



SPAIN

SKILL SUPPLY AND DEMAND UP TO 2025

2015 edition

Spain: Forecast highlights up to 2025

Between now and 2025:

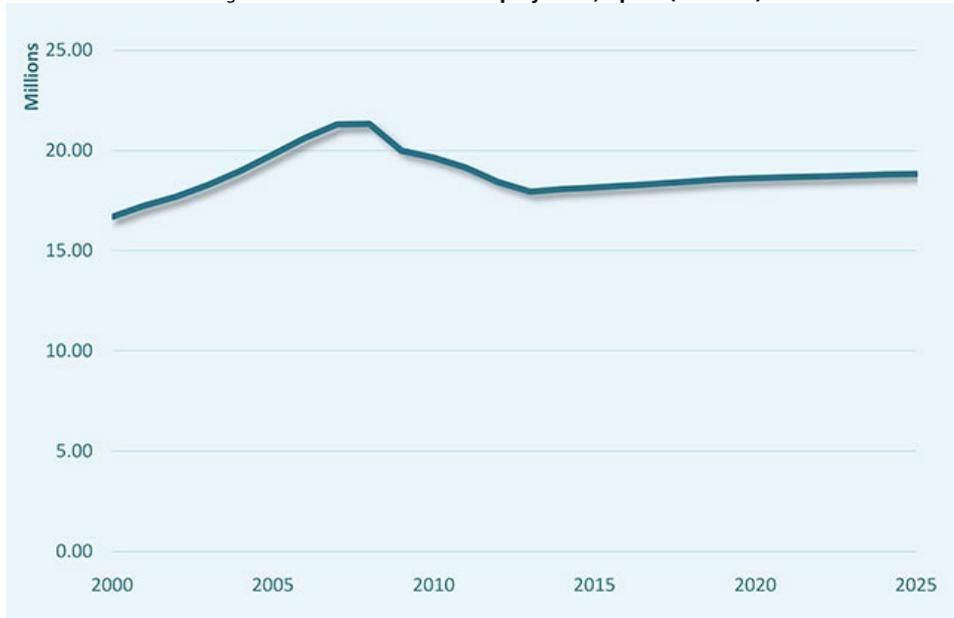
- Employment is forecast to rise but remain below its 2008 pre-crisis level.
- Most employment growth will be in distribution and transport (mainly hotels & catering).
- Between now and 2025, most job opportunities, around 27% will be for service and sales workers.
- Around 38% of the labour force will have high-level qualifications, compared to 35.5% in 2013.

Following the economic crisis in 2008, Spain's GDP started to recover in 2013. In 2013, Spain's unemployment rate was 26.4%, well above the European Union (EU) average of 11%. The European Commission forecasts GDP growth for Spain of 1.7% 2015 and 2.3% in 2016.

Employment outlook

According to Cedefop's skill supply and demand forecasts ([see scenario assumptions](#)), positive economic growth in Spain is expected to have only a limited effect on job growth in Spain and employment is not forecast to reach its 2008 pre-crisis level by 2025 (Figure 1). This is slower than employment growth forecast for the EU as a whole, where average employment is expected to reach its pre-crisis level in 2020.

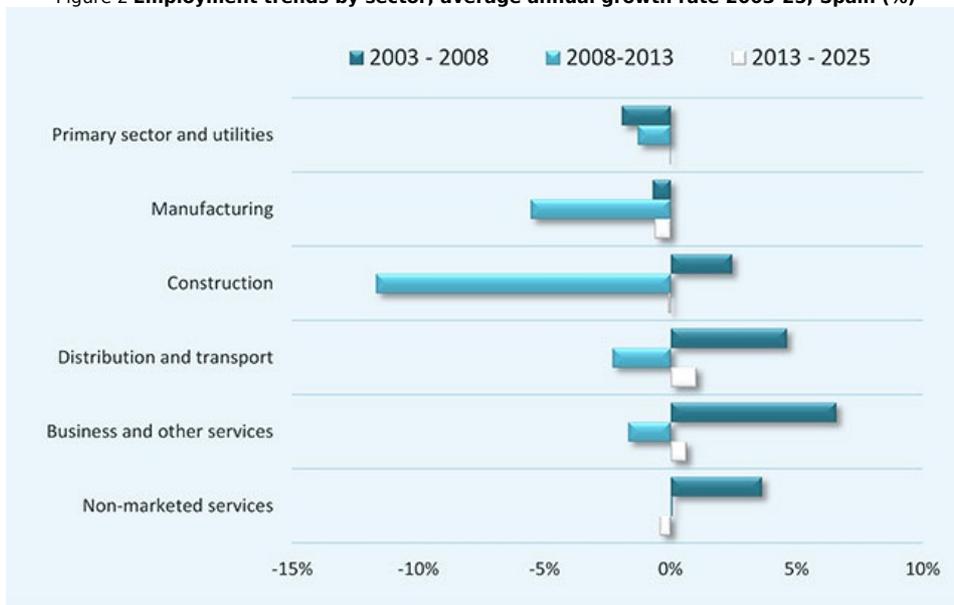
Figure 1 Past and forecast employment, Spain (millions)



Sector developments

The economic crisis reduced jobs in all sectors, with employment in construction and manufacturing hit hardest between 2008 and 2013 (Figure 2). Future employment growth in Spain up to 2025 will be in the distribution and transport sector, and business and other services. However, this growth is offset by job losses in manufacturing and non-marketed (mainly public sector) services.

Figure 2 Employment trends by sector, average annual growth rate 2003-25, Spain (%)



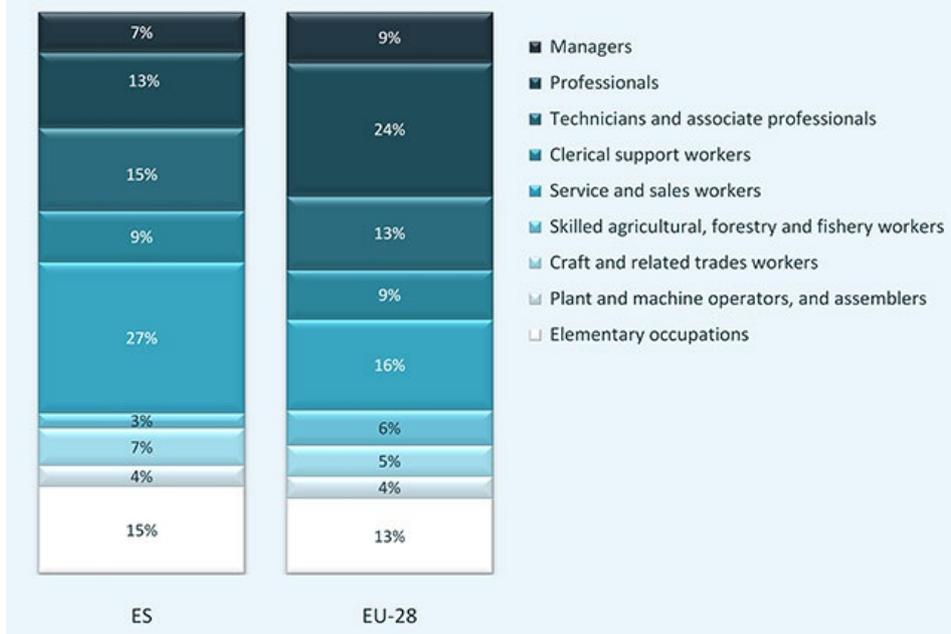
Source: Cedefop skills forecasts (2015)

Occupations and qualifications prospects

Cedefop’s forecasts give insights on job opportunities between now and 2025 (Figure 3). Total job opportunities are the sum of newly created jobs (expansion demand) and job opportunities arising because of the need to replace people who either go on to other jobs or leave the labour market, for example due to retirement (replacement demand). Often, replacement demand provides more job opportunities than expansion demand, which means that there will still be job opportunities even if the overall level of employment falls. Given the low employment growth, expected trends in occupational mobility and an ageing labour force, between now and 2025 replacement demand in Spain is forecast to provide about nine times more job opportunities than expansion demand.

In Spain, most job opportunities, around 27%, will be for service and sales workers, much higher than the 16% forecast for the EU as a whole (Figure 3). The share of job opportunities for professionals (high level occupations in science, engineering healthcare, business and teaching), around 13% in Spain is lower than the 24% forecast for these occupations in the EU as a whole.

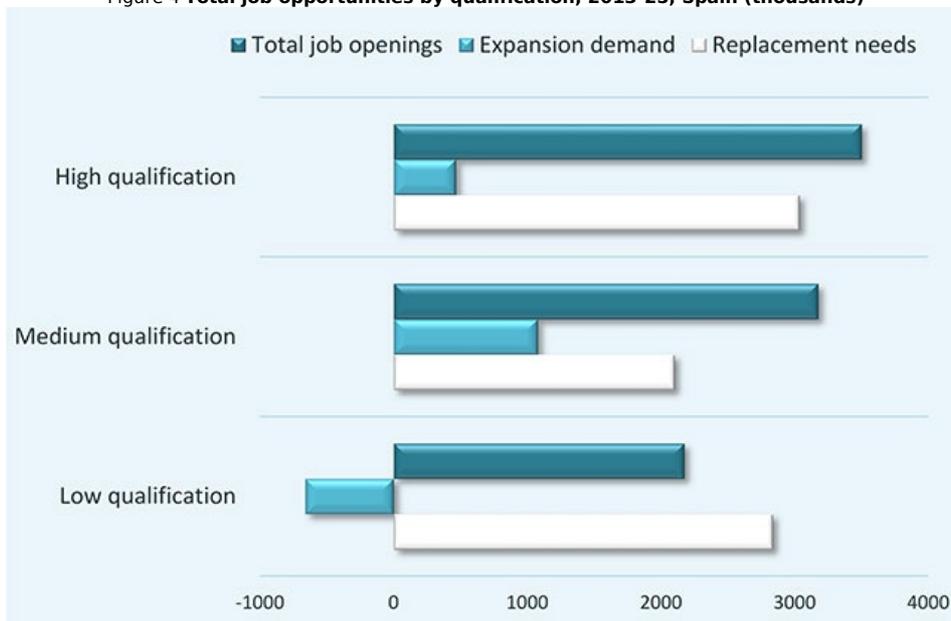
Figure 3 Distribution of total job opportunities by occupation, 2013-25, Spain and the EU (%)



Source: Cedefop skills forecasts (2015)

Most job opportunities in Spain will require high-level qualifications (ISCED 97 levels 5 and 6) (Figure 4). However, there will also be significant numbers of job opportunities requiring medium-level qualifications (ISCED 97 levels 3 and 4).

Figure 4 Total job opportunities by qualification, 2013-25, Spain (thousands)



Source: Cedefop skills forecasts (2015)

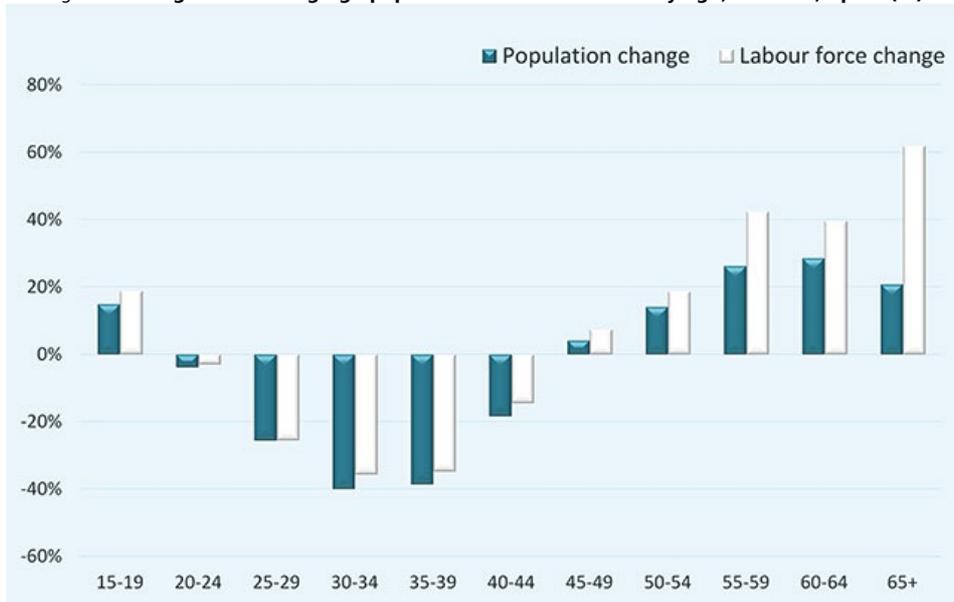
Labour force trends

Future labour supply trends depend mainly on demographics and the size of the working-age population (defined in the forecasts as people aged 15 and older), participation in the labour force (people in the working-age population either in or actively seeking work) and how quickly people acquire formal qualifications.

Eurostat's latest population projection (Europop 2013) for Spain reflects current trends in fertility rates and net migration flows. Spain's working-age population is projected to fall by around 1% between now and 2025. Labour market participation in Spain is also forecast to fall from 58.5% in 2013 to 54.4% in 2025, below the EU forecast average of 55.5%.

Following the EU demographic trend, Spain's population is also getting older (Figure 5). Between now and 2025, although numbers of people aged 15 to 19 are expected to rise, the biggest increases of Spain's labour force are projected in the age groups of 45 years and above. Numbers of people in the labour force aged between 20 and 44 are expected to fall substantially.

Figure 5 Changes in working-age population and labour force by age, 2013-25, Spain (%)

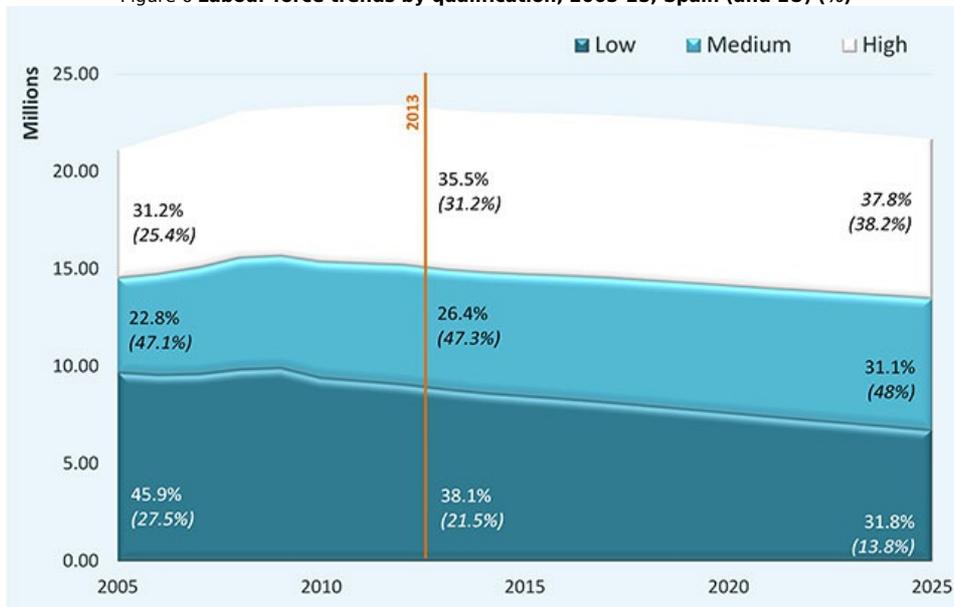


Source: Cedefop skills forecasts (2015)

Although older and a little smaller, Spain's labour force is becoming more highly qualified (Figure 6). This is explained by older less qualified people leaving and younger more highly-educated people entering the labour market. By 2025, the share of Spain's labour force with high-level qualifications is forecast to rise to 37.8% compared to 35.5% in 2013 and 31.2% in 2005. People with medium-level qualifications in 2025 will account for 31.1% of the labour force compared to 26.4% in 2013. The share of the labour force with low-level or no qualifications is forecast to fall from 38.1% in 2013 to 31.8% in 2025.

According to Cedefop's forecasts, by 2020 in Spain, around 41% of 30-34 year olds will have high level qualifications, above the EU's educational attainment benchmark of 40%, but lower than the national target of 44% by 2020.

Figure 6 Labour force trends by qualification, 2005-25, Spain (and EU) (%)



Source: Cedefop skills forecasts (2015)

In 2013, in Spain, 23.6% of young people left the education and training system with low-level qualifications, above the national target of reducing this to 16% by 2020. In the EU, the average in 2013 was 11.9%, still above its benchmark of less than 10% of young people leaving the education and training system with low-level qualifications by 2020.

Experts' view

Cedefop's forecasts and their assumptions are regularly discussed with a group of national experts **Maria Caprile Elola-Olaso, Director of Research at NOTUS - Applied Social Research** and **Elias Manuel Amor Bravo, President of AFEMCUAL** consider the forecasts' underlying assumptions and results plausible.

They add that the Europop 2013 population projections are broadly in line with national forecasts, although the assumed migration patterns are different.

They also consider the European Commission's economic forecasts to be broadly in line, although national forecasts foresee slightly higher rates of economic growth, 2.7% for both 2015 and 2016.

Cedefop skills supply and demand forecasts' scenario

Cedefop skills supply and demand forecasts take account of global economic developments up to October 2014. Despite significant differences between countries, the forecasts generally assume that a modest economic recovery will slowly increase confidence in the EU, increasing investment, consumer spending and exports. Inflation stays in target range and interest rates low, while higher tax revenues help governments reduce debt.

The assumptions reflect the latest Eurostat population forecast (Europop 2013, published in spring 2014) and the short-term macroeconomic forecast produced by the European Commission in November 2014.

Cedefop's forecasts use harmonised data and methodology for all countries covered to allow cross-country comparisons. They do not substitute national forecasts. Total employment data correspond to those reported in national accounts.

Cedefop's latest skills demand and supply forecasts up to 2025 cover 28 EU Member States plus Iceland, Norway and Switzerland. Results are regularly updated and together with key assumptions and methodological developments are reviewed by national experts.

For the latest update and more detailed skills forecast data visit: www.cedefop.europa.eu/forecast

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