



ANALYTICAL HIGHLIGHT

PROSPECTS FOR
Spain

- Spain's employment rate was 58.6% in 2013 – lower than both the national 2020 target of 74% and the EU-28 2020 target of 75%.
- Growth is expected in qualified jobs especially in tourism and industrial activities.
- Measures for fostering vocational education and training expected to improve skills mismatch.

Unemployment remains alarmingly high, especially among workers above the age of 55 and amongst young people

After the recession of the early 1990s, which had a strong impact on Spanish employment rates, the country started to recover reaching a maximum employment rate of 69.7% in 2007. As a consequence of the ongoing economic crisis, the employment rate has fallen back to 58.6% in 2013.¹ Spain has the third lowest employment rate after Greece (52.9%) and Croatia (57.2%) of the EU28.

Although the Spanish economy has shown some signs of recovery, the level of job creation is still modest.² According to the State Public Employment Service³ 2013 is the year with the smallest increase in the unemployment rate (of 0.01%) and the smallest drop in the employment rate (of 0.28%)⁴ since 2008. The reduction of the number of unemployed people is more prominent among men (-4.70%) than women (-1.40%). The group most affected by the crisis are older workers (aged 55 years and over) with the number of those unemployed increasing by 6.79% in 2013. Also, the number of long-term unemployed people – those who have been in search of jobs for over two years – has significantly increased (by 16.78%).⁵

Regarding economic sectors, in 2013 agriculture was the only sector which saw an increase in the number of unemployed people (+6.49%), with construction showing the highest reduction in the number of unemployed people (-13.66%). In the services sector, unemployment decreased by 0.73%.⁵ In terms of occupations, there was a reduction of new jobs for qualified workers in: agriculture, livestock, forestry and fishing sectors; accountants, administrative clerks and other office workers; directors and managers. There was an increase in the number of jobs in catering, personal services, protection services and sellers; installation and machinery operators; and scientific and intellectual technicians and professionals.⁶

In 2013, there was a reduction in the share of permanent jobs and the number of temporary jobs increased. This was also followed by a reduction in the number of full-time workers and an increase in the number of part-time workers.⁷ Temporary jobs were most affected by the crisis. Since these types of contracts are more common among young people, it contributed to the high rate of youth unemployment in the country. In addition, youth unemployment rates have also been affected due to lower number of young people holding permanent contracts compared to older workers. This suggests a segmentation of the labour market detrimental to young people.⁸

When looking at education level, between 2007 and 2011 employment decreased more for those with lower level qualifications. Among those

¹ Eurostat (2014), Employment rate, by sex. Persons aged 20 to 64 <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdec420&plugin=1>.

² Bank of Spain (2014), Economic Bulletin October 2014 <http://www.bde.es/f/webbde/SES/Secciones/Publicaciones/Publicaciones/InformesBoletinesRevistas/BoletinEconomico/14/Oct/Fich/be1410.pdf>.

³ State Public Employment Service (*Servicio Público de Empleo Estatal (SEPE)*)

⁴ Population aged 16 years and over. Fourth quarter 2013

⁵ State Public Employment Service (2014). Report of the State employment market http://www.sepe.es/contenidos/que_es_el_sepe/publicaciones/mercado_de_trabajo/informe_mercado_trabajo_2014.html

⁶ The occupations mentioned are included in the National Classification of Occupations (CNO-11). "Scientific and intellectual technicians and professionals" include health and teaching professionals as well as architects, economists, sociologists, etc. <http://www.ine.es/jaxi/menu.do?type=pcaxis&path=/t40/cno11&file=inebase>

⁷ Ibid.5

⁸ Prieto (2012), The segmentation of labour market in Spain: an analysis of its evolution in the crisis http://www.sepe.es/contenidos/observatorio/mercado_trabajo/1877-2.pdf

with a high education level, employment increased but *only* for those over 30-years-old. This suggests young people are at a disadvantage even when they are highly qualified, perhaps due to lack of experience.⁹

It is thus not surprising to see an increase in emigration, particularly affecting those aged 25-29 and 30-34. Many of these emigrants are of foreign nationality or were born abroad and data suggests that they often return to their countries of origin. There has also been an increase in the number of emigrants among those born in Spain (for those aged 25-29, data shows an increase from 4,108 migrations in 2008 to 6,549 in 2013; and for those aged 30-34, from 4,430 to 7,369).⁹

In addition to the low employment rates, the crisis has also brought salary adjustments. A recent survey on the evolution of salaries over the period 2007-2013, reveals a general loss of purchasing power as well as an increase in the salary gap between senior managers and employees. It is observed that the crisis is being particularly harsh on middle and working classes, which are harder and harder to distinguish from a salary perspective.¹⁰

There is an increasing need for more qualified workers, especially in tourism and industrial activities

According to the state public employment service, loss of jobs is concentrated in occupations requiring low levels of qualifications; however, new jobs created required more qualified workers, mainly with vocational education and training (VET) background. Also, the percentage of university graduates is higher among employed people than among the unemployed, while the situation is the opposite when it comes to people with low qualifications.

However over-qualification is frequent: many university graduates have jobs corresponding to a lower professional level.¹¹ According to a recent study, 32% of university graduates who were hired in 2013 were involved in tasks which corresponded to lower qualifications. Almost one-fourth was recruited for accounting and administrative activities, or occupations in catering, personal services, protection services and sellers; 6% were hired for basic occupations for which no qualification is required.¹² The previous are clear signs of skills mismatch. More specifically, occupational forecasts from the Spanish public employment service point to the following trends:¹⁷

- There is a need for a better match between education and training and what companies require, mainly in the field of personal competences (teamwork, adaptability, capacity for effort).
- In administrative services, there is a need to advance to more technical profiles, with more knowledge of foreign languages.
- There is a need for more workers with a medium-level technical qualification, especially in industrial activities, where technological innovations have brought the need of more professionals in the area of electro-mechanic and similar.
- There is a need for professionals in the services sector, including many in logistics, taking into account the aim of reducing costs in

distribution. This includes occupations related to storage, where there is a requirement for knowledge in automation, and commerce. The latter will include the demand of community managers, computer technicians, consultants and engineers.

- There is a need for professionals for organisation, planning and project management, as well as experts in external commerce and internationalisation of companies.
- There is an increasing need for qualified professionals to work with older people.
- In the tourism sector, there will continue to be a need for qualified waiters, as well as cooks and cook assistants. An increase in tourist and free-time entertainers related to hotel services is also foreseen.
- In construction, there is a demand for highly qualified professionals outside Spain.

As a general trend, there is need for more qualified profiles. Low qualification levels show an association with lower employment rates, unemployment, long-term unemployment and more difficulties when re-entering the labour market, especially when it implies a change in sector or occupation. Consistently one of the strategic objectives of the Spanish Strategy for Employment Activation 2014-2016 is improving the quality of vocational training provided by labour authorities.¹³

Low skills of adult population remain as a considerable challenge

The need for more qualified workers in Spain goes hand in hand with the need of improving the current skills of Spanish population, especially among adults.

Spanish results in PIAAC reveal a low level of skills among the adult population; the country occupies one of the worst positions among participating countries, with a situation only comparable to Italy. Spanish adults have scored significantly below the EU and OECD averages in both literacy and numeracy. Furthermore employed people have average scores lower to those of unemployed people in more than half of other participating EU countries.¹⁴

The following key issues have been identified regarding Spain's results in PIAAC:¹⁵

- Around one fourth of adults scores at the lowest levels in literacy and almost one in three in numeracy. A considerable share of adults shows poor skills in using common computer applications.
- The gap between the skills of the youngest (16-24 year-olds) and the oldest (55-65 year-olds) adults in Spain is the second largest in the survey, only after Korea.

As for the ET 2020 benchmark, adult participation in lifelong learning in Spain is slightly above the EU average (10.7% against 9% in 2012). However, demand for adult learning is considerably higher among high-skilled workers than among low-skilled workers.¹⁶

⁹ National Institute of Statistics (2014). Migrations statistic <http://www.ine.es/jaxi/menu.do?type=pcaxis&path=/t20/p277/&file=inebase&L=1>.

¹⁰ EADA Business School-ICSA (2014), The evolution of salaries 2007-2013, <http://www.ine.es/jaxi/menu.do?type=pcaxis&path=/t20/p277/&file=inebase&L=1>.

¹¹ Ibid.5 (Chapter 7)

¹² Parellada et al (2014). CYD report 2013

<http://www.fundacioncyd.org/informe-cyd/informe-cyd-2013>

¹³ Royal Decree 751/2014 (State official gazette 23/09/2014), <http://www.boe.es/boe/dias/2014/09/23/pdfs/BOE-A-2014-9623.pdf>

¹⁴ National Institute of Educational Evaluation (2013), PIAAC Spanish report, Vol. 1 <http://www.mecd.gob.es/dctm/inee/internacional/piaac/piaac2012.pdf?documentId=0901e72b8181d500>.

¹⁵ OECD (2013), PIAAC country note: Spain, <http://www.oecd.org/site/piaac/Country%20note%20-%20Spain.pdf>

¹⁶ European Commission (2014), Education and Training Monitor 2014 http://ec.europa.eu/education/tools/docs/2014/monitor2014-es_en.pdf

Thus, adult population shows a low level of skills overall, particularly accentuated among older adults including those in the labour market. Moreover, participation in lifelong learning is lower for low-skilled workers. This is taken into account in the Spanish government Strategic Plan for Lifelong Learning for 2014-2020, which prioritises people with a low level of qualifications.¹⁷

The analysis of the EU 2020 headline targets on early leaving from education and training and tertiary educational attainment, gives an indication on how adult population skills may evolve in the future. The rate of early leavers from education and training shows a positive development (from 31.7% in 2008 to 23.6% in 2013) but is still substantially above the EU-28 average (12.0% in 2013) and the EU 2020 national target of 15%¹⁸ and it presents considerable regional disparities (from 8.8% in the Basque Country to 29.7% in the Balearic Islands).¹⁹ The recent Act for the improvement of education quality²⁰ comprises different measures which are expected to contribute to tackle early leaving. A relevant example is the modification of the pre-vocational branch in lower secondary education (now named “Basic vocational training”), with the intention that it will allow for a smoother transition into upper secondary VET. However, this Act has been approved without the support of opposition political parties and education actors, who state that this Act will not mitigate but reinforce inequalities in the education system.²¹

Spain performs well above the EU-28 average in terms of the percentage of 30-34 year olds educated to university level (42.3% compared to 36.9%, in 2014), although still below the EU 2020 national target of 44%.²² University fees have recently increased, most significantly in the year 2012/2013, although with significant regional differences.²³ According to data from the Ministry of Education, this does not seem to have affected the number of new students. Actually in recent years there has been an increase in the number of students due to the crisis and the introduction of the new official masters in the framework of the European Higher Education Area. From 2012-2013, the number of students is expected to decline due to a reduction of the population of 18-24 years-old. Regarding fields of study, there has been a considerable reduction of the number of students in engineering and architecture (-23.3% in the last ten years) and sciences (-25.3%); and an increase in students in health sciences.²⁴

Despite the high participation in tertiary education, it is worth noting that university graduates in Spain have average scores in PIAAC lower to those of upper secondary and secondary VET graduates in several other participating countries.²⁵

Since according to the public employment service, new jobs created require more qualified workers, mainly with vocational education and training (VET) background (see above), it is also advisable to analyse the evolution of participation in VET. Gross enrolment rates in upper secondary and tertiary VET have increased in recent years.²⁶ However, the number of students choosing VET is still low compared to other countries, and the Spanish authorities are setting up measures which are expected to contribute to modernising VET and attracting more students to it, including the introduction of “Basic vocational training” and dual vocational training, which is being developed by the Autonomous Communities.²⁷ As mentioned above, some of these measures have been harshly criticised by opposition political parties and education actors.

Mismatches in skills as well as qualifications

Skills supply in Spain presents some considerable challenges, including low skills of the adult population, a high rate of early leavers from education and training with large regional differences, difficulties in the transition into labour market and skills mismatches. In addition, the phenomenon of “over-qualification” coexists with the need of more qualified workers, mainly with a VET background.

The public employment service has identified additional training needs which derive from different factors, including:²⁸

- shortcomings in formal education as low level in foreign languages or lack of entrepreneurial skills;
- the need for re-skilling of low qualified workers from sectors which after the crisis will not create so much employment or which are undergoing restructuring, as well as for people who have been outside the labour market for a long period of time;
- the need to include transversal components in training related to innovation, new technologies, new work processes, opening up to new markets, marketing, commercial skills, use of social networks, relationships with customers and users.

Relevant measures are being introduced to tackle skills mismatches, mainly concerning the modernisation and expansion of VET. However, public budget constraints and the current labour market situation pose considerable challenges to their full implementation. In fact, the government has recently announced the use of the European Social Fund to co-fund the reforms introduced by the Act for the improvement of education quality.²⁹ ■

17 Ministry of Education, Culture and Sport (2014), Strategic Plan for Lifelong Learning <http://www.mecd.gob.es/alv/inicio.html>

18 Eurostat (2014), Early leavers from education and training <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdsc410&plugin=1>

19 Ministry of Education, Culture and Sport (2014), State system of education indicators <http://www.mecd.gob.es/dctm/inee/indicadores-educativos/seie-2014/seie2014-web.pdf?documentId=0901e72b819cf31e>

20 Organic Act 8/2013 (State Official Gazette 10/12/2013), https://www.boe.es/diario_boe/txt.php?id=BOE-A-2013-12886

21 As an example, the Spanish Confederation of Associations of Parents of Students, considers that the new pre-vocational branch (Basic VET) constitutes a dead end for students, see <https://www.ceapa.es/content/ceapa-rechaza-frontalmente-los-reales-decretos-de-curr%C3%ADculo-y-de-formaci%C3%B3n-profesional>

22 Eurostat (2014), Tertiary educational attainment by sex, age group 30-34 http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_41&plugin=1

23 Ministry of Education, Culture and Sport. Statistics of university public prices 2012-2013, <http://www.mecd.gob.es/educacion-mecd/areas-educacion/universidades/estadisticas-informes/estadisticas/precios-publicos.html>

24 Ministry of Education, Culture and Sport (2014), Data and figures of the Spanish University System. Year 2013-2014 http://www.mecd.gob.es/dms/mecd/educacion-mecd/areas-educacion/universidades/estadisticas-informes/datos-cifras/DATOS_CIFRAS_13_14.pdf

25 Ibid.17

26 Ibid.22

27 Ibid.23

28 Ibid.5

29 Ministry of Education, Culture and Sport – Press (June 30, 2014) <http://www.mecd.gob.es/prensa-mecd/actualidad/2014/06/20140630-sectorial.html>



Please quote this Analytical Highlight as:
EU Skills Panorama (2014) Spain Analytical Highlight,
prepared by ICF and Cedefop for the European Commission