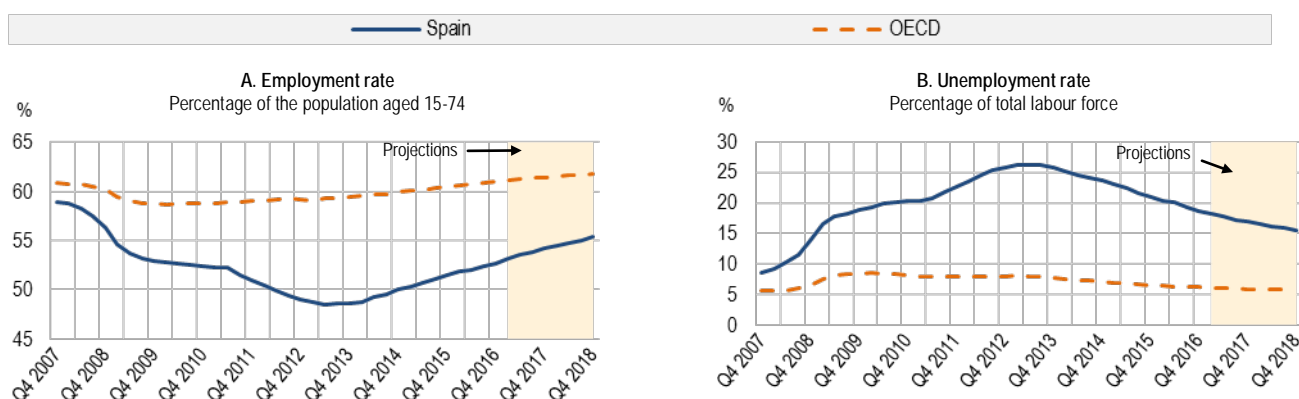


The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

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Labour market developments in Spain



Note: OECD weighted average.

Source: OECD calculations based on OECD Economic Outlook Database (No. 101), June 2017.

RECENT LABOUR MARKET TRENDS AND PROSPECTS

Labour market conditions continue to improve and the OECD average employment rate finally returned to its pre-crisis rate in the first quarter of 2017, nearly ten years after the global financial crisis erupted. The OECD-average unemployment rate continues its slow descent, but remains slightly above its pre-crisis level because employment has not increased enough to fully offset a rising trend in participation rates. The unemployment rate is projected to fall back to its pre-crisis level in late 2018 or early 2019. The recovery remains very uneven across countries and different groups within the workforce.

- The labour market situation in Spain has continuously improved over the past three years. Employment in Spain, as a share of the population aged 15-74 years, has increased by more than 4 percentage points since the crisis trough in 2013 but it is still 6 percentage points below its pre-crisis level.
- Similarly, the unemployment rate in Spain has decreased by more than 8 percentage points

since 2013. At 17.8% in April 2017 it remains, however, the second highest among OECD countries and about 9 percentage points higher than its pre-crisis level.

- OECD projections suggest that these trends will continue in the next two years and yet pre-crisis employment and unemployment levels will not be reached in Spain by the end of 2018 when the unemployment rate will be 15.5% and the employment rate 55.4%.
- The 2012 Spanish labour market reform has helped improving employment performance and tackling deeply entrenched labour market segmentation by strengthening the capacity of employers to respond to shocks. In order to further improve performance, it would be vital to continue the reforming effort, in particular to develop and coordinate regional active labour market policies to help the unemployed find jobs as well as improving the evaluation and monitoring of these policies.

Scoreboard of labour market performance for Spain



Note: An upward (downward) pointing arrow for an indicator means that higher (lower) values reflect better performance.

Earnings quality: Gross hourly earnings in USD adjusted for inequality. **Labour market insecurity:** Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. **Job strain:** Percentage of workers in jobs characterised by a combination of high job demands and few job resources to meet those demands. **Low income rate:** Share of working-age persons living with less than 50% of median equivalised household disposable income. **Gender labour income gap:** Difference between average per capita annual earnings of men and women divided by average per capita earnings of men. **Employment gap for disadvantaged groups:** Average difference in the employment rate for prime-age men and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities) as a percentage of the employment rate for prime-age men.

Source and definitions: OECD calculations using data for 2015 or latest year available from multiple sources. See [OECD Employment Outlook 2017](#), Table 1.2. for further details

NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF THE SPANISH LABOUR MARKET

The 2017 issue of the *OECD Employment Outlook* presents a comparative scoreboard of labour market performance that provides a rich overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quality (pay, labour market security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- The Spanish labour market tends to perform below the OECD average in all dimensions of the scoreboard, except earnings quality in which Spain is just at the average and the gender gap in labour income that at 37.4% is 1.6 percentage point better than average. Beyond the poor performance in terms of number of people employed and unemployed, Spain ranks at the bottom third of OECD countries in terms of

labour market security, job strain and the share of working-age persons living with less than 50% of the median income, which at 16.5% is the highest among OECD countries.

- The employment gap of potentially disadvantaged groups, such as mothers with children, youth (aged 15-29 years), older workers, non-natives, and persons with partial disabilities, is also worse than average. In particular the probability of having a job for youth not in full-time education is 18% lower than for prime-age men, and it has increased by 8 percentage points in the past decade, the greatest increase within the OECD.
- During the past decade Spain has shown significant improvements in earnings quality. By contrast, as in most OECD countries, labour market security has worsened over the past decade and the share of working-age persons living in poor households has increased, both largely as a result of the deep and prolonged economic crisis.

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