



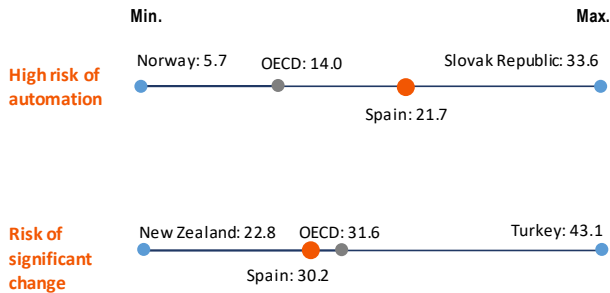
THE FUTURE OF WORK

How does SPAIN compare?

OECD Employment Outlook 2019



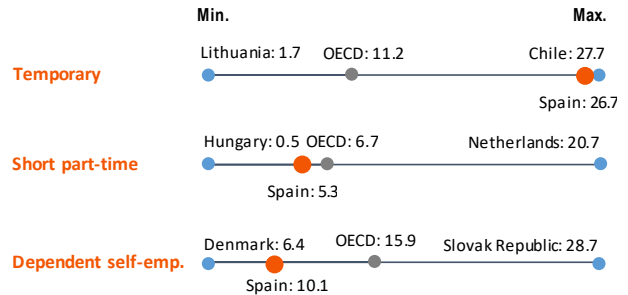
Jobs at risk of automation



Note: High risk of automation corresponds to a likelihood of automation of 70% or more. Jobs at risk of significant change are those with likelihood of automation between 50 and 70%. Percentages. Data refer to 2012 or 2015, depending on the country.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

Non-standard forms of work



Note: Temporary employment as a % of dependent employment. Short part-time (i.e. working 1-19 hours per week) as % of dependent employment. Dependent self-employment: incidence of own-account workers who generally have one dominant client as a % of total self-employment. Data refer to 2017.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

The quantity of jobs may not fall, but job quality and disparities among workers may worsen

Despite widespread anxiety about job destruction driven by technological change and globalisation, a sharp decline in overall employment is unlikely. While certain jobs may disappear (14% are at high risk of automation in the OECD), others will emerge, and employment has been growing overall. However, transitions will not be easy. There are concerns about the quality of some of the emerging new jobs and, without immediate action, labour market disparities may grow, as certain groups of workers face greater risks than others.

- Jobs at high risk of automation are more numerous in Spain than in the average OECD country: 21.7% of Spanish workers may see their job being automated (high risk of automation, see Figure). Only Greece, Slovenia and the Slovak Republic have a higher risk, among the countries for which data are available. Moreover, another 30.2% of workers will see their job significantly overhauled.
- Initial education and adult learning will have to play a crucial role in ensuring smooth transitions from disappearing jobs towards new opportunities. Yet, the low-skilled and non-standard workers have access to fewer training opportunities than high-skilled

workers in standard jobs. In Spain, only 45% of temporary employees and 32% of own-account self-employed participate in training in a given year, against 56% of standard employees with a full-time, permanent employment contract.

- The gap in adult learning between standard and non-standard workers is particularly worrisome because of the prominence of non-standard work in Spain. For example, at 26.7% Spain has one of the highest incidence of temporary employment among OECD countries (see Figure). Moreover, although below the OECD average, the share of own-account self-employed who are financially dependent on one client – a particularly vulnerable group amongst the self-employed – has increased by almost 40% since 2010, reaching 10.1% of total self-employment.

Young workers and those without tertiary education face the most significant risks

The labour market experiences of many young people and of those with less than tertiary education have worsened over the past decade. In fact, young people with less than tertiary education have been particularly affected, with more of them being under-employed, non-employed or receiving low pay. Women are particularly at risk, but increasingly men are also being affected.

- At 19.9%, Spain has the third highest rate, among OECD countries, of youth (aged 15 to 29 years) not in employment, education or training (NEET). This rate increased by 4 percentage points since 2007.
- Even highly-educated young workers face difficult challenges: their probability of being in a low-paid job has reached 44%, 20 percentage points higher than a decade ago.

A key challenge is to extend labour law protections beyond standard employees

Labour market regulation plays an important role in protecting workers, but many non-standard workers are weakly covered or not covered at all. The rights and protections of non-standard workers can be strengthened by: tackling false self-employment, including scaling back tax incentives to misclassify workers; extending protections to workers in the grey zone between self- and dependent employment, including many platform workers; and addressing excess employers' market power.

- A number of countries, including Spain, have scaled up labour inspectorates' capacity to monitor and detect breaches to regulation, by improving training of inspectors and targeting efforts on particular sectors or geographical areas known to have a greater prevalence of false self-employment.
- In Spain, the economically dependent self-employed ("TRADE") have enhanced access to a wide range of labour and social protections as well as collective representation. Yet to apply for TRADE status, workers need to rely on a single client for at least 75% of their income. As this definition is very restrictive, it leaves unprotected a number of self-employed who share characteristics and vulnerabilities with dependent employees. Extension of labour law protections could be considered for other categories, such as certain types of platform workers.

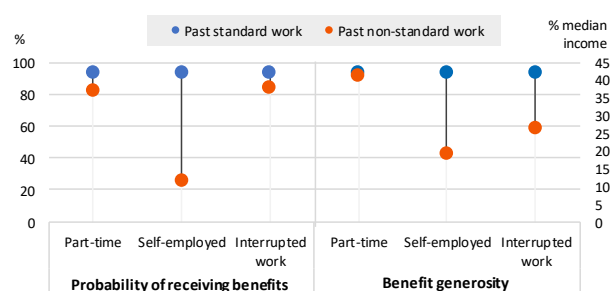
Accessing social protection can be very difficult for non-standard workers

Social support may not be available to workers in less secure forms of employment. In some countries, workers engaged in independent work or short-duration or part-time employment are 40-50% less likely to receive any form of income support

during an out-of-work spell than standard employees. Unless access gaps are closed, further increases in non-standard employment will have negative consequences for inclusiveness and equity.

- In comparison with other European countries, Spanish part-timers and employees with interrupted employment spells enjoy similar access to out-of-work income support as standard, full-time employees with uninterrupted employment in the previous two years (see Figure below).

Income support packages differ between different types of non-standard workers in Spain



Note: Benefit generosity as a % of median income. Estimates refer to able-bodied working age adults who were out of work and lived in two-adult low-income households without children in 2014-15 and with median earnings in the preceding two years. Past standard work refers to uninterrupted full-time dependent employment. For details on method, see Figure 7.6 in *OECD Employment Outlook 2019*.

Source: *OECD Employment Outlook 2019: The Future of Work*, <https://doi.org/10.1787/9ee00155-en>.

- By contrast, the self-employed typically pay lower social security contributions but have more difficult access to social protection. For example, in 2014-15, the probability of receiving income support was only 25% for a working age adult who was out of work and lived in two-adult low-income household without children and earned median earnings as a self-employed in the preceding two years, against more than 90% for standard employees in the same situation.
- Recent legislative measures undertaken at the end of 2018 to reduce the gaps in out-of-work support and contributions burdens between the self-employed and dependent employees are likely to have improved the situation, as they provide the self-employed with effective access to unemployment benefits as well as insurance against occupational risks and temporary disability due to sickness.

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