

# El monográfico del Mercado Laboral

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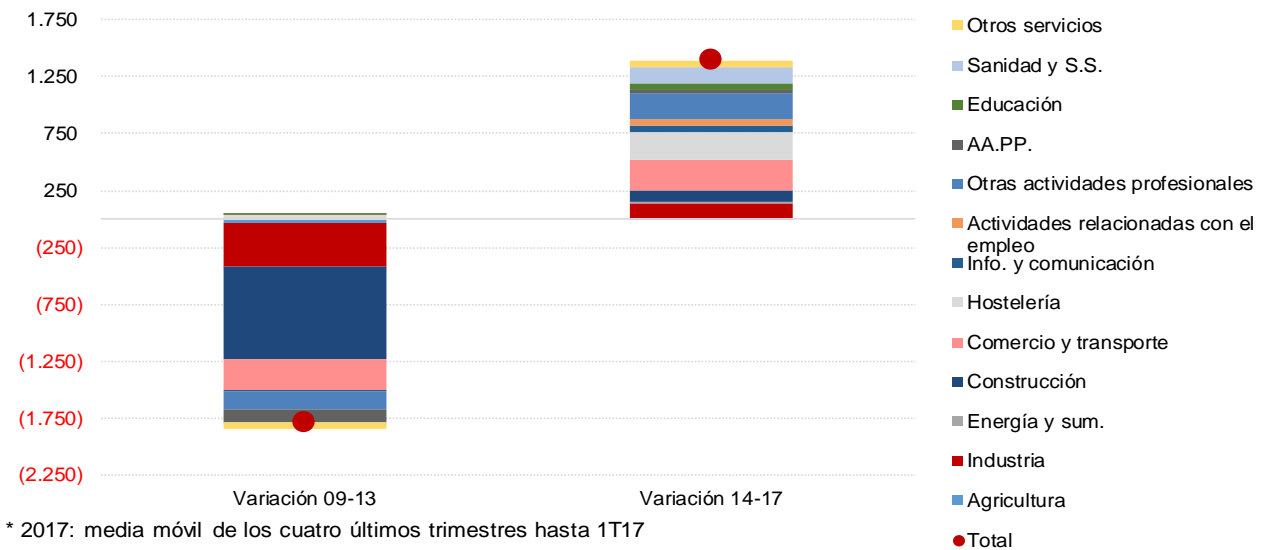
## TWAs and PAs, key players in job creation

There is a positive correlation between increases in the penetration of the TWAs and PAs in each economic sector and especially in those that are driving job creation. The incidence of temporary working is falling in regions where TWAs have increased their activity.

<p><b>The TWAs have played a key role in job creation during the recovery...</b></p>	<p>During the past decade, the temporary work agencies (TWAs) and placement agencies (PAs) have played a key role in the creation and preservation of employment. Since the onset of the recovery in 2014, employment-related activities, the sector of which they form part, have led job creation in relative terms. With regard to Social Security enrolment, they have created jobs practically every year since 2009, with cumulative growth of 64%, while total enrolment has yet to regain that level. In terms of employment, their performance has been more erratic, though the data also show that they have exceeded the 2009 level by almost 20%, while the total remains 10% below it.</p>
<p><b>... as shown by the positive trend in TWA recruitment...</b></p>	<p>The sector's ability to generate employment goes beyond the jobs it creates for itself, as its function is to mediate in the recruitment of staff in other sectors. Evidence of this is the volume of temporary hiring, which is quite different to the level of permanent recruitment. With regard to trends, though the two types of hiring have grown at the same rate since the recovery began, the number of temporary contracts handled by the TWAs and PAs has increased notably, rising by 29% since 2006, given their role as generators of employment beyond their own sector.</p>
<p><b>Evolución del número de afiliados en actividades relacionadas con el empleo y total, 2009-2017</b></p> <p>* 2017: media móvil de los cuatro últimos trimestres hasta 1T17</p> <p>Fuente: Ministerio de Empleo y Seguridad Social</p>	<p><b>Evolución del número de contratos ETT, temporales e indefinidos (100=2006)</b></p> <p>Fuente: Ministerio de Empleo y Seguridad Social</p>
<p><b>... and also their labour market mediation in other sectors...</b></p>	<p>On the other hand, in analysing the contribution of employment-related activities in absolute terms, though modest, two important factors should be taken into account. Firstly, it was one of the few sectors not to see net job losses during the recession. On the contrary, it created them (as did education and hotels &amp; catering). During the recovery, it has been this sector that has facilitated the increase in employment in the other sectors that are driving job creation. There are sectors where the TWAs and PAs have significant levels of penetration, acting as a component of the job creation engine during the economic recovery. These sectors include hotels &amp; catering, retailing,</p>

industry and IT & communications.

**Aumento y disminución de afiliados por sectores económicos, 2009-2013 y 2014-2017 (miles de personas)**



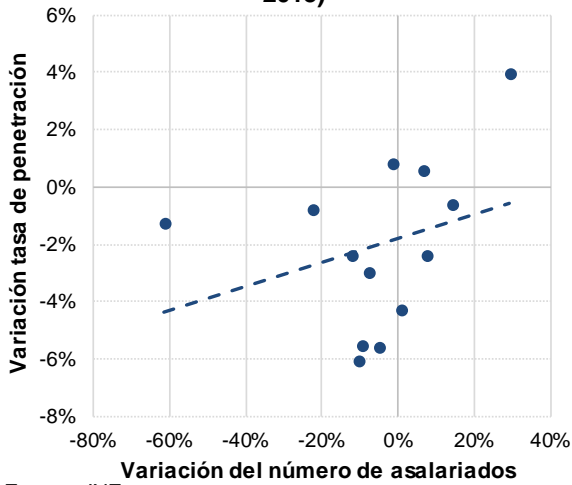
**... with a positive correlation between their level of penetration and the creation of jobs...**

In fact, a positive correlation can be seen between the variation in penetration of the TWAs and PAs in a sector from 2008 to 2015 (the latest year for which we have data allowing us to determine whether a temporary worker found work due to the mediation of these agencies) and the variation in the number of wage workers in the same period. The sectors in which the penetration of the TWAs and PAs increased most also saw the greatest growth in salaried employment during the current recovery. This is the case of (i) the energy and energy supply sector, where the penetration rate increased by 4pp and the number of wage workers by 29% during the period, and (ii) agriculture, which saw the penetration rate increase by 1pp and the number of wage workers by 7%. The latter sector also has the second highest penetration rate of the TWAs and PAs, after industry.

**...and a concentration in those sectors which have been the engine of job creation.**

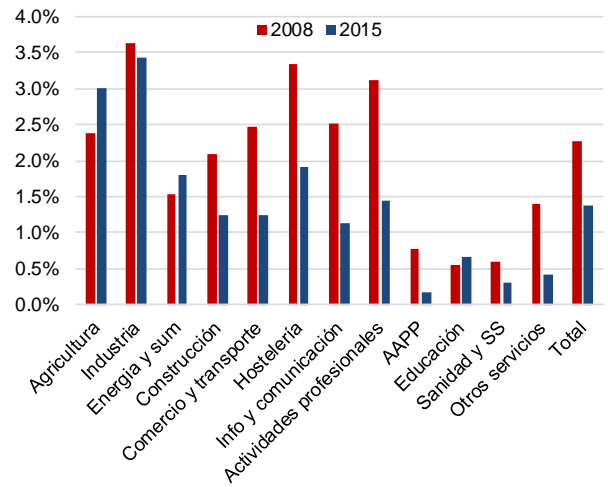
As well as industry, such sectors as energy and hotels & catering have the second highest levels of penetration of the TWAs and PAs and the latter is currently one of the main engines of job creation. Even so, the presence of the TWAs and PAs in these sectors is still less than at the beginning of the crisis, despite the fact that, as noted above, an expansion of their role would drive the job creation rate beyond its present level. As we have discussed in previous issues, such an expansion would not, however, lead to a rise in the incidence of temporary working, but rather the contrary. It would therefore be desirable to boost their presence back to pre-crisis levels at least, with a view to accelerating job creation, especially in those sectors where TWA penetration is particularly low (such as in public administration, for example).

**Relación entre la variación en la tasa de penetración de las ETT y el número de asalariados por sectores económicos (2008-2015)**



Fuente: INE

**Tasa de penetración de las ETT o relación entre el número de asalariados ETT y el total, 2008 y 2015**



Fuente: INE

**The incidence of temporary working is falling in regions where TWAs have increased their activity.**

The correlations observed above can also be seen in the regions. Those regions where the TWAs and PAs have expanded their presence have also seen a reduction in the incidence of temporary working in the 2008-2015 period. Such is the case of Murcia, where the penetration rate was higher in 2015 than in 2008, but the incidence of temporary working reduced over the period. Extremadura, Andalusia and the Canary Islands have the lowest penetration rates of TWAs and PAs in Spain (all below 4% and the national average), even though their incidences of temporary working are not the lowest. In general, it is the northern regions of the Iberian peninsula that have the highest presence of TWAs and PAs. The case of La Rioja stands out: although TWAs' mediation in salaried jobs has fallen significantly, they still account for almost 12% of all temporary workers in the region.



Fuente: INE