

Press Release

25 January 2018

Economically Active Population Survey (EAPS)

Fourth quarter of 2017

Main results

- Employment registered a decrease of 50,900 persons in the fourth quarter of 2017 as compared with the previous quarter (-0.27%), standing at 18,998,400 employed persons. The quarterly variation rate stood at 0.39% in non-seasonal terms. Employment has grown by 490,300 persons in the last 12 months. The annual variation rate was 2.65%.
- Employment in the public sector increased by 12,700 this quarter, while in the private sector it fell by 63,500. In the last twelve months, employment has increased by 401,600 persons in the private sector and 88,600 in the public sector.
- This quarter, the total number of waged employees increased by 15,900. Those with permanent contract increased by 118,800, while the number of employees with a temporary contract decreased by 102,900. The number of waged employees increased by 537,100 in annual rate (permanent employment increased by 357,900 persons and temporary employment by 179,200). The number of self-employed workers decreased by 66,300 this quarter and by 45,400 in the last 12 months.
- This quarter, employment increased in *Agriculture* (43,700 more) and *Industry* (40,700) and decreased in *Services* (-124,300) and *Construction* (-10,900). Over the last year, employment has increased in all sectors: *Services* registered 289,700 more employed persons, *Industry* 132,200, *Construction* 64,300 and *Agriculture* 4,000 more.
- The largest increases in employment this quarter were registered in Comunitat Valenciana (21,800 more), Andalucía (19,300) and Canarias (16,600). The greatest decreases were recorded in Illes Balears (65,500 fewer), Castilla y León (-20,900) and Galicia (-16,700). Within the last year, the highest increases in the number of employed persons were observed in Andalucía (126,400), Cataluña (113,600) and Comunidad de Madrid (66,200). In turn, the greatest decrease was recorded in Castilla y León, with 7,100 fewer.
- The number of unemployed persons increased by 34,900 this quarter (0.94%), standing at 3,766,700. The quarterly variation of unemployment is -1.65% in seasonally adjusted terms. Over the last 12 months, unemployment has decreased by 471,100 persons (-11.12%).
- The unemployment rate stood at 16.55%, which is 16 hundredths more than the previous quarter. Within the last year, this rate decreased by 2.09 points.
- By Autonomous Community, the greatest decreases in unemployment this quarter were observed in Andalucía (45,000 fewer unemployed persons), Comunitat Valenciana (-17,200) and País Vasco (-10,000). And the greatest increases were in Comunidad de Madrid (51,800 more unemployed persons), Castilla-La Mancha (15,500) and Illes Balears (15,400). In annual terms, the greatest decreases in the number of unemployed persons occurred in Andalucía (159,700 fewer), Cataluña (-79,200) and Comunitat Valenciana (-57,400).
- This quarter, the number of economically active persons decreased by 15,900, to 22,765,000. The activity rate decreased by 12 hundredths standing at 58.80%. Over the last year, the economically active population has increased by 19,100 persons.

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Employment

The number of employed persons decreased by 50,900 persons in the fourth quarter of 2017, standing at 18,998,400. The quarterly employment variation rate stood at -0.27%.

The employment rate (percentage of employed persons in relation to the population aged 16 and over) stood at 49.07%, representing a decrease of 20 hundredths as compared to the previous quarter. In annual variation, this rate rose by 1.1 points.



Quarter-on-quarter employment evolution in thousands (variation of 4th Q as compared with 3rd Q of the same year)

By sex, employment increased this quarter by 30,400 for women and decreased by 81,300 for men.

By nationality, employment fell by 65,500 persons among Spaniards and grew by 14,700 persons among foreign nationals.

By age, in general, employment increases are observed this quarter among the groups over 40 years of age, with the 50-54 age group showing the greatest increase (34,900 more employed persons). On the other hand, below 40 years of age, the general trend was a decline in employment, with the group of young people aged 20 to 24 years of age showing the greatest decline (-69,800).

In the past twelve months, employment has increased by 490,300 persons (267,300 men and 222,900 women). The annual variation rate of employment was 2.65%, representing a decrease of 17 hundredths compared to the previous quarter.



Evolution of the total number of employed persons, in annual rate

This quarter, employment increased in *Agriculture* (43,700 more) and *Industry* (40,700). On the contrary, it decreased in *Services* (-124,300) and *Construction* (-10,900).

Over the last year, employment has increased in all sectors: *Services* registered 289,700 more employed persons, *Industry* 132,200, *Construction* 64,300 and *Agriculture* 4,000 more.

Full-time employment decreased by 130,400 persons this quarter, while the number of parttime employed persons increased by 79,600. The percentage of persons employed part-time increased by 46 hundredths, up to 14.77%.

Over the last 12 months, full-time employment has increased by 517,900 persons and parttime employment has fallen by 27,600.

This quarter, the number of waged employees increased by 15,900. Those with a permanent contract increased by 118,800 persons, while those with temporary contracts decreased by 102,900. The temporary employment rate decreased 67 hundredths, reaching 26.71%.

Over the last 12 months, the number of waged employees has increased by 537,100. Permanent employment increased by 357,900 persons and temporary employment did so by 179,200.

The total number of self-employed workers decreased by 66,300 persons in quarterly variation.

This quarter, private employment¹ decreased by 63,500 persons, standing at 15,923,600. Public employment² increased by 12,700, up to 3,074,700.

¹ Employment in the private sector includes: waged employees from the private sector, employers, self-employed workers and businesspersons without employees, members of cooperatives, family assistance and other professional situations.

² Employment in the public sector includes all waged employees of public enterprises and of the National and Regional Administrations, including both workers contributing to the Social Security and those attached to the Special Civil Service System.





Employment in the private sector showed an annual variation of 2.59%, while public employment of 2.97%. In the past twelve months, employment has increased by 401,600 persons in the private sector and by 88,600 in the public sector.



Employment evolution by nature of employer, in annual rate

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Unemployment and unemployment rate

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Unemployment increased by 34,900 persons this quarter. The total number of unemployed persons stood at 3,766,700. In relative terms, the quarterly increase in unemployment was 0.94%.

Quarter-on-quarter unemployment evolution, in thousands (variation of 4th Q as compared with 3rd Q of the same year)



The unemployment rate increased 16 hundredths and stood at 16.55%. In the last 12 months, this rate has decreased by 2.09 points.

By sex, the number of unemployed men increased by 10,000 this quarter, standing at 1,820,600. Among women, unemployment increased by 25,000, reaching 1,946,000.

Female unemployment rate increased by 14 hundredths and stood at 18.35%, while male unemployment did so by 17 hundredths, reaching 14.97%.

By age, there was a decrease in unemployment this quarter among those under 25 years of age (20,900 fewer unemployed persons). On the other hand, the number of unemployed persons increased by 47,200 among people aged 25 to 54 and by 8,700 among those aged 55 and over.

By nationality, this quarter unemployment was practically unchanged among Spaniards, while among foreigners it increased by 35,300. The unemployment rate of the Spanish population was 15.57%, while that of the foreign population was 23.57%.

Unemployment decreased this quarter in *Agriculture* (36,200 fewer unemployed persons). On the other hand, in *Services* the number of unemployed persons increased by 71,800, in *Industry* by 18,300 and in *Construction* by 7,800.

Unemployment decreased by 25,900 among first-time job seekers and remained virtually unchanged among those who lost their jobs more than a year ago.

The evolution of unemployment in annual rate was -11.12%. The total number of unemployed persons has decreased by 471,100 persons in a year, with a decrease of 274,400 for men and 196,700 for women.

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Evolution of the total number of unemployed persons, in annual rate

By age, the annual decrease in unemployment took place in all groups from the age of 20 years old. The most significant decrease was registered in the group aged 25-54 years old, (374,100 less unemployed persons).

In the last 12 months unemployment has fallen in *Services* (64,200 fewer unemployed persons), *Construction* (-23,600) and *Agriculture* (-18,600). In industry it has remained virtually unchanged. On the other hand, the number of unemployed persons who lost their jobs over a year ago has decreased by 334,400 and the number of unemployed persons looking for their first job by 30,500.

Economically active population and activity rate

The economically active population decreased by 15,900 persons in the fourth quarter, standing at 22,765,000. The number of economically active men decreased by 71,300, while that of economically active women increased by 55,400.

By nationality, the number of economically active persons increased this quarter by 50,000 among foreign nationals and decreased by 65,900 among Spaniards.

Quarter-on-quarter economic activity evolution in thousands (variation of 4th Q as compared with 3rd Q of the same year)



The activity rate decreased 12 hundredths this quarter to 58.80%. The male economic activity rate decreased 46 hundredths, standing at 64.57%. That of women increased 20 hundredths, reaching 53.33%.

The activity rate of Spaniards decreased 22 hundredths as compared with the previous quarter, standing at 57.23%. Foreign national activity increased by 66 hundredths, up to 73.19%. The difference of more than 15 points between both activity rates is mainly explained by the different age structures for both populations.

In annual terms, the economically active population has increased by 19,100 persons. The annual variation rate of economically active persons was 0.08%.





Households

The number of households increased by 14,400 this quarter, standing at 18,529,700. Of these, 4,727,900 were single-person households.

Households in which all economically active members are unemployed increased by 16,700 this quarter, up to a total of 1,210,500. Of these, 310,200 were single-person households.

On the other hand, the number of households in which all of the economically active members were employed decreased by 20,300, standing at 10,215,000. Of these, 1,886,100 were single-person households.

In annual comparison, the number of households with at least one economically active member in which everyone is unemployed has decreased by 177,200, while those that have all their active members in employment has increased by 331,300.

Results by Autonomous Community³

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Comunitat Valenciana (21,800 more employed persons), Andalucía (19,300) and Canarias (16,600) registered the greatest increases in employment this quarter. In turn Illes Balears (65,500 fewer employed persons), Castilla y León (-20,900) and Galicia (-16,700) registered the greatest decreases.

In relative terms, the Autonomous Communities with the greatest quarterly increase in employment were La Rioja (2.06%), Canarias (1.95%) and País Vasco (1.19%). In turn, the greatest decreases were registered in Illes Balears (-11.18%), Principado de Asturias (-2.39%) and Castilla y León (-2.12%).



Quarterly employment variation rate by Autonomous Community (%)

In annual variation, the highest increases in employment were recorded in Andalucía (126,400 more), Cataluña (113,600) and Comunidad de Madrid (66,200). In contrast, the greatest decreases in employment were registered in Castilla y León (7,100 less).

In relative terms, the Autonomous Communities with the greatest annual increases in employment were Canarias (5.51%), Andalucía (4.44%) and Castilla–La Mancha (3.76%). In turn, Principado de Asturias (-1.36%), Cantabria (-1.35%) and Castilla y León (-0.73%) registered the highest decreases.

³ As with the rest of the EAPS data, employment results in this section are presented according to the Autonomous Community of residence of those persons interviewed in the survey, and not according to where their workplace is.

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Annual variation rate of employment by Autonomous Community (%)

The greatest decreases in unemployment this quarter were recorded in Andalucía (-45,000 unemployed persons), Comunitat Valenciana (-17,200) and País Vasco (-10,000). Meanwhile, the largest increases were registered in Comunidad de Madrid (51,800 more unemployed persons), Castilla–La Mancha (15,500) and Illes Balears (15,400).

In annual variation, unemployment decreased in all Autonomous Communities. The greatest decreases were observed in Andalucía (-159,700), Cataluña (-79,200) and Comunitat Valenciana (-57,400).

Comunidad Foral de Navarra (9.63%), País Vasco (10.57%) and Aragón (11.37%) recorded the lowest unemployment rates this quarter. At the other extreme, Extremadura (25.12%), Andalucía (24.43%) and Canarias (22.04%) showed the highest rates.

The highest increases in activity rates in this quarter were registered in Comunidad de Madrid (36,400 more economically active persons), Canarias (23,800) and Castilla–La Mancha (22,300). The greatest decreases were recorded in Illes Balears (-50,100), Andalucía (-25,700) and Galicia (-16,400).

In the last 12 months, Comunidad de Madrid (43,600 more economically active persons), Cataluña (34,400) and Canarias (18,000) registered the greatest increases in the number of economically active persons. In turn, the greatest decreases occurred in Andalucía (-33,400), Castilla y León (-22,800) and Galicia (-15,900).

This quarter, the activity rates fluctuated between 63.32% for Comunidad de Madrid and 50.67% for Principado de Asturias.



Seasonally adjusted series

In the fourth quarter of 2017, the quarterly rate of employment in seasonally adjusted terms was 0.39%.



As regards seasonally-adjusted unemployment results, a decrease of 1.65% was observed.



Seasonally unemployment evolution. Quarterly variation rate.

As discussed in the methodology used for seasonal adjustment, the seasonal adjustment model is maintained for a year. The re-identification of the model corresponds to the first quarters, but the coefficients are recalculated quarterly; this means that the previous results are reviewed each quarter (either by re-identification or revision of coefficients) and therefore the latest series available must always be consulted. The results of the seasonally adjusted series of employment and unemployment since 1990 and the description of the method used are found at http://www.ine.es/en/daco/daco42/daco4211/epa_desestacional_en.xls

Flows in absolute values as compared with the previous quarter⁴

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The total inflow to employment in the fourth quarter of 2017 was 1,334,300 people, a figure 22,600 lower than that registered in the same quarter of the previous year.

However, the outflow from employment was 1,385,000 people, which is 45,200 more than in the same quarter of 2016.



Flows of persons (in thousands) who become employed and who cease to be employed each quarter

The number of persons who were unemployed three months ago but are not unemployed now stood at 1,476,700, which is 137,800 fewer persons than in the same period in 2016.

In turn, the total inflow to unemployment reached 1,572,600 people, representing 18,100 more than in the fourth quarter of 2016.

Flows of persons (in thousands) who become unemployed and who cease to be unemployed



⁴ This section compiles the results of the *Economically Active Population Flow Statistics*. Due to the methodology used during preparation, the results may not match the net balances of quarterly EAPS. The differences are caused by the "no data recorded" groups (persons turning 16 years old in the change between one quarter and the next who did not live in Spain in the previous quarter).



The inflow to activity this quarter was 1,260,000, which is 81,300 more than in the fourth quarter of 2016.

On the other hand, a total of 1,353,000 people have left the activity this fourth quarter, compared to 1,342,400 who did so during the same period of 2016 (that is, 10,600 more).



Flows of persons (in thousands) who become economically active each quarter

The outflow from employment to inactivity, of people aged over 60 years, was 95,100 people this quarter. This figure is higher by 4,400 than that observed in the fourth quarter of 2016.

This quarter, people under the age of 25 years who were employed directly from being economically inactive amounted to 112,900. This figure is 25,600 higher than that registered in the fourth quarter of 2016.

The flow data on which these comments are based can be found in the annex to this press release <u>http://www.ine.es/en/daco/daco42/daco4211/epafluj0417_en.xls</u>

EAPS results by province

The provincial results summary of the EAPS may be accessed via the following link:

http://www.ine.es/en/daco/daco42/daco4211/epapro0417_en.pdf

All the provincial information from this survey may be accessed from the INEbase database:

http://www.ine.es/dynt3/inebase/en/index.html?padre=996

For further information see INEbase-www.ine.es/en/

All press releases at: www.ine.es/en/prensa/prensa_en.htm

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Methodological note

General features

The Economically Active Population Survey (EAPS) is a continuous sample-based study aimed at family dwellings, and which has been conducted since 1964. Its main objective is to obtain data on the labour force and on its different categories (employed, unemployed), as well as on the population outside of the labour force (inactive).

A stratified two stage sample has been used, in which first stage units are census sections. There are 3,588 sections in the sample, to which 234 sections in the Autonomous Community of Galicia are added starting the third quarter of 2009. The additional sample is collected by the Gallician Statistics Institute (IGE) using the same fieldwork system and identical methodology to that of the INE. Therefore, the EAPS sample is made up of 3,822 census sections from the more than 36,000 census sections into which Spain is divided. Taking a minimum theoretical sample of 20 households by section, which implies a theoretical size of 76,000 households, an effective sample size of approximately 63,000 dwellings is reached, providing information on some 163,000 persons.

The data is collected via personal and telephone interviews. Interviews are evenly distributed throughout the 13 weeks of the quarter. Following Eurostat's guidelines⁵, the first week of the year is that which has the first Thursday of said year. The first quarter has 13 consecutive weeks which start in the first week of the year. The following 13 weeks are attributed to the second quarter, and so on.

The information is carefully filtered and computer-processed. Results are obtained in the month following the end of the reference quarter for data and are published on the appointed date, as set out in INE's Short-term Statistics Availability Calendar.

Main definitions

(Economically) Active persons: persons aged 16 years old and over who, during the reference week (the week prior to that when the interview is held), supplied labour for the production of goods and services, or were available to do so and in conditions to incorporate themselves into said production. They are divided into employed and unemployed persons.

Employed persons: persons aged 16 years old and over who, during the reference week, worked for at least one hour in exchange for payment (salary, wage, business benefit, etc.) in cash or in kind. Persons who, being employed, had been temporarily absent from their job due to illness, holidays, etc., are also considered employed persons.

Employed persons are classified, considering their professional status, as non-wage earners (employers, businesspersons without wage earners and independent workers, cooperative members, family assistance) and wage earners (public or private).

Considering the length of the working day, employed persons are classified as full-time and part-time employed persons. The usual working week may not be shorter than 30 hours in

⁵ See Regulation (CE) No 377/2008 from the Commission.

the first case, nor exceed 35 hours in the second. Part-time employment rate is calculated as the proportion of part-time employed persons compared with the total of employed persons.

Wage earners are classified as permanent and temporary. For the latter, the end of their contract or work relationship is set by means of objective conditions, such as the expiry of a certain period of time, the completion of a specific task, etc. Temporary employment rate is calculated as the proportion of employed persons with a temporary contract compared with the total of employed persons.

A significant category within employment is that of time-related underemployment, defined in the 16th International Labour Statisticians Conference (Geneva, 1998). In the EAPS, time-related underemployed persons are persons who wish to work more hours, who are available to do so and whose actual working hours during the reference week are less than the weekly working hours of full-time employees in the branch of activity in which the unemployed person has their main job.

Unemployed persons: persons aged 16 years old and over who, during the reference week, were unemployed, available for work, and actively looking for a job. Persons who might have already found a job and are waiting to start are also considered to be unemployed, provided that they meet the first two conditions.

According to European Commission Regulation 1897/2000, the following are considered to be active search methods, in the four weeks prior to the interview:

- Being in contact with a public employment office for the purpose of finding work, whatever part they play in the initiative (the renewal of registration due to purely administrative reasons does not constitute active planning).

- Being in contact with a private office (temporary employment agency, specialised hiring agency, etc.) with the objective of finding work.

- Having sent an application directly to employers.
- Having searched via personal relations and trade unions, etc.
- Having advertised oneself or responded to newspaper advertisements.
- Having studied job vacancies.

- Having taken part in a test, public exam or interview in the framework of a contracting procedure.

- Having looked for land, premises or material.
- Having taken steps to obtain permits, licences or financial resources.

(Economically) Inactive persons: persons aged 16 years old and over not included in any of the above categories.

Economically Active Population Flow Statistics: Quarterly changes in the labour situation

The Flows Statistics estimates the magnitude of all the movements that have taken place regarding employment, unemployment and economically inactive situations between the current and the previous quarter. In order to do so, a longitudinal monitoring of the persons interviewed in the EAPS over time is conducted.

Therefore, results are calculated from the common sample interviewed effectively in both periods, adding the sample of the persons who have turned 16 years of age during the current quarter and the sample of the persons who have arrived in Spain from abroad during that same period.

The rotation established for the EAPS, which consists in renovating one-sixth of the households in the sample each quarter, implies that the maximum available sample to calculate the estimates based on the common sample is 5/6. Nevertheless, incidences regarding information collection in one quarter or the next cause a greater decrease in the proportion of the sample used to estimate flows. Therefore, if the complete sample of persons aged 16 and over of a quarter is around 140,000 persons, the sample that holds flow estimates is a bit more than 100,000.

Elevation factors are calculated in the same way as they are calculated for the quarterly EAPS, but adding an additional measure to the total amount of employed, unemployed and economically inactive persons by Autonomous Community, with the intention that both samples (flow and complete EAPS samples) offer the same results for the main magnitudes in the current quarter.

This procedure, however, does not allow adjusting EAPS flow estimates with the results of previous quarters. This information must always be used in relation with the results of the current quarter. Any accounting exercise involving the addition or subtraction of flow figures to/from the current quarter figures will have discrepancies with the results of the previous quarter, due to the weighting of the used results and the presence in the current quarter of population that was not considered in the previous one (persons arrived from abroad and persons who have turned 16 years of age in the last three months).

A full overview of the results regarding flows may be accessed via the following link:

http://www.ine.es/en/inebaseDYN/flujos30310/docs/metoflujos valores absolutos en.pdf