

Spanish Labour Market Monitor

Presentation

The positive results of May's labour market figures (a rise of 198,320 in Social Security enrolment and a fall of 111,916 in unemployment, compared to the previous month) point to a strengthening of the recovery initiated at the end of 2013. However, the progressive reduction in the percentage of the unemployed in receipt of benefit, around 58% in April, constitutes a worrying factor. The differences in the labour market are growing. One example is that, among the OECD countries, Spain has one of the lowest percentage of female senior managers (3.1% in 1Q14). The differences by gender are especially prominent among those of 45 and over, with higher education and working in the sectors of retailing, repairs and financial intermediation.

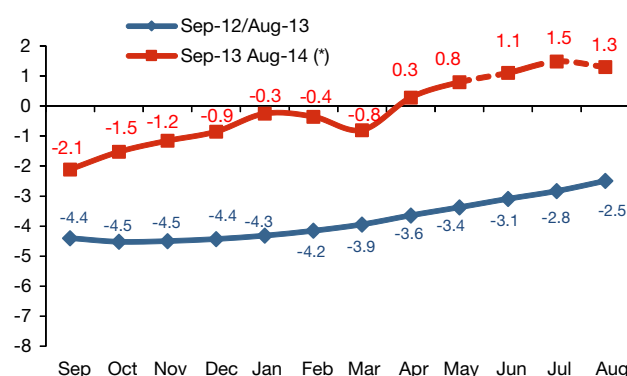
Key Points

- In May Social Security enrolment rose by 198,320 over the previous month, while the number in unemployment fell by 111,916.
- It is the first time since the start of the crisis that enrolment has grown in May on a seasonally adjusted basis (49,200). Services and industry account for the bulk of the YoY increase in enrolment.
- Total unemployment (4.57 million in May) already is lower than in the same month of 2012. All sectors contributed to the monthly decrease in unemployment.
- The Afi-ASEMPLEO SLM Indicator forecasts further YoY rises in employment, with rates of close to 1.5% in the late summer months. In August, employment could be 220,000 up on that of a year ago.
- The percentage of the unemployed in receipt of benefit continues to fall (57.9% in April, 3.4 percentage points lower than a year ago), while recruitment so far this year (at 6.3 million) was the highest since 2008.
- Among the developed OECD countries, Spain has one of the smallest percentages of women in middle and senior management positions.
- Only 3.1% of employed women in 1Q14 held an executive post, while among men this percentage was almost double.
- The differences by gender are especially notable among those of 45 years or more, with higher education and working in the sectors of retailing, repairs and financial intermediation.
- In 1Q14, 11.6% of female middle and senior managers worked part-time, probably in an effort to reconcile their family and professional lives, compared with only 2.8% of men.
- The regions with highest number of companies per 1,000 inhabitants are those which have the highest percentage of executives and managers among the employed, but also those with the smallest proportion of women.

Afi-ASEMPLEO SLM Indicator

The positive results of May's labour market figures points to a strengthening of the recovery initiated at the end of 2013. If June does not disappoint, the increase in enrolment in 2Q14 may be in the region of 360,000, similar to the same figure in 2007.

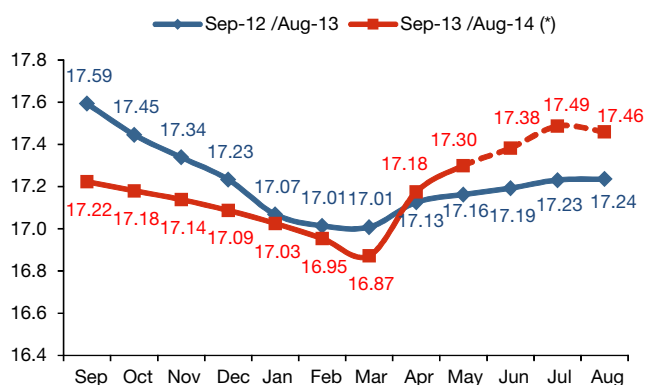
SLM monthly forecast of workers in employment (% YoY change)



Source: Afi. (*) June 2014-Aug 2014 figures are forecast

The Afi-ASEMPLEO SLM Indicator forecasts further YoY rises in employment, with rates of close to 1.5% in the late summer months. In August this year, employment could be up 220,000 on a year ago.

SLM monthly forecast of workers in employment (millions)



Source: Afi. (*) June 2014-Aug 2014 figures are forecasts

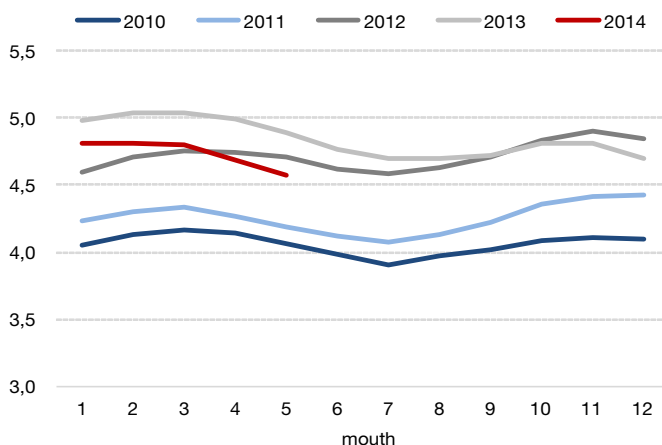
"In May enrolment rose by 198,320 over the previous month, while the number in unemployment fell by 111,916".

As anticipated by the Afi-ASEMPLEO SLM Indicator, **Social Security enrolment grew strongly in May, with 198,320 more contributors than the previous month** (1.6% YoY).

Seasonal effects contributed to the increase in enrolment, but were not the only factor on which the improvement of the employment was founded, since this was the first time since the start of the crisis that enrolment has risen in May on a seasonally-adjusted basis (49,200).

Besides the consolidation of the improvement in services, especially hotels & catering, retailing and transportation, industry contributed to the YoY growth in enrolment for the first time since the start of the crisis. By class of contributor, Social Security enrolment rose in the general and self-employed classes (1.4% and 2.3% YoY respectively).

Registered unemployment by month each year (millions)



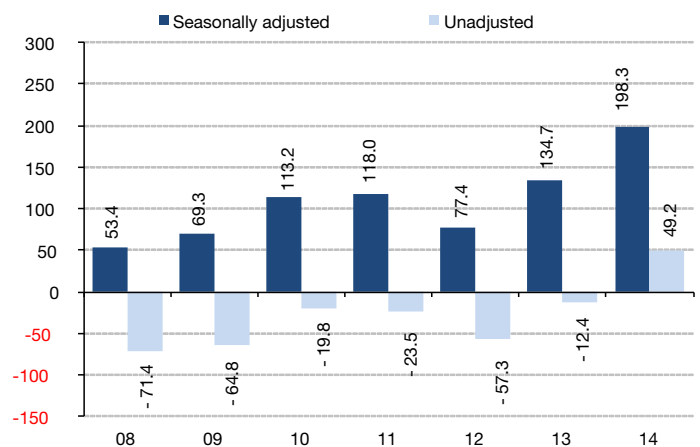
Source: Ministry of Employment and Social Security

"The percentage of the unemployed in receipt of benefit continues to fall (57.9% in April, 3.4 percentage points lower than a year ago), while recruitment so far this year (at 6.3 million) was the highest since 2008".

Despite the fall in unemployment, the lengthening of the time spent in unemployment by a growing number means that more and more do not receive any type of public benefit. **In April, the percentage of the unemployed in receipt of benefit stood at 57.9%, 3.4 percentage points lower than a year ago.**

Lastly, recruitment is the other labour market indicator which again improved in May. **In the year to date, 6.3 million contracts have been signed, the highest figure since 2008.** Of these, nearly 9% were permanent hirings, a form of recruitment that has grown in YoY terms since February, coinciding with the implementation of the reduction in employers' Social Security contributions until the end of the year. Temporary hiring, meanwhile, grew by 11.7% YoY in May.

Social Security enrolment: monthly change in May (thousands)



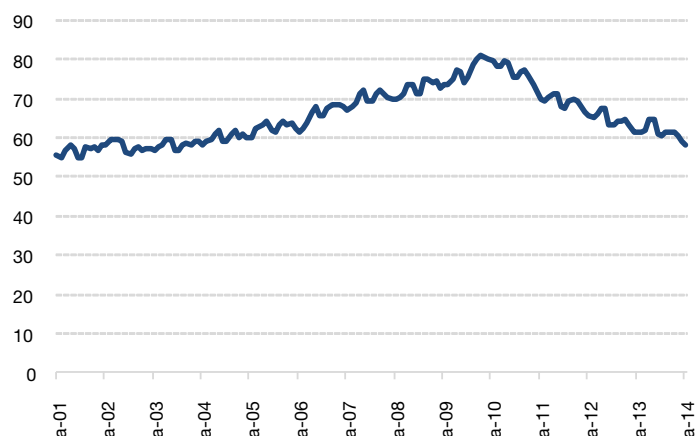
Source: Ministry of Employment and Social Security

Registered unemployment, meanwhile, fell by 111,916 with respect to the previous month and by 6.5% in YoY terms, the eighth consecutive monthly decline.

Hence, total unemployment, at 4.57 million in May, is now not only lower than in the same month last year, but also below that in 2012.

All sectors contributed to the monthly decline in unemployment, though the fall was more notable in services (84,706). Nevertheless, in YoY terms agriculture and those without previous employment still saw increases in unemployment (9.5% and 1.2% respectively), reflecting the marked seasonal nature of activity in the primary sector and the reluctance to hire workers without prior experience.

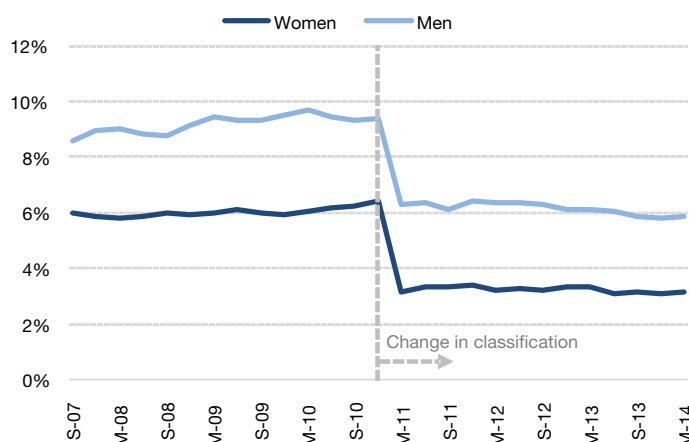
Gross percentage of coverage by unemployment benefit (%)



Source: Ministry of Economy and Competitiveness

"Only 3.1% of employed women in 1Q14 held an executive post, while among men this percentage was almost double".

Senior executives and managers by gender (% total employed)



Source: INE (National Statistics Institute)

With regard to the characteristics of the workers, the older they are, the greater their work experience and, therefore, the greater the probability that they have risen to the level of executive or manager. **The difference between women and men is quite clear among the workers over the age of 45**, i.e. precisely those who form the larger part of this group.

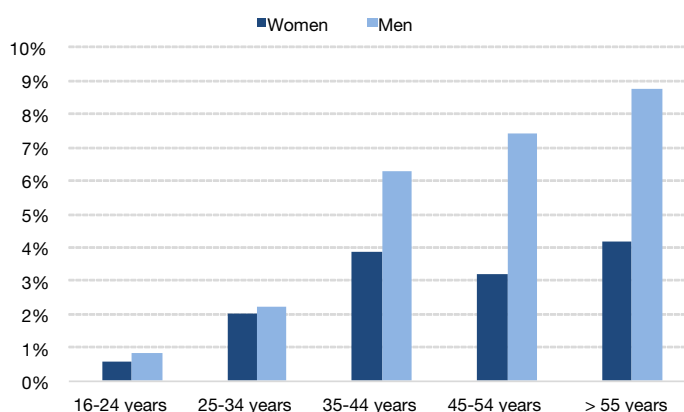
On the other hand, the higher the worker's qualifications, the greater the probability of his/her reaching such positions. However, **among those who have completed higher education, only 4.5% of the women occupied an executive post in 1Q14, compared 9.2% of men.**

The nationality of executives and managers is overwhelmingly Spanish. Over 90% of women executives and managers are Spanish, similar to the percentage of men.

The gender differences in employment, sometimes associated with discrimination against women, are a factor that impedes the correct functioning of the labour market and, therefore, they require the implementation of social, labour, and economic policies to correct them.

In this respect, among the developed OECD countries, Spain has one of the smallest percentages of women in middle and senior management positions. In 1Q14, for example, **while in 1Q14 3.1% of employed women held an executive post, among men this percentage was almost double** (specifically, 5.8%). This difference has held fairly steady in recent years, being due chiefly to the greater facility for men to occupy these positions of higher responsibility.

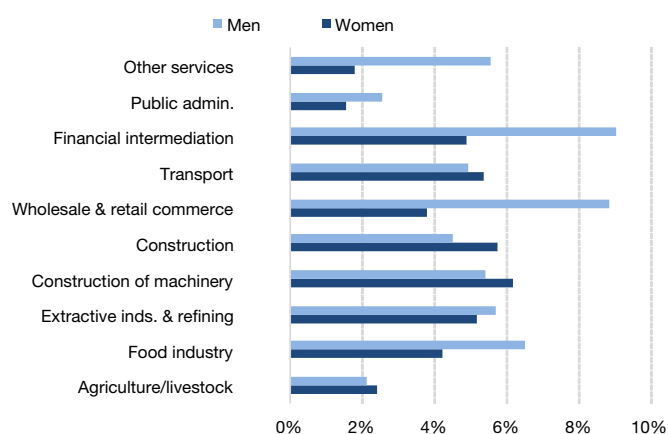
Senior executives and managers by gender and age in 1Q14 (% total employed in each age group by gender)



Source: INE (National Statistics Institute)

"The differences by gender are especially notable among those of 45 years or more, with higher education and working in the sectors of retailing, repairs and financial intermediation".

Senior executives and managers by gender and sector in 1Q14 (% total employed in each sector by gender)



Source: INE (National Statistics Institute)

The economic sectors with the highest percentages of executives and managers among workers in 1Q14 were those in which women are least represented. These include the primary sector, construction and the machinery industry. In other sectors, males dominate in executive positions. **Gender differences are especially notable in the sectors of retailing, repairs and financial intermediation.**

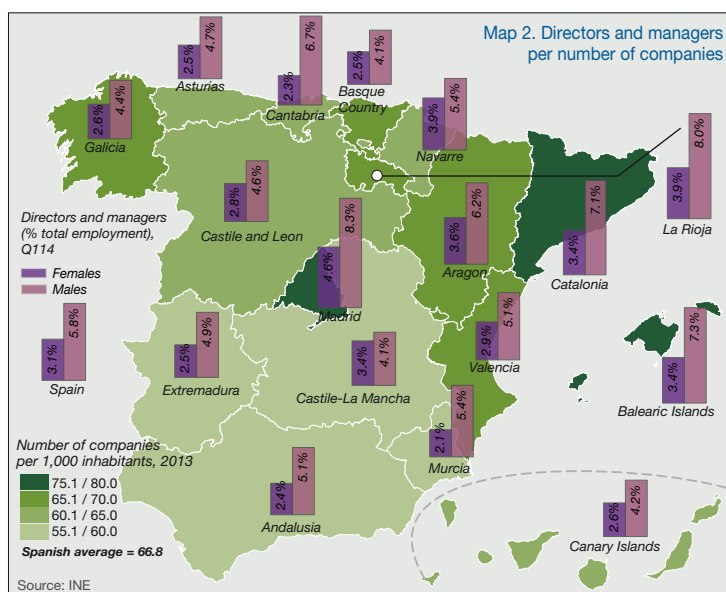
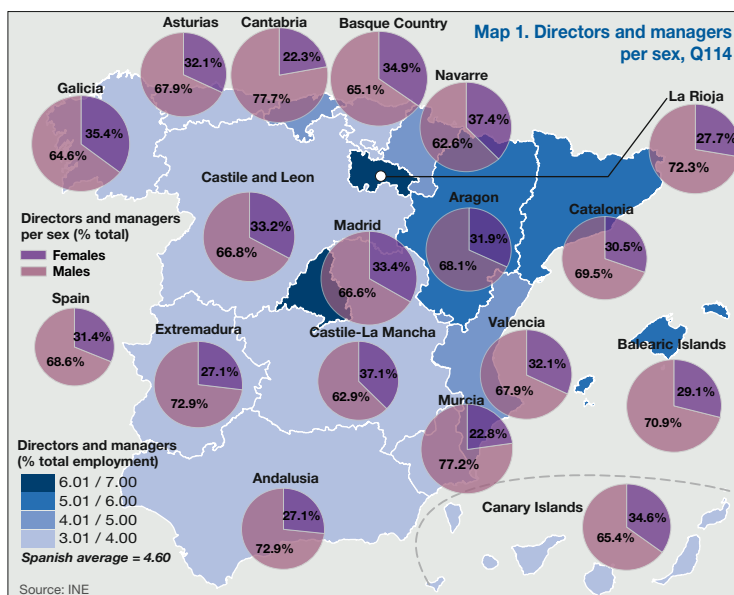
Workers' difficulty of reconciling career and family life may be one of the reasons for this enormous gender difference. A more flexible working day, such as part-time working, can contribute to narrow the difference. In this respect, 11.6% of women executives and managers worked part-time in 1Q14, compared with only 2.8% of men.

"The regions with highest number of companies per 1,000 inhabitants are those which have the highest percentage of executives and managers among the employed, but also those with the smallest proportion of women".

The regions with the greatest percentage of executives as a proportion of total employment are also those with a smaller presence of women in this type of job. Madrid is the region with highest percentage of executives and managers in 1Q14, while La Rioja lies second in the ranking. Both communities have more than 6% of their employed workers in senior management positions. In the latter case, however, the percentage of women holding such responsibilities is one of the lowest in Spain.

These disparities, regional and by gender, widen the gap between women and men. This difference is seen not only, as noted above, in the fact that only a few workers reach this type of job, but also in the consequences in terms of remuneration, especially negative for women. According to the INE's Survey of Salary Structure for 2011 (latest data available), **the salaries of senior executives and managers was 137.5% higher than the average salary and, in this group, women earned 16.6% less than the men.**

The proportion of senior executives and managers is closely related to the characteristics of the business community in each region. Thus, **those with the most companies per 1,000 inhabitants are, logically, those with the highest numbers of senior executives and managers**, in both absolute and in relative terms. This is the case of Madrid, Catalonia and the Balearic Islands. At the other extreme are regions such as Extremadura, Andalusia and the Canary Isles. A more entrepreneurial culture, therefore, would stimulate the economy and the numbers of senior executives and managers in the latter regional economies.



THE MONTHLY FOCUS

The glass ceiling

The term "glass ceiling" was coined thirty years ago to define the invisible barrier that impedes capable women from reaching the higher rungs of the corporate ladder. Today, this barrier continues to be insurmountable, although cracks are beginning to appear in its surface. There are people who see the existence of this ceiling as natural, arguing that, for various reasons, there are not that many women who are qualified. However, it is nonetheless the case in sectors as difficult for women as construction, industry of machinery and agriculture, in relation to the number of women employed in each sector, they have a higher probability of being executives than men do. Such evidence directly nullifies the excuse that there is a shortage of women qualified to be executives. We have to break the glass ceiling by removing gender-linked obstacles below it and, especially, from the beginning of the employment and professional ladder, let the superior natural talent and the greater qualifications of women flow freely. We will all benefit greatly.

José A. Herce. Associate Director, Afi