

1. Employment outlook

Following the decline over the period 2011-16, the employment levels in Spain have started to increase from 2016 onwards, as shown in Figure 1. This trend is projected to continue up to 2026 and then slowly increase towards the end of the forecast period (2026-30). Over the whole forecast period, Spain's employment growth is estimated to be significantly (14%) above the EU-28 average (6%).

Figure 1 Percentage employment growth in Spain and the EU-28, 2011-30



Source: Cedefop (2018 Skills Forecast)

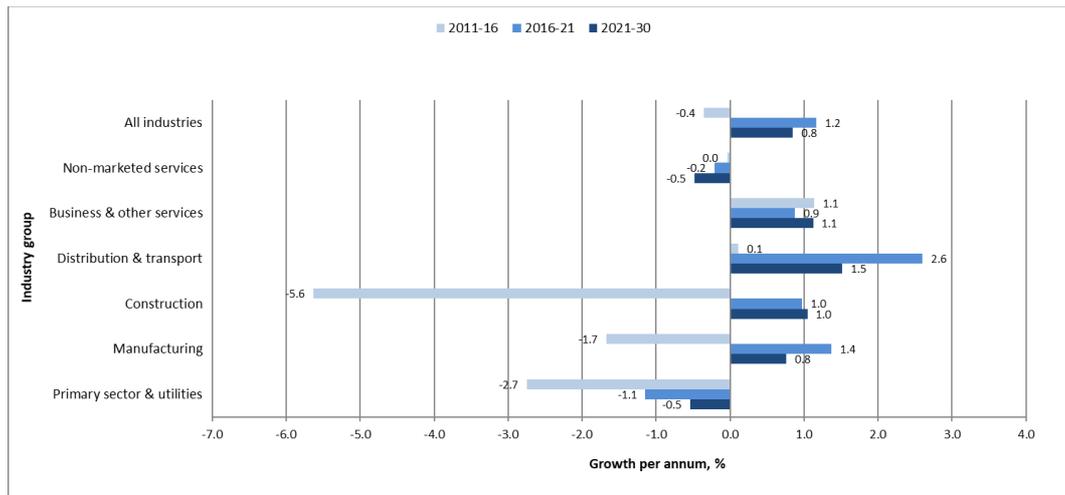
2. Labour force overview

Spain's overall labour supply is expected to decline (-6.5%) up to 2030, despite the increase in the working age population (3% over the same period). The decrease in overall labour supply is driven by the decline in the 30-49 age cohorts (by -28% on average) who have a very high participation rates for both sexes (89% on average). On the other hand, the number of workers with traditionally low participation rates (e.g. 60+) is expected to increase significantly (4.8% per annum), thus explaining the increase in the working age population.

3. Sectoral employment trends

Construction, one of the declining sectors over the period 2011-16, is expected to increase slowly in the next decade, as shown in Figure 2. In contrast, *primary sector and utilities* sector will continue to shrink, based on the continuous decreasing trend in *agriculture* and *mining* sub-sectors. *Non-marketed services* will continue to stagnate. After a stagnation in 2011-16 period, the *distribution and transport* sector is expected to increase from 2016 onwards, with the highest increase *per annum* in employment during both 2016-21 and 2021-30. The increase in this broad sector is driven by the increase in the *distribution* sub-sector, and to a lesser extent by *hotels and catering* in the period up to 2021. Among the sub-sectors, *engineering* and *miscellaneous services (i.e. arts, recreation, and other service activities)* are the sectors where the greatest per annum increases are expected over the forecasting period.

Figure 2 Employment growth by broad sector of economic activity, 2011-30



Source: Cedefop (2018 Skills Forecast)

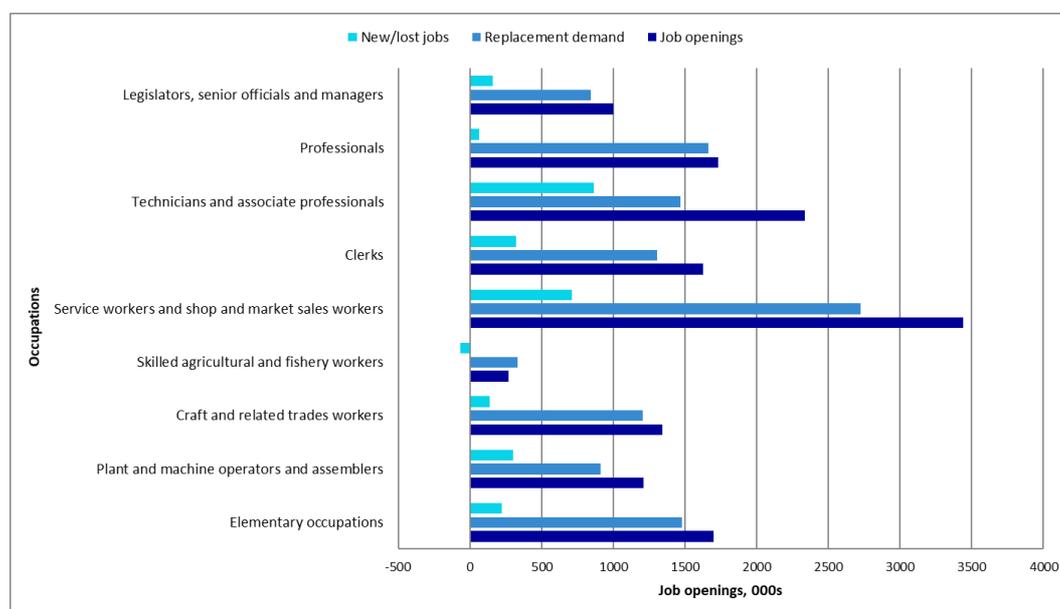
4. Job openings by occupational group

Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created due to the expansion of the employment in that sector or occupation. Replacement needs arise as the workforce leaves the occupation due to retirement or career changes. Replacement needs, generally, provide more job opportunities than new jobs, meaning that significant job opportunities arise even in

occupations declining in size (i.e. agricultural workers are a typical example, as ageing workers employed in the sector will need to be replaced).

Figure 3 shows the **total job openings** by broad occupational group over the period 2016–30. Most jobs will come from the need to replace workers retiring or changing occupations, but all the occupational groups are expected to create new jobs, except *skilled agricultural and fishery workers*. The occupation that is expected to have the highest number of job openings, out of which 80% are due to replacement needs, is *service workers and shop and market sales workers*, accounting for 21% of total job openings in Spain. The occupational group expected to increase the most in terms of new jobs is *technicians and associate professionals*.

Figure 3 Job openings by broad occupational group, 2016-30



Source: Cedefop (2018 Skills Forecast)

Within detailed occupational groups most of the **new jobs** are expected to be created in *customer service clerks*, *sales workers* and *personal service workers*. The same occupations are expected to provide the highest number of **total job openings**.

5. Drivers of occupational change

Within the Cedefop skills forecasts, future employment growth (or decline) of occupations is further broken down by separating national economic components from regional industrial and economic effects, helping to interpret what is driving the change. From this perspective employment growth can be explained by three possible drivers: (a) overall trends of the economy (i.e. growth or decline), (b) shifts of employment between sectors and (c) changes in the occupational structure within sectors (i.e. factors making some occupations more important/ others).

The sectoral shift toward *distribution and transport* as well as increase in *manufacturing* are expected to create employment in occupations such as *sales workers, hospitality, retail and other service manager and metal, machinery and relates trades workers*. On the other hand, the decrease in employment within *primary sector and utilities* is expected to lead to job losses for occupations such as *agricultural, forestry and fishery labourers*, while *teaching professionals* will lose employment because of contractions in the *non-marketed activities* sector.

Advancement in technology will lower employment within routine-based occupations such as *general and keyboard clerks, handicraft and printing workers and food processing workers*.

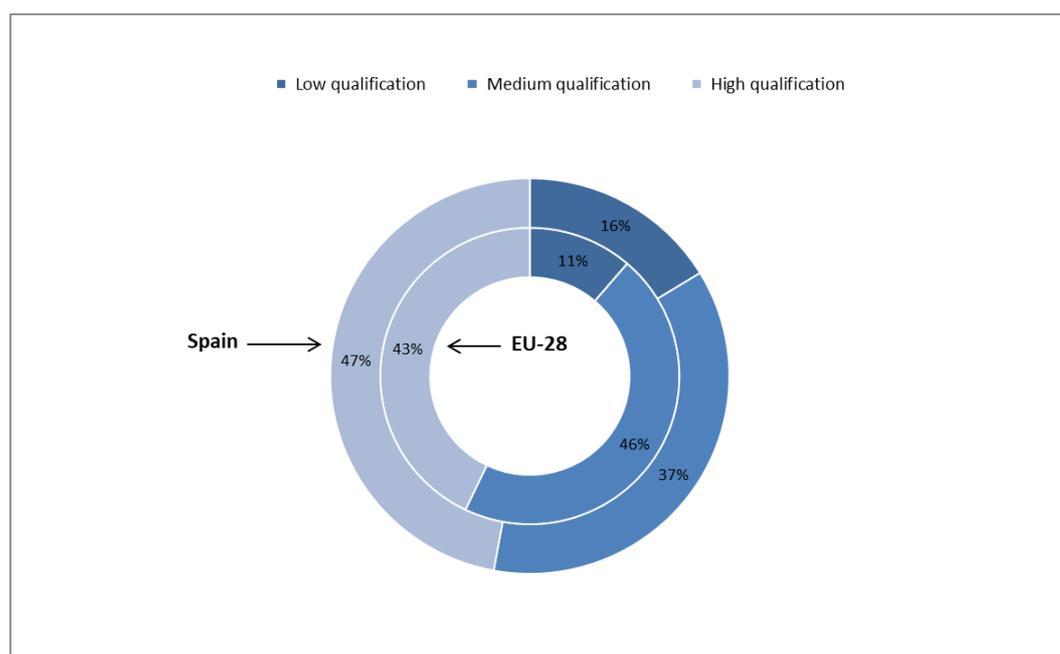
Taking into accounts the combined occupational and sectoral effects, the occupations expected to show among the highest increase in employment are *legal, social, cultural and related associate professionals, customer service clerks and health associate professionals*. Occupations in declining industries or affected by automation such as *market oriented skilled forestry, fishery and hunting workers, other clerical support workers and handicraft and printing workers*.

6. Demand for and supply of skills

Within the Cedefop skills forecasts, skills are proxied by the highest level of qualification held by individuals in the labour force and employment. Three levels are distinguished, high, medium, and low, which correspond to the official ISCED classification. The occupational group also offers an indication of the skill level required, as some occupations (e.g. professionals) typically require high-level skills, while some others (e.g. elementary) typically require only basic ones. Therefore, occupational groups are also linked to a skill level.

Figure 4 shows the shares each qualification has within the total job openings. Job openings requiring high level of qualifications will have the highest share, i.e. 47%, 4 pp above the EU-28 average. 16% of the job openings will require low qualifications, 5 pp above the EU-28 average. Job openings requiring medium level qualifications are expected to be below the EU-28 by 9 pp, reaching 37%.

Figure 4 Share of total job openings by level of qualification, 2016-30



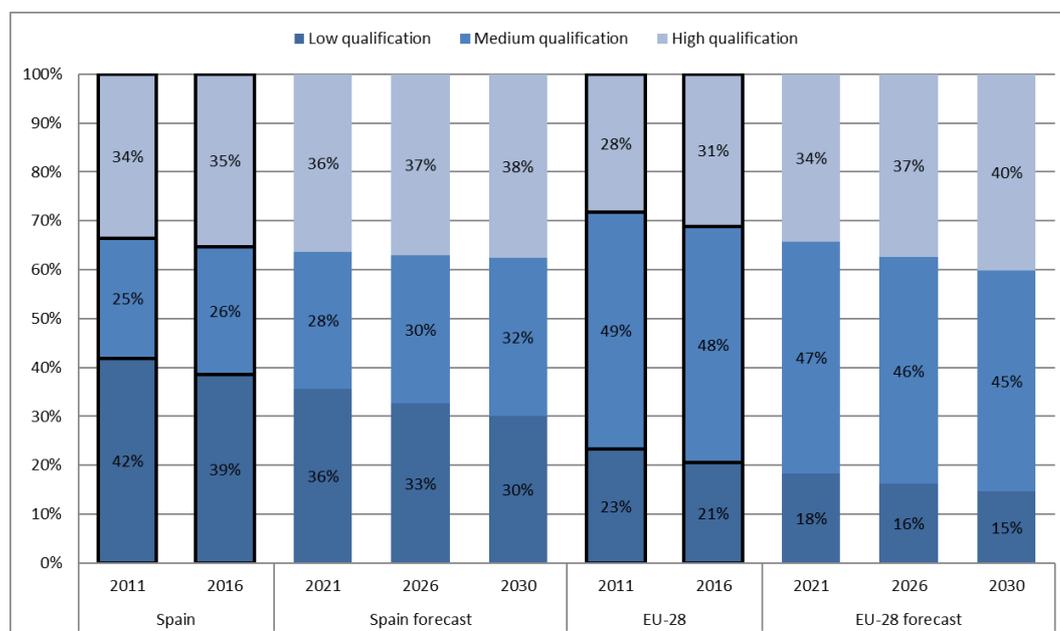
Source: Cedefop (2018 Skills Forecast)

The number of jobs requiring a high-level qualification is expected to increase for occupations requiring traditionally high-skills such as *business and administration associate professionals*, but also within occupations such as *customer service clerks* which traditionally required medium-skills.

Future labour supply trends depend on the size of the working age population (defined as aged 15 or older), the labour market participation rates, and the extent to which people acquire formal qualifications.

As seen in Figure 5, the share of workers with high-level qualifications is expected to slightly increase up to 2030, reaching 38% in 2030 and falling below the EU-28 average by 2 pp. Similarly, the share of medium-qualified workers is expected to increase, although it will remain well below the EU-28 average throughout all the forecast period, reaching 32% in 2030, 13pp below the EU-28 average. On the contrary, the share of low-qualified workers will decrease more markedly, reaching 30% in 2030, but will continue to be 15 pp above the EU-28 average.

Figure 5 Labour force share by level of qualification, 2011-30



Source: Cedefop (2018 Skills Forecast)

The demand for highly- and medium- qualified workers is expected to exceed their supply, while low-qualified workers will be in surplus, a situation which could give rise to significant skills mismatches.

Cedefop methodology and scenarios

Cedefop skills forecasts offer quantitative projections of future trends in employment by sector of economic activity and occupational group. Future trends on the level of education of the population and the labour force are also estimated. Cedefop's forecasts use harmonised international data and a common methodological approach allowing cross-country comparisons about employment trends in sectors, occupations and qualifications. The forecasts and methodologies applied are validated by a group of national experts. These forecasts do not substitute national forecasts, which often use more detailed methodologies and data, while they also incorporate in-depth knowledge of a country's labour market.

The latest round of forecasts covers the period up to 2030. The forecasts take account of global economic developments up to May 2017. Despite cross-country differences, the EU economy as a whole is expected to show modest growth, after a better-than-expected performance in 2017. Over 2018 and 2019, the EU economy as a whole is expected to grow, albeit at a slower pace compared to 2017, supported by increased household expenditure and falling unemployment, although wage growth remains muted. Investment is also expected to pick up given favourable financing conditions and an improved economic outlook. The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in 2017 (Europop 2015) ⁽¹⁾ and the short-term macroeconomic forecast produced by DG ECFIN in May 2017 ⁽²⁾

For the latest update and access to more detailed Cedefop skills forecast data please visit:

<http://www.cedefop.europa.eu/el/events-and-projects/projects/forecasting-skill-demand-and-supply>



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⁽¹⁾ <https://ec.europa.eu/eurostat/web/population-demography-migration-projections/population-projections-data>

⁽²⁾ https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2017-economic-forecast_it