

Employment grew by 783,000 in 2023 to 21.24 million and unemployment fell to 11.7%. The previous year, the number of workers had increased by 279,000, less than half the current figure, and the unemployment rate had closed at 12.9%.

Spain added 783,000 employed people in 2023 to reach a record 21.24 million workers, while the number of unemployed fell by 193,400 people, bringing the unemployment rate to 11.76% at the end of the year, according to the Labour Force Survey (EPA) published by INE on Friday.

The increase in the number of workers more than doubles the increase in 2022 from 279,000 people, and is the largest increase in employment in Spain since 2005 if we do not take into account 2021 - in which the jobs of 2020 were recovered and 840,000 positions were created. After the job destructions that occurred in the years following the financial crisis, from 2014 to 2019 the employed increased at an average of 470,000 per year, so that now far exceeds that growth rate.

Of the employment created in 2023, 91% was in the private sector, which added 715,900 new employees. Most of the employment was full-time, with an increase of 695,400 people, compared to 87,600 part-time workers.

Although the whole of 2023 has been very positive for the labor market, job creation has progressively slowed down in the final stretch of the year. From January to March the number of employed fell by 11,100 people, in the second quarter it grew by 603,900 people - also driven by hiring in anticipation of the summer tourist season -, during the summer it slowed down with a growth of 209,200 employed and in the fourth quarter of the year it fell by 19,000 people.

This quarterly drop is more moderate than the one last year (-81,800) but contrasts with the good data from the fourth quarters of the last few years prior to the pandemic and from 2020 and 2021.

Parallel to the increase in employment, the number of unemployed continued to fall. In 2022, the number of unemployed fell by 79,800 people, and this year it has fallen by twice as much. (-193,400 people). From 2013 to 2019, unemployment declined at a rate of 404,000 people per year, after six years of continuous increases.

In quarterly terms, in 2023 unemployment rebounded in the first quarter of the year (by 103,800 people), fell in the second quarter (by 365,300) and rose again in the third quarter, by 92,700 unemployed. In the fourth quarter, for which data were released on Friday, unemployment fell by 24,600 people to 2.83 million unemployed. For the first time Spain closes a year with less than 3 million unemployed. This evolution leaves an unemployment rate in Spain of 11.7%, the lowest figure since 2007.

The increase in employment and the fall in unemployment are "especially significant" data, according to the Ministry of Economy, "because the active population increased by almost 600,000 people during the last year, which shows the confidence of workers in the dynamism of the labor market". If there are more people who want to work, the fact that they manage to find a job instead of having to sign up for unemployment shows that the market is capable of absorbing this increase in the available labor force.

HALF A MILLION MEMBERS

These data published by the INE this Friday, which are used by Eurostat at the European level to compare the labor markets of the different EU countries in a standardized way, serve to complete the picture of the labor market provided by the Social Security enrollment data each month, which are considered pure administrative data.

According to the latter, in 2023 in Spain the number of Social Security affiliates grew by 540,000 people, with 41% of the new jobs corresponding to the education and healthcare sectors.

These records indicate that 2023 job creation was higher than the previous year, when 471,360 workers were added, and also improves on the average job creation that occurred in the years leading up to the pandemic, as from 2014 to 2019 the average annual gain was about 508,000 employees.