

POPULATION IN RELATION TO ACTIVITY SURVEY (PRA) – Public State Institute of Employment (INEM) Comparison - 2009

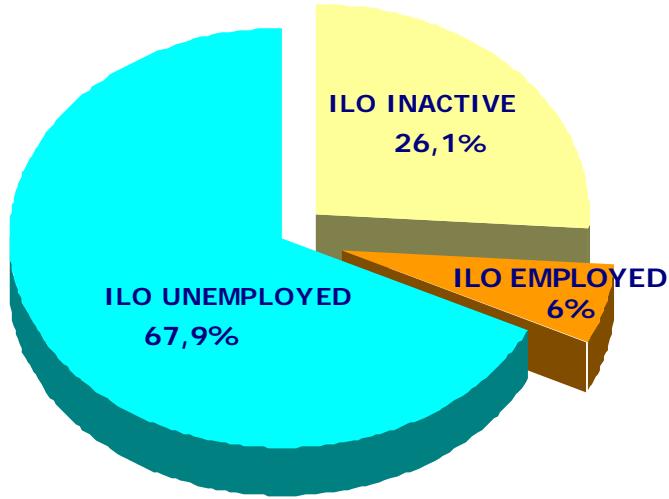
32% of the unemployed registered with the INEM offices in the Basque Country are not unemployed according to ILO definition

26.1% are inactive and 6.0% are employed according to that methodology

32.1% of the unemployed registered with the Public State Institute of Employment (INEM) in the Basque Country are not unemployed according to the methodology of the International Labour Organisation (ILO) and used by the European Union in different regulations for official statistics relating to the job market, according to Eustat data. 26.1% are considered to be ILO inactive workers and 6.0% as ILO employed workers.

Therefore only 67.9% of the people registered as unemployed with the INEM are included as ILO unemployed, in other words, around 75,000 people, a figure that is in line with the ILO unemployment estimates facilitated for the first quarter of 2009 by the Eustat Population in Relation to Activity Survey, which put the number of unemployed at 77,800. This means an unemployment rate of 7.7% for the Basque Country.

Graph 1: Unemployed registered with the INEM as per the relationship with activity in accordance with ILO definitions (%)



Source: EUSTAT

The existence of various sources that offer job market statistics with inconsistent data has always caused, and particularly in recent months due to the difficult economic situation, confusion among the general public. It has led to experts making inappropriate use of the official statistics, even though the origins, objectives and methodologies of the sources are, often, different. It is the case of the data regarding the number of people registered and its evolution that the INEM issues monthly and the Population in Relation to Activity Survey (PRA) data, that Eustat releases every quarter.

The unemployment register of the Public State Institute of Employment (INEM) is administrative in nature and, as such, being registered does not necessarily strictly comply with the definition of an unemployed person according to the International Labour Organisation, which specifies that he

has to comply with three conditions at the same time to be considered as such: **an individual who does not have work as an employee or self-employed, is actively looking for a job and is also available to work.**

The INEM data do not form part of the official statistics defined by the current National Statistics Plan of the Spanish Government.

The PRA is, however, a survey that meets the characteristics laid down by the International Labour Organisation for a Workforce Survey, which ensures that it is comparable internationally, and, therefore, is in line with the methodology of other workforce surveys by Eurostat and the official statistics offices.

There is no doubt among experts that the correct source to measure the unemployment rate and the number of unemployed is the workforce surveys based on the ILO classification categories. Nonetheless, Eustat has performed a specific comparison operation using the data of the registered unemployed with the INEM in the Basque Country to establish how they are classified according to the categories established by the PRA and, therefore, the ILO. The aim is use the data to explain the differences between both sources.

Out of the total registered unemployed, older individuals (64.8% between 45 and 64 years old) and, in addition, with women predominating (64%) are **ILO INACTIVE** (26.1% of the total registered). It is noteworthy among this group that 9% are considered to be in "early retirement or waiting for retirement" and 6% "retired for other reasons". Three-quarters of the women stated that they regularly did housework.

35% of inactive workers receive unemployment benefits, 18.2% unemployment subsidies and 8% the job seekers' allowance. The rest do not receive any financial help.

Nearly three out of every fours individuals classified as **ILO EMPLOYED** (6.0%) are under 44 years old: 13% are between 16 and 24 and 58% between 25 and 44. This distribution by sex of this collective is similar to the average (53% women and 47% men).

85% of these employed individuals stated that they have an "on-going job" (the majority as employees) and the remaining 15% are divided between those that have an occasional job or are family helpers. Among the individuals with on-going work, most have temporary contracts (63%), followed by 22% with indefinite contracts. The relative weight of the individuals "without contracts" is 15%.

48% of employed individuals with irregular work are classified as being "without a contract" and the rest work with a temporary contract. The majority (83%) worked 19 hours or less during the survey week.

62% of the employed say that they are looking for a job, either to improve their current conditions (26%), or because they consider their current job as provisional (14%) or because their current position is insecure (13%) and most of them are looking for full-time work.

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