

Labour Market Monitor

Issue No. 95 | June 2015

Key points of the month

- May's figures for unemployment and Social Security enrolment (down 117,985 and up 213,015 respectively) were in line with the forecasts of the Afi-ASEMPLEO SLM Indicator.
- The growth vectors of employment in May remain the same as those seen up to now.
- The Afi-ASEMPLEO SLM Indicator is still predicting that YoY growth in employment will continue to accelerate until June.

Job creation will accelerate until June

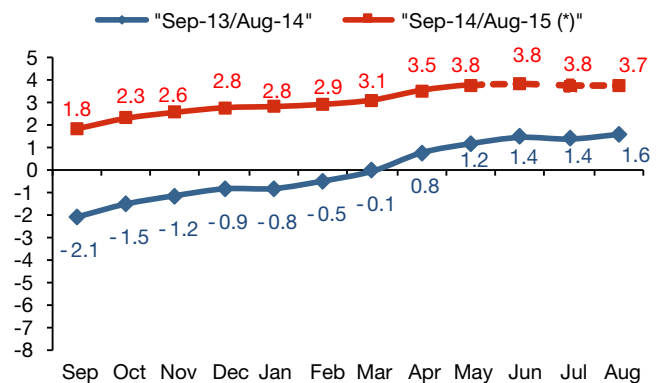
In May, Social Security enrolment recorded its biggest monthly increase in 10 years (213,015), taking the YoY rise to 3.6%. It has risen by almost 600,000 over the past 12 months.

The labour market recovery is exceeding all expectations. After a very positive first quarter, employment creation is accelerating again in the second quarter of the year, as had already been anticipated by the Afi-ASEMPLEO SLM Indicator in our previous issue.

The sector seeing the strongest growth in enrolment is services, particularly hotels & catering. The driver is the improvement in domestic demand, which gives rise to an increase in the demand for services.

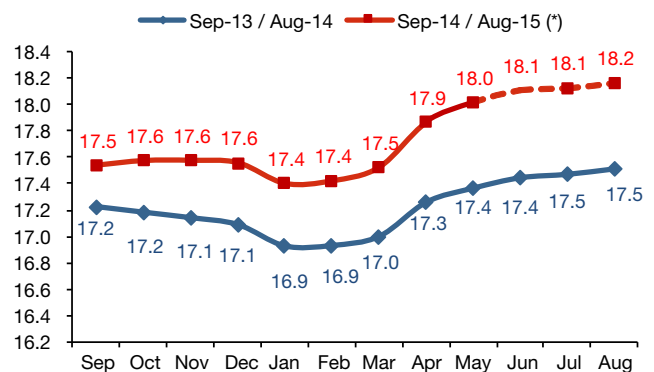
These enrolment figures suggest that the rise in EPA employment in the second quarter could be substantial. The Afi-ASEMPLEO SLM Indicator points to an acceleration in job creation until June, when the YoY rate is expected to reach 3.8%. If this is confirmed, the second quarter could end with employment above the 18 million mark (up around half a million on the previous quarter).

SLM monthly forecast of workers in employment (% YoY change)



Source: Afi. (*) Jun 2015-Aug 2015 figures are forecasts

SLM monthly forecast of workers in employment (millions)

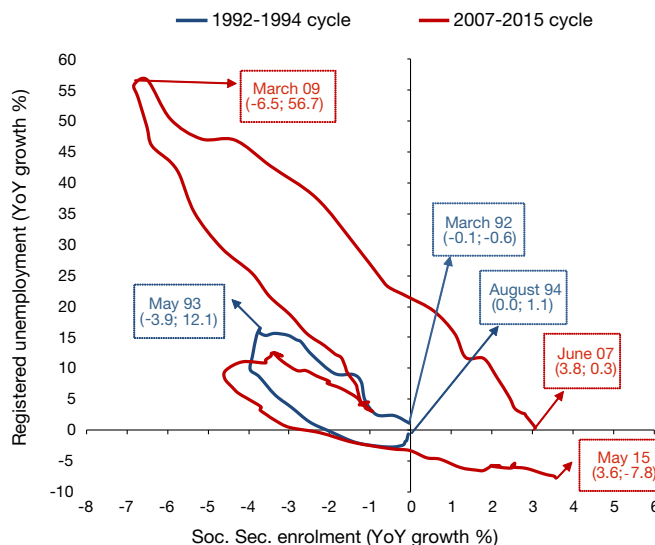


Source: Afi. (*)Jun 2015-Aug 2015 figures are forecasts

In May, registered unemployment and Social Security enrolment were in line with the forecasts of the Afi-ASEMPLEO SLM Indicator. The former fell by 117,985 (7.8% YoY) and the latter was up 213,015 (3.6% YoY) with respect to the previous month. The trend in both indicators continues to reflect an acceleration in economic growth. The number of self-employed continues to grow, but increasingly slowly in YoY terms (2.2%). The obstacles to starting a business continue to hinder this process. By economic sector, the growth vectors of employment remain the same as those seen up to now. Half the increase of the Social Security enrolment is attributable to the good performance of catering, retail sales, and employment and administrative services, to a large extent reflecting the improvement in the confidence and consumption of households.

YTD recruitment for the five first months of the year has already reached similar levels to the whole of 2008 (more than 7 million contracts). Although most of the increase in recruitment is due to temporary contracts, permanent full-time contracts continue to grow at rates of close to 10% YoY.

Afi-ASEMPLEO SLM 'clock'



Source: Ministry of Employment and Social Security

The assessment of ASEMPELO

Road to change

The new setting in which we find ourselves continues to present new aspects with symptoms (all positive) that only reinforce the crucial commitment of all the actors involved in the revival of the labour market.

Indeed, the labour market continues to show that, albeit at its typically modest speed, it is evolving toward a model that is much more aligned with those of our European partners.

One of these symptoms is the phenomenon of moonlighting, which has increased by almost three percent in the last year; though its share is still distant from the European average, it is another positive sign that the labour market is reviving.

Irrespective of what we might initially think about this practice, moonlighting is an option characteristic of dynamic labour markets, which offer alternatives, normally to more qualified workers seeking to complement their family incomes. Equally, moonlighting increases when unemployment is falling and is more common in places where salaries are higher.

Therefore, we are still far from being able to compare ourselves with other European labour markets that respond to the dynamic and changing needs of a labour market that has evolved, in a very short space of time, rather faster than the workers; hence, it is the workers who must adapt to this change and not vice versa.

The private employment agencies, aligned with the immediate needs of companies, are by far the most specialized actors, able to respond to workers' new and changing needs and help them to access the labour market and to progress within it.

Andreu Cruañas. President of Asempleo

The highlight of Afi

Moonlighting in the 21st century

The EPA data for the first quarter of this year show that the recovery in the incidence of moonlighting by Spanish workers is strengthening. The number of workers with two or more jobs increased by 2.8% YoY and the incidence of moonlighting workers stands at 2.2% of the total in employment. That is low, but is the half the level observed in the EU, which moreover has been growing faster, even during the crisis. When the memory of the "moonlighting" that existed in the 1960s and 1970s still persists in Spain, we might ask if this represents a return to a traditional aspect of the Spanish developmentalism of that period or something different. The current moonlighting phenomenon probably combines two factors. In the first place, the need for an adequate income. On the other hand, the ability it provides to diversify activities in pursuit of a better work-life balance and/or quality of professional life. The EPA data suggest that the second of these factors seems to be more important. Many of the recent developments in the Spanish labour market have required decisive action by the government to alleviate the disastrous consequences of the crisis. In the case of moonlighting, even if we accept that it is partly a legacy of the crisis, it appears to reflect new life styles and ways of working, as it occurs among well-qualified women (in particular) and men. If this does turn out to be the explanation, we should encourage this tendency from all angles: the demand and supply of employment, on the one hand, and the corresponding regulations, on the other.

José Antonio Herce. Associate Director, Afi

Labour Market Review

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The number in employment with two jobs is growing

The number in employment with a secondary job grew by 2.8% in 1Q15 and they represented 2.2% of the total in employment, half the EU-28 average. Women and workers with high educational levels are more likely to have two jobs and are also the groups which saw the biggest increase in this phenomenon in 1Q15. Executives and professionals in the services sector and agriculture often have two jobs, but in 1Q15 there was an increase among those in basic jobs. By regions, the proportion of workers with a secondary job was higher in those with better educational levels and lower unemployment rates.

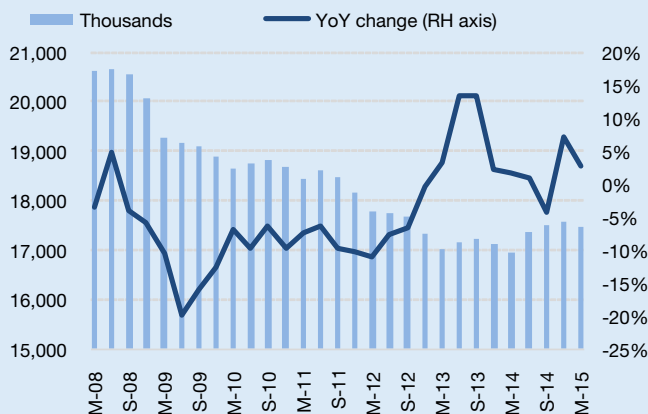
The number in employment with a secondary job grew by 2.8% in 1Q15 and they represented 2.2% of the total in employment...

When economic activity and employment are recovering, as is the case of the Spanish economy at present, recourse to part-time working increases, as does the combination of two or more jobs, allowing workers to supplement their working day and the household income. The 1Q15 data reveal that the number of part-time workers stands at 2.84 million (16.3% of the employed), while 384,300 manage to combine two jobs at the same time (2.2% of the total of employees). Both groups have been growing in recent months (3.3% and 2.8% YoY respectively in 1Q15), as a result of the faster growth in employment, but on this occasion the in-depth analysis of the labour market will focus on the latter group of workers.

... half the EU-28 average.

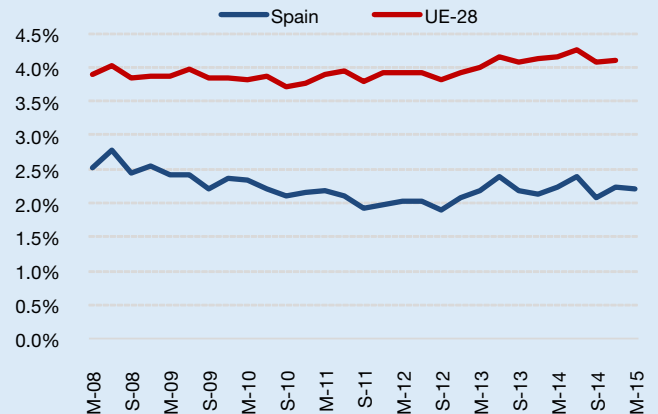
As occurs with part-time working, secondary employment is much more common in the European Union than in Spain. While in the latter, as noted above, workers with two jobs represent 2.2% of the total in 1Q15, in the EU-28 that proportion is practically double. It should also be emphasized that the gap with respect to the European average has widened during the crisis, which had a greater impact on the Spanish labour market and increased the difficulty of finding a principal job, let alone a secondary one.

Employed workers with a secondary job
(thousands and YoY change)



Source: INE

Employed workers with a secondary job
(% total employment)



Source: INE, Eurostat

Women and workers with high educational levels are more likely to have two jobs...

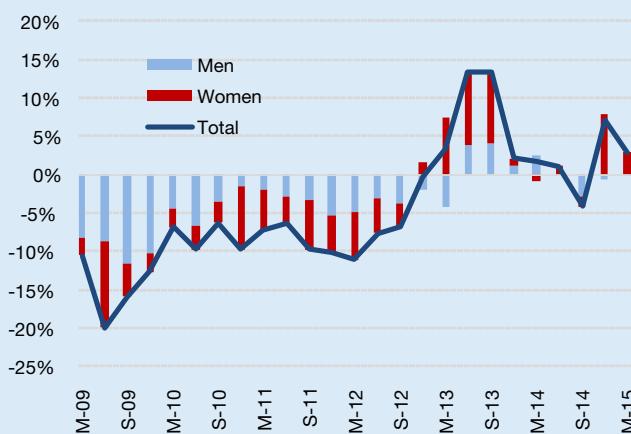
The profile of the worker capable of combining two jobs is generally female and highly educated. Women are more likely to opt for part-time jobs, and combining various such jobs, among other advantages, allows them to attend to and care for their families. In 1Q15, 2.6% of women had two jobs, while for men the percentage was 1.9%.

... and are also the groups which saw the biggest increase in this phenomenon in 1Q15.

On the other hand, a high level of education increases the probability of finding employment and even of combining various jobs, as it is an indicator of the worker's ability or skills. In 1Q15, the proportion of highly educated employed with two jobs was 3.1%, while only 1.6% of the poorly qualified were able to combine two jobs.

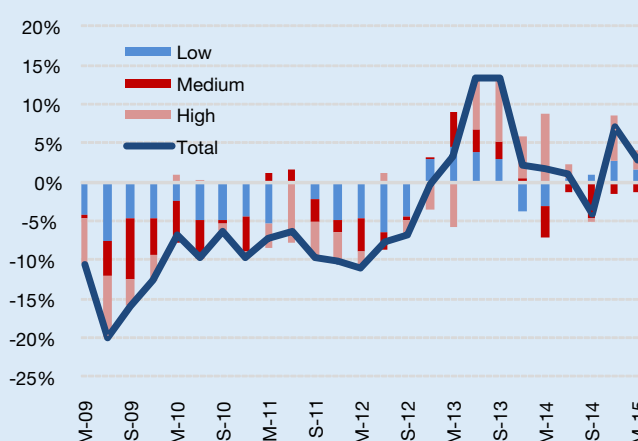
The increase in the number of workers with secondary jobs in recent quarters has also occurred among the same groups: women and highly educated workers. If this tendency is maintained over the coming months, the proportion indicated above will continue to rise.

Contribution to YoY change in workers with a secondary job by gender



Source: INE

Contribution to YoY change in workers with a secondary job by educational



Source: Eurostat

Executives and professionals in the services sector and agriculture often have two jobs...

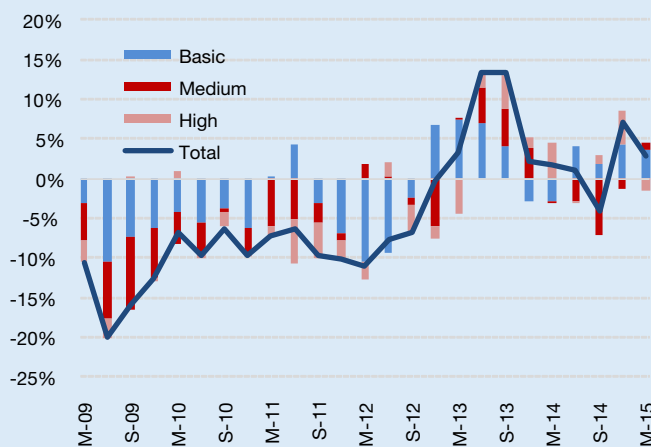
The initial type of employment is closely related to the worker's educational level, as a secondary job is more common among workers whose main employment is executive or professional than among those with basic jobs (3.8% and 1.9% those employed in these categories in 1Q15 respectively). The fact is that the abilities acquired in these jobs can be extrapolated to other types of employment.

By economic sector, it is more habitual to have a secondary job in agriculture or services (3.5% and 2.5% respectively of those employed in these sectors in 1Q15) than in industry or construction (0.6% and 0.7% respectively). Again, the part-time and temporary working associated with these activities makes this phenomenon more frequent.

... but in 1Q15 there was an increase among those in basic jobs.

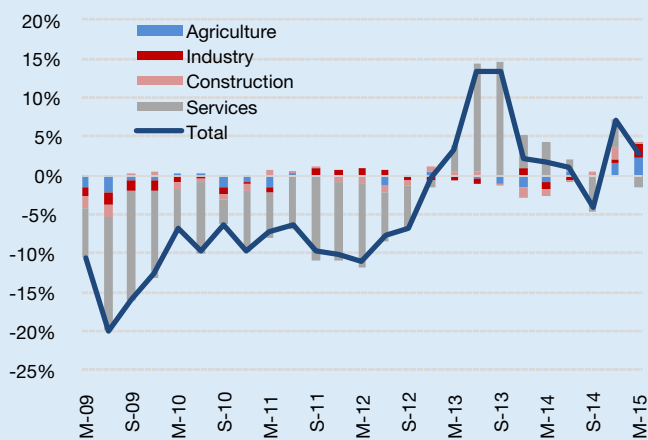
However, the trends of recent quarters are not following this pattern, as the numbers of those with two jobs are growing fastest among workers whose main employment is of a basic nature and who work in the industrial sector, as well as in agriculture.

Contribution to YoY change in workers with a secondary job by nature of primary job



Source: Eurostat

Contribution to YoY change in workers with a secondary job by sector



Source: INE

By regions, the proportion of workers with a secondary job was higher in those with better educational levels and lower unemployment rates.

Workers with secondary jobs are more common in those regions with higher numbers of employed workers with high educational levels and where the unemployment rate is lower; these are clear indicators of the probability of finding a secondary job. Navarre stands out as the region with highest proportion of employed workers with two jobs (3.5% of the total in 1Q15), in contrast to Extremadura and Cantabria, the regions where fewest workers are in this situation (around 1.5% of the total in 1Q15).

However, the YoY trend indicates that the increase in those employed in two jobs has been greatest where it is least common, meaning that its importance will increase where it still is modest. Such is the case of Asturias and Andalusia, regions where the workers with secondary employment increased by 60% and 40% YoY respectively in 1Q15.

