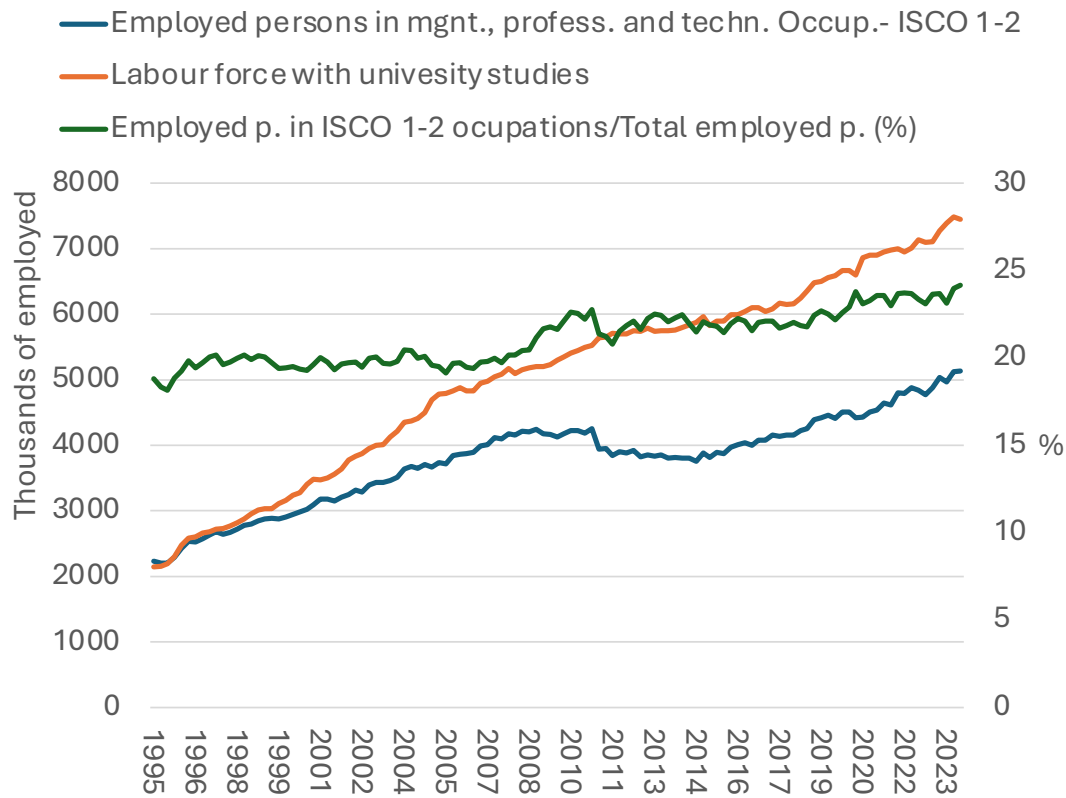
**Over-qualification rates in EU countries (2023, 20-64, Eurostat, %)**



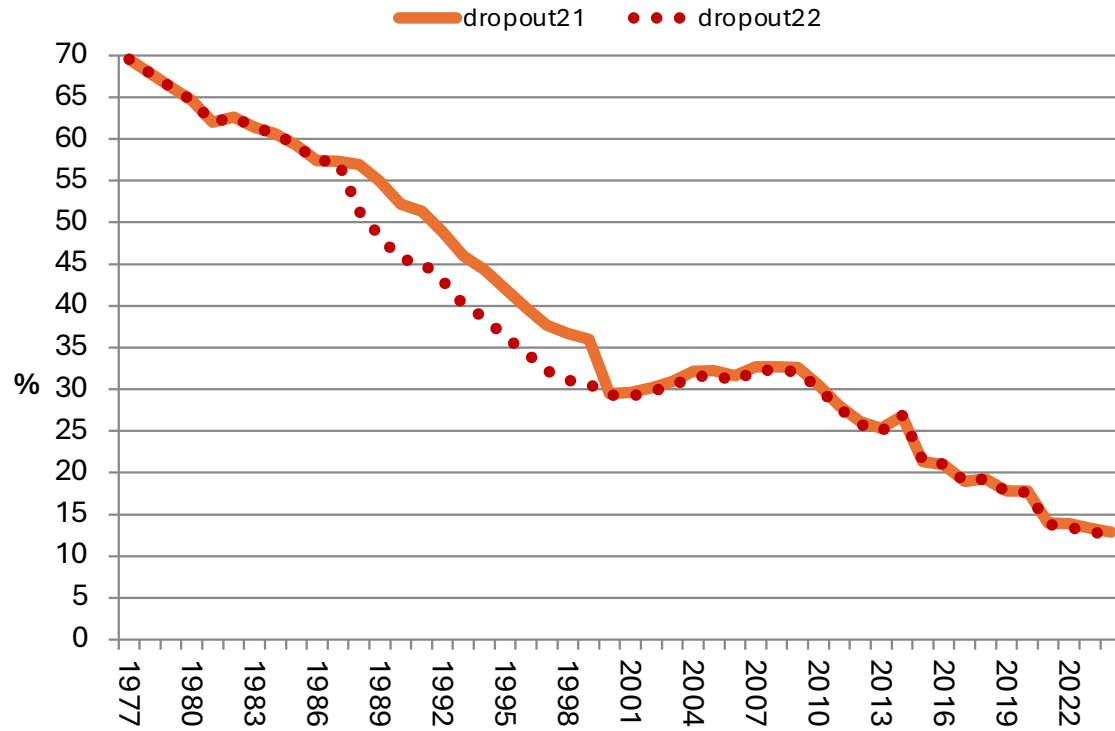
**Over-qualification rates (Spain 1995-2023,  
population with tertiary education 20-64, %, Eurostat)**



## Share of labour force of college graduated in high-skilled occupations (ISCO 1-2), in other occupations, and unemployed (Spain 1995-2024Q1, %, EPA)



**% early school leavers (% , 18-24 years old, 1977-2024, Q1, EPA)**



## EU-LFS 2023Q4: educational attainment of population - the hourglass distribution

### lower secondary education or less

	25-39	40-54	54-69
Croatia	3.8	10.4	22.2
Poland	4.5	5.2	9.6
Lithuania	4.9	8.7	0.0
Ireland	5.1	10.3	25.9
Slovenia	6.2	10.8	20.1
Slovakia	7.1	5.6	8.8
Czechia	7.6	4.6	7.8
Greece	9.5	17.4	34.6
Luxembourg	9.8	19.4	31.8
Austria	10.1	13.7	19.5
Sweden	10.1	11.4	15.9
Cyprus	10.3	14.9	24.2
Latvia	10.7	10.9	5.8
France	11.5	15.5	27.1
Finland	11.6	10.9	15.3
Netherlands	11.7	19.3	31.8
Hungary	12.2	11.5	15.8
Belgium	13.8	15.6	27.1
Estonia	13.9	11.2	0.0
Bulgaria	14.6	15.3	16.7
<b>Eu27</b>	<b>15.0</b>	<b>19.9</b>	<b>28.0</b>
Denmark	15.9	15.0	24.3
Germany	16.0	17.3	15.7
Euro area – 20	16.3	22.7	31.5
Malta	20.0	36.1	58.4
Italy	20.8	33.3	48.7
Portugal	21.0	39.8	66.9
Romania	22.2	19.2	23.0
<b>Spain</b>	<b>28.6</b>	<b>35.0</b>	<b>48.5</b>

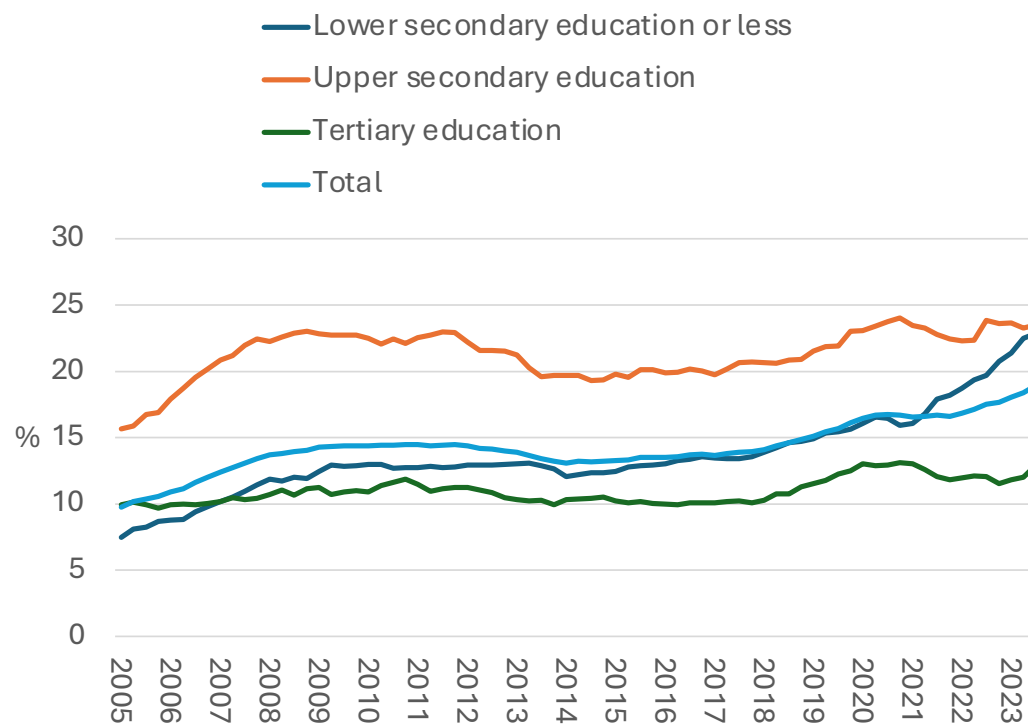
### Upper secondary and post-secondary

	25-39	40-54	54-69
<b>Spain</b>	<b>21.6</b>	<b>22.6</b>	<b>22.5</b>
Luxembourg	27.1	27.3	36.5
Cyprus	28.3	36.9	41.3
Ireland	30.9	31.9	35.8
Denmark	32.9	39.2	45.1
Netherlands	34.2	36.2	36.8
Belgium	34.6	38.0	38.4
Sweden	35.0	36.1	48.7
Malta	36.0	35.6	26.2
France	37.3	39.9	45.2
Lithuania	38.2	46.3	66.4
Portugal	38.6	29.7	16.4
Euro area – 20	39.6	40.9	43.0
Latvia	41.5	50.2	64.7
<b>Eu27</b>	<b>41.6</b>	<b>44.3</b>	<b>47.5</b>
Estonia	43.7	48.6	52.8
Germany	44.4	49.3	55.6
Austria	45.5	49.3	54.8
Poland	47.3	54.9	71.0
Italy	48.2	44.3	38.2
Bulgaria	48.5	53.9	60.9
Finland	48.8	43.5	46.6
Greece	49.2	50.4	39.4
Slovenia	50.6	53.8	58.3
Romania	53.9	62.1	66.7
Slovakia	54.3	68.7	72.8
Croatia	54.8	62.2	57.6
Hungary	55.2	56.8	61.3
Czechia	58.5	70.3	74.7

### Tertiary education

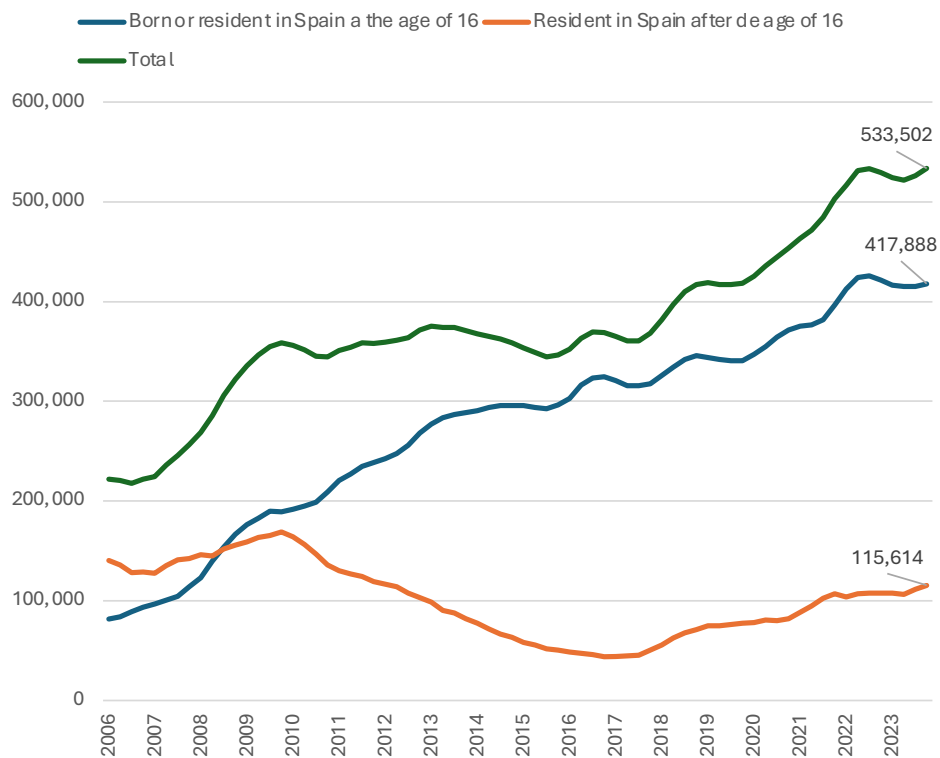
	25-39	40-54	54-69
Romania	24.0	18.8	10.3
Italy	31.0	22.3	13.1
Hungary	32.6	31.7	22.9
Czechia	33.9	25.1	17.5
Bulgaria	36.9	30.8	22.4
Slovakia	38.6	25.7	18.4
Finland	39.4	45.6	38.1
Germany	39.6	33.4	28.6
Portugal	40.4	30.5	16.7
Greece	41.2	32.2	26.0
Croatia	41.3	27.4	20.2
Estonia	42.4	40.3	39.0
Slovenia	43.3	35.5	21.6
<b>Eu27</b>	<b>43.3</b>	<b>35.7</b>	<b>24.4</b>
Malta	43.9	28.2	15.3
Euro area – 20	43.9	36.3	25.5
Austria	44.5	37.0	25.7
Latvia	47.7	38.9	29.6
Poland	48.2	39.9	19.4
<b>Spain</b>	<b>49.9</b>	<b>42.4</b>	<b>29.0</b>
Denmark	50.5	45.7	30.3
France	50.8	44.5	27.6
Belgium	51.6	46.4	34.5
Netherlands	53.7	43.7	30.7
Sweden	54.1	51.9	35.3
Lithuania	57.0	45.0	31.2
Ireland	61.3	55.4	36.5
Cyprus	61.5	48.2	34.4
Luxembourg	62.7	52.0	30.7

## % of people with foreign nationality by educational attainment

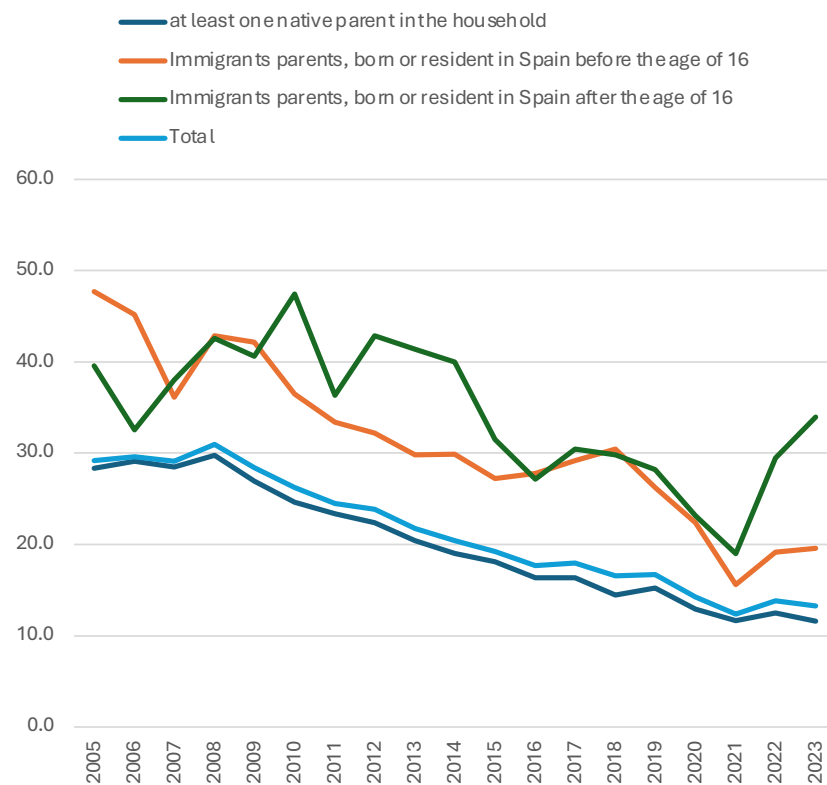


## Second generation of immigrants

(MEDIA MÓVIL 4 TRIMESTRES, 2006-2023)



## % early school leavers (second generation immigrants, 18-24 years old)



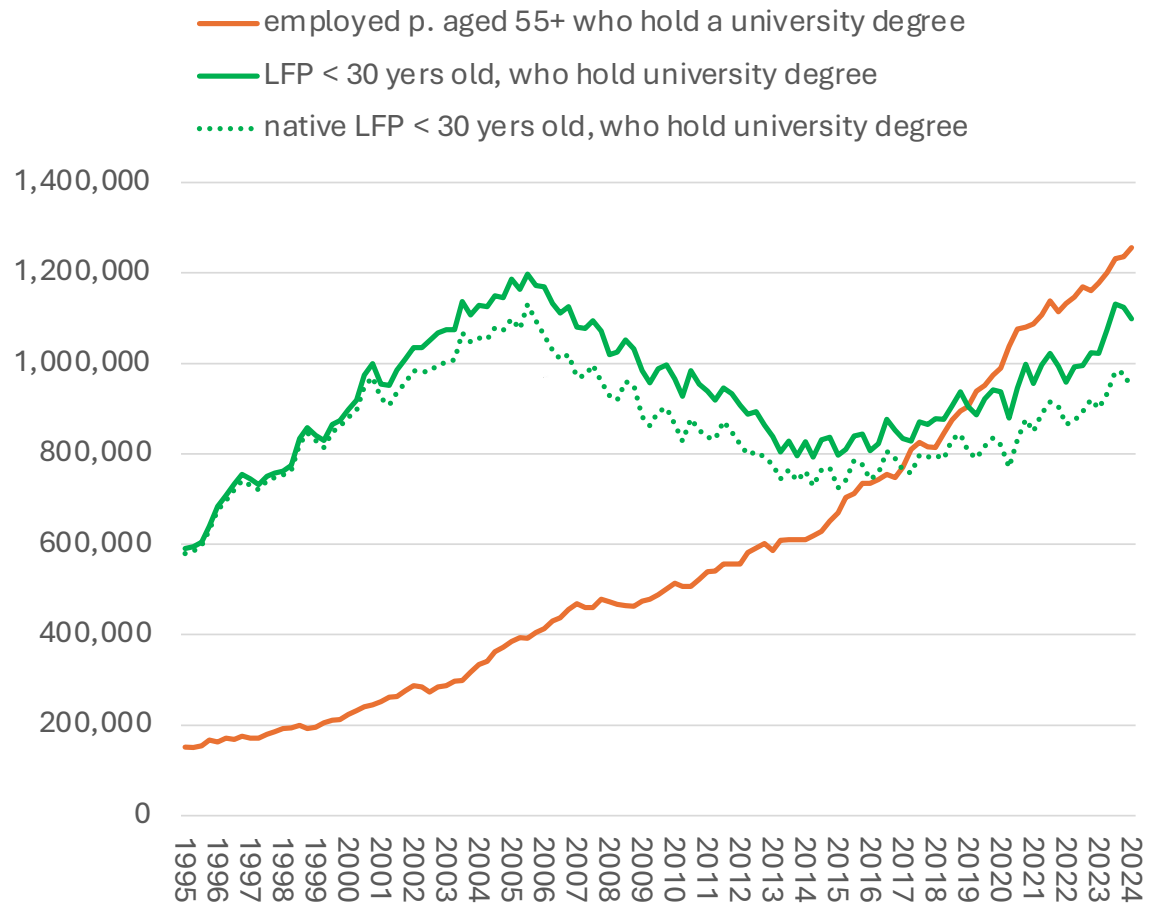


**CHILDREN OF IMMIGRANTS BY CC. AA.**  
(2023, %, EPA)

	18-24 años (nacido o residente antes de los 16 años)	18-24 años	0-16 años
Andalucía	7,6	9,1	14,0
Aragón	12,8	16,7	22,4
Asturias	8,4	10,3	13,8
Baleares	17,7	20,4	35,3
Canarias	12,9	13,8	21,0
Cantabria	11,3	14,3	9,3
Castilla y León	8,7	10,1	16,2
Castilla La Mancha	12,2	14,6	18,4
Cataluña	13,6	17,7	28,0
C. Valenciana	13,4	19,5	23,7
Extremadura	5,2	5,7	8,9
Galicia	6,0	8,8	11,1
C. de Madrid	16,6	21,5	27,6
Murcia	15,6	19,8	24,4
Navarra	12,0	14,9	29,7
País Vasco	6,6	8,4	15,0
La Rioja	15,6	17,9	24,4
<b>España</b>	<b>11,8</b>	<b>15,0</b>	<b>21,2</b>

**% Early school leavers, 18 -24 years old, by CCAA. (2023, %, EPA)**

	at least one native parent in the household	Immigrants parents born or resident in Spain before the age of 16	Immigrants parents born or resident in Spain after the age of 16	Total
Andalucía	15,7	26,4	36,5	16,8
Aragón	8,3	12,5	41,4	10,2
Asturias	9,3	15,8	21,2	10,1
Baleares	16,4	30,0	25,1	19,1
Canarias	15,2	15,5	5,2	15,1
Cantabria	6,2	9,3	36,1	7,4
Castilla y León	8,8	21,8	8,0	9,9
Castilla La Mancha	14,7	20,8	23,4	15,7
Cataluña	11,4	19,7	45,6	14,0
C. Valenciana	12,6	16,1	32,8	14,3
Extremadura	9,6	21,7	25,2	10,3
Galicia	8,0	19,3	11,9	8,8
C. de Madrid	10,2	14,7	43,6	12,6
Murcia	16,0	26,9	47,3	19,0
Navarra	4,7	17,2	10,0	6,3
País Vasco	5,1	13,5	48,1	6,4
La Rioja	7,4	19,7	9,7	9,4
<b>España</b>	<b>12,0</b>	<b>19,2</b>	<b>37,0</b>	<b>13,6</b>



## Los problemas de relevo que genera el envejecimiento pueden limitar el crecimiento del empleo en varias CCAA.

Las dos primeras columnas indican que durante este período existió una relación negativa entre crecimiento neto del empleo y envejecimiento de las personas empleadas en las CCAA.

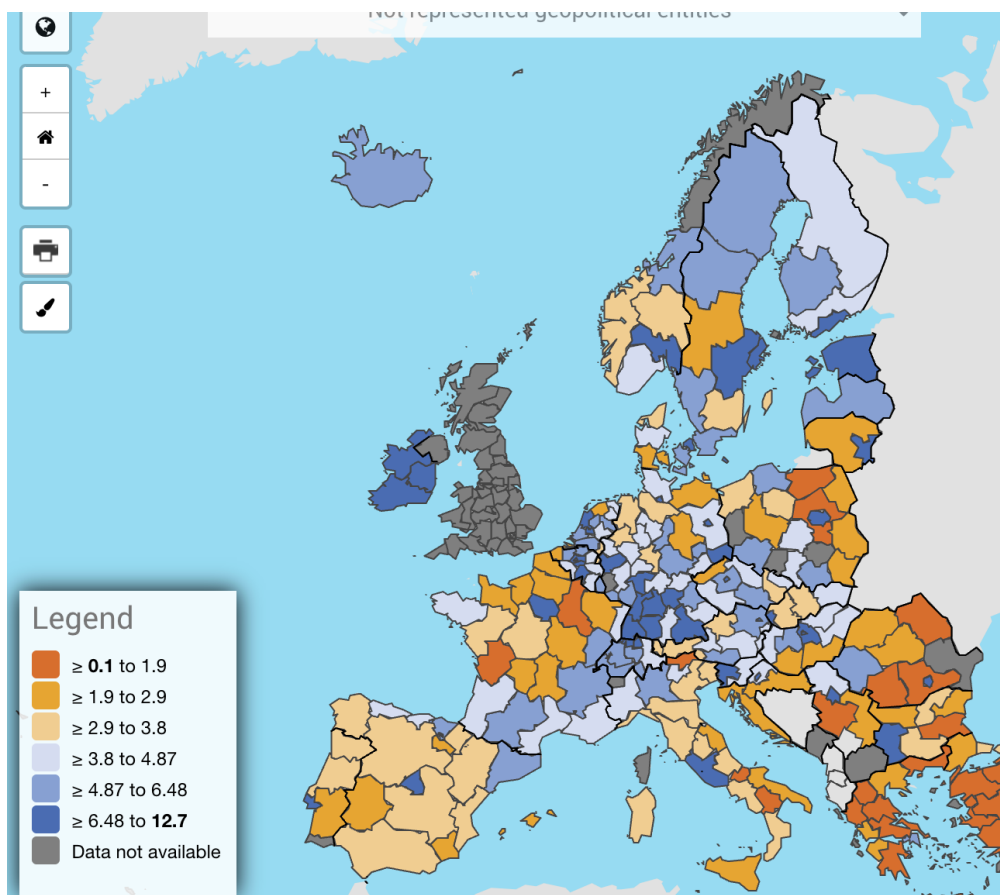
La mayoría de las CCAA con una mayor proporción de ocupados de edad avanzada en 2013T4 no consiguieron emplear a suficientes jóvenes para compensar las jubilaciones.

Por niveles educativos, no se ha producido el relevo de jubilados menos educados por jóvenes de nivel educativo similar en ninguna CCAA. Por el contrario, para el nivel educativo superior, sí que se ha producido este relevo y ha sido de mayor holgura en las CCAA menos envejecidas.

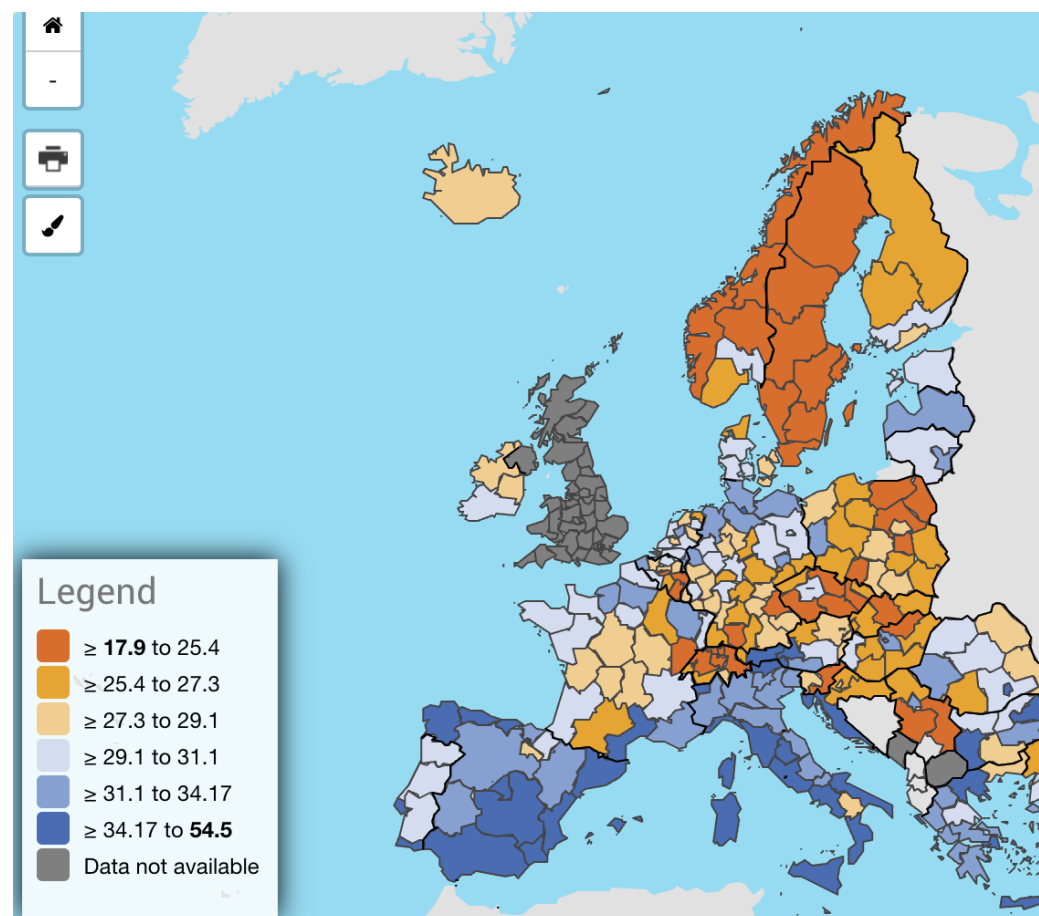
	% ocupados 55+ años 2013T4	Variación % ocupados 2013T4-2022T4	Ocupados <30 años en 2022T4/ jubilados totales entre 2013T4 y 2022T4			
			Total	Secundaria obligatoria o menos	Secundaria postobligatoria	Estudios superiores
Asturias	17.8	1.4	0.5	0.2	0.5	0.9
Castilla y León	17.3	11.6	0.6	0.3	0.7	1.1
Cantabria	16.3	7.9	0.6	0.2	0.9	1.0
La Rioja	16.2	15.8	1.0	0.5	1.4	1.3
Galicia	15.9	10.2	0.7	0.3	1.3	1.2
País Vasco	15.9	8.9	0.8	0.2	0.8	1.2
Navarra	15.6	13.0	0.9	0.2	1.3	1.5
Aragón	14.8	13.2	0.9	0.3	1.8	1.3
Cataluña	14.5	17.3	1.4	0.5	2.6	2.1
C. Valenciana	14.3	23.7	1.0	0.4	1.4	1.8
<b>Total nacional</b>	<b>14.3</b>	<b>20.5</b>	<b>1.1</b>	<b>0.5</b>	<b>1.6</b>	<b>1.7</b>
Canarias	13.9	34.1	1.3	0.4	2.3	2.4
Baleares	13.6	25.5	1.2	0.7	1.3	2.4
C. de Madrid	13.4	19.7	1.4	0.6	1.6	2.0
Extremadura	13.4	18.6	0.8	0.3	1.4	1.6
Murcia	12.9	26.8	1.6	0.9	2.6	2.0
Andalucía	12.7	26.8	1.0	0.5	1.8	1.7
C- La Mancha	12.5	21.8	1.1	0.5	1.6	2.1

Fuente: Elaboración propia con los microdatos de la EPA (INE). Nota: los jubilados se refieren aquí a las personas que dejaron su empleo y se jubilaron o pasaron a una situación de incapacidad permanente en el mismo año durante el período 2014-2022.

Share of employed persons in high-technology sectors (high-technology manufacturing and knowledge-intensive high-technology services, 2023, %, Eurostat)



Share of employed persons in less knowledge-intensive services (2023, %, Eurostat)



Labour market demand for ICT specialists in  
online job advertisements, by NUTS 2 regions -  
% of online job advertisements

	2023-Q4
Comunidad de Madrid	21.5
Wien	21.4
Východné Slovensko	17.8
Luxembourg	16.8
Bratislavský kraj	16.7
Yugozapaden	16.3
Área Metropolitana de Lisboa (NUTS 2021)	16
Mittelfranken	15.8
Karlsruhe	15.6
Oberbayern	15.6
Hamburg	15.5
Berlin	15.2
Attiki	15.2
Köln	15
Stredné Slovensko	15
Kýpros	14.7
Sostinės regionas	14.6
Stuttgart	14.2
Detmold	14.2
Braunschweig	14

The following economic activity sectors are defined as **knowledge-intensive services**, abbreviated as **KIS** ([NACE](#) Rev.2 codes - 2-digit level between brackets):

•**High-tech knowledge-intensive services:**

- Motion picture, video and television programme production, sound recording and music publishing activities (59);
- Programming and broadcasting activities (60);
- Telecommunications (61);
- Computer programming, consultancy and related activities (62);
- Information service activities (63);
- Scientific research and development (72)

•**Knowledge-intensive market services (excluding financial intermediation and high-tech services):**

- Water transport (50);
- Air transport (51);
- Legal and accounting activities (69);
- Activities of head offices; management consultancy activities (70);
- Architectural and engineering activities; technical testing and analysis (71);
- Advertising and market research (73);
- Other professional, scientific and technical activities (74);
- Employment activities (78);
- Security and investigation activities (80)

•**Knowledge-intensive financial services:**

- Financial service activities, except insurance and pension funding (64);
- Insurance, reinsurance and pension funding, except compulsory social security (65);
- Activities auxiliary to financial services and insurance activities (66)

•**Other knowledge-intensive services:**

- Publishing activities (58);
- Veterinary activities (75);
- Public administration and defence; compulsory social security (84);
- Education (85);
- Human health activities (86);
- Residential care activities (87);
- Social work activities without accommodation (88);
- Creative, arts and entertainment activities (90);
- Libraries, archives, museums and other cultural activities (91);
- Gambling and betting activities (92);
- Sports activities and amusement and recreation activities (93)