Information supplied by governments on the application of ratified Conventions

Spain	Convention No. 122

Spain

Employment Policy Convention, 1964 (No. 122)

Spain (ratification: 1970). The Government has provided the following written information.

The Employment Policy Convention, 1964 (No. 122), which was ratified by Spain in 1970, and which Spain has always shown a willingness to comply with and apply, provides that all Members of the Organization shall pursue an active policy designed to promote full, productive and freely chosen employment, with the participation of the social partners. Over recent years, significant steps have been made in Spain in this direction, with progress and results that demonstrate the beginning of a robust process of unemployment reduction and job creation in a new context of Spanish economic recovery. This change in trends is not only quantitative, but also qualitative. All this has taken place within the framework of social tripartite dialogue, in consultation with employers' and workers' representatives.

The Government's economic and employment strategy is established within the framework of the European Semester. Its policies correspond to the three main pillars of the Annual Growth Survey 2015 for the social and economic policy of the European Union (EU) for 2015. Two priorities which are mutually reinforcing should be highlighted: to complete the reforms that have been started and to promote economic recovery and job creation.

The situation of the Spanish labour market in December 2011

The decisions taken regarding active employment and vocational training policies can be understood in the light of the situation and characteristics of the Spanish labour market in December 2011, with its structural weaknesses and inefficiencies that the 2007 crisis only accentuated: the great rigidity in the adaptation of working conditions to the economic situation; the excessive segmentation or duality of the labour market; and the lower productivity per worker than our European partners.

These structural problems, coupled with the intense economic crisis, were reflected in dramatic figures. Between the beginning of the crisis and December 2011, the unemployment rate rose from 8.6 to 22.9 per cent. The unemployed population rose to 3.3 million. Over 2.5 million jobs were destroyed, according to the Active Population Survey (EPA). The unemployment rate for persons under 25 years rose from 18.8 to 48.6 per cent. The long-term unemployed accounted for half of all unemployed persons. Permanent employment was falling in December 2011 at an annual rate of 22.5 per cent.

Labour reform

In this context, it was essential to adopt structural reforms, including labour reforms, to allow the economy to grow and generate employment. This reform agenda has enabled the Spanish economy to regain the confidence of the international markets and to gain efficiency, flexibility and the ability to compete.

With the 2012 labour reform, a profound transformation of the labour market commenced in Spain which was very much in line with the concept of flexicurity that is prioritized in the EU employment guidelines: that is greater flexibility, but without prejudicing workers' rights or the unemployment protection system, which is an essential part of our welfare state.

This has been reflected recently in Constitutional Court Ruling No. 8/2015 of 22 January 2015, which definitively endorses the labour reform and rejects the notion that it violates the right to freedom of association, collective bargaining, work and effective judicial and constitutional protection.

According to the estimates of the Ministry of Economy and Competitiveness, this labour market transformation helped to prevent the destruction of over 225,000 jobs during the first year following the entry into force of the reform. Furthermore, the labour reform has contributed for the first time to employment creation in Spain based on moderate economic growth rates.

The data clearly reflect this closer relationship between employment and GDP. In 2014, when there was a change in the trend of this indicator, GDP growth over the whole year was 1.4 per cent and, according to EPA data, employment rose by 2.5 per cent compared with the previous year, that is by over 430,000 people.

This pattern has been strengthened by the year-on-year figures for social security affiliation since February 2014 when, for the first time since 2008, total average affiliation rose, with over 417,000 more insured persons at the end of 2014 than the previous year, or an increase of over 2.5 per cent.

It is important to emphasize that a fundamental effect of the labour reform has been, for the first time, the creation of employment in Spain based on moderate economic growth rates.

A new framework for employment activation policies

With the modernization of employment relations, it was important to modernize employment activation policies, with the main objective of developing a new employment policy framework within which all of its instruments are geared towards the activation and employability of workers to help ensure that the recovery results in quality and stable employment.

Based on the intensive work of previous years, in September 2014 a package of measures was adopted to promote activation, including the new Spanish Employment Activation Strategy 2014–16. This Strategy establishes new working methods for all public employment services throughout the country over a multi-year framework. It includes common objectives, flexible and specific means of achieving them, and a new system of continuous evaluation and results-based performance. The overall objective is the modernization of public employment services.

This action is reflected in annual plans, which coordinate and group together all the activities undertaken by public employment services each year in light of the common objectives. Since 2012 four plans have been adopted, and the last one was presented to the meeting of the Sectoral Conference for Employment and Labour Affairs in April 2015, with the Autonomous Communities. These plans set out what is being done and where, so as to compare and above all measure the impact of the various initiatives. To that end, in a particularly significant inter-administrative effort, a system of indicators has been developed, approved by all, to evaluate the results of the measures and, on that basis, determine the distribution of funds for activation policies, which are granted on an annual basis by the State to the Autonomous Communities. Accordingly, for example, the results achieved in 2014 determined the distribution of 60 per cent of the funds in 2015, or around €850 million. The activation strategy includes a series of elements that could be considered the "backbone" of employment services.

For example, to facilitate the transition to employment, the Framework Agreement for public-private collaboration in job placement has been developed, in accordance with the Private Employment Agencies Convention, 1997 (No. 181), which defines a common architecture for the development of cooperation projects between the 14 employment services that have adhered to the Agreement and the 80 private job placement agencies that have been selected.

The Single Employment Portal is in operation, which channels job vacancies from the various public employment services and private portals that have joined this project.

In January 2015, the Common Portfolio of Services under the National Employment System was adopted which determines all the employment services to be provided throughout the country, to which all workers are entitled. For each of the services included in this Portfolio (vocational guidance, placement and advice for enterprises, vocational training and skills development, and advice for self-employment and entrepreneurship), the content and minimum common requirements have been established and work is already being carried out with the Autonomous Communities on the service protocols that will be adopted as a whole.

Youth unemployment

Young people are the worst affected by the recent crisis, with the youth unemployment rate rising to 51.4 per cent, or 382,012 young persons under 25 years of age, despite that figure having decreased by nearly 105,500 since 2011. Some of the initiatives launched to promote youth employment as part of the labour reform of 2012 are detailed below:

- Entrepreneur support contract of indefinite duration, which provides incentives of up to €3,600 for three years for the hiring of young persons on indefinite contracts. Over 107,000 contracts of this type were concluded with young persons under 30 years of age in the period between the 2012 labour reform and April 2015.

- Modification of the training and apprenticeship contract with the purpose of making it more flexible and geared to the daily requirements of enterprises and their training needs. More than three years after its modification, it is a consolidated instrument that paves the way for dual vocational training for young people, enabling them to be trained while in employment. In 2014, a total of 140,000 contracts were concluded, which was 32 per cent more than in 2013 and 130 per cent more than in 2012. During 2015, the pace of progress has been maintained, reaching the year-on-year figure of over 25 per cent. In the period between the 2012 labour reform and April 2015, over 355,000 training and apprenticeship contracts have been recorded.

In 2013, the Spanish Youth Employment and Entrepreneurship Strategy 2013–16 was adopted, including 100 emergency measures, of which 85 per cent have already been put into effect. At present, over 400,000 young people under 30 years of age (402,908 persons as at 12 May) have benefited from the entrepreneurship or employment measures contained in the Strategy, in addition to the measures for training, guidance and improving employability implemented by the Autonomous Communities. A total of 66 per cent have benefited from a recruitment incentive and the remaining 34 per cent have benefited from measures for the promotion of self-employment and entrepreneurship, especially the €50 flat rate social security contribution for the newly self-employed.

The upturn in the labour market is beginning to be felt by the young. In 2014, unemployment for the youngest (under-25) age group fell by 93,400, a 10 per cent reduction compared with 2013. It is the second year in which unemployment for the youngest age group has decreased, after constantly rising between 2007 and 2012. In 2014, the employment rate for this age group rose by 1.6 per cent, the first increase since 2006.

In the context of the Youth Employment and Entrepreneurship Strategy, and in response to a recommendation by the European Council in April 2014, the National Youth Guarantee System was adopted in July 2014, under which young persons under 25 years of age who are either unemployed or not in the education or training systems can receive offers of employment or training. Through this system, electronic registration in the Youth Guarantee System has been introduced so that beneficiaries can obtain information on the measures available and the results achieved can be monitored and evaluated. In addition, a range of measures have been determined for implementation by the State and the Autonomous Community concerned, according to their respective competencies. These measures include those designed to improve the matching of labour supply and demand and to enhance the vocational skills of beneficiaries. As at 30 April 2015, a total of 48,576 young people were covered by the scheme.

Moreover, the 2014–20 operational programme for youth employment has been developed, to which over €2,360 million has been allocated as assistance in launching action to promote labour market access for young people.

On 13 April 2015, the Sectoral Employment and Labour Affairs Conference, with the participation of ministerial authorities and the employment advisers of the Autonomous Communities, agreed to extend the maximum age for access to the National Youth Guarantee System from 25 to 29 years, on an exceptional basis, until the rate of unemployment between the two ages, currently standing at 29.7 per cent, drops below 20 per cent.

Finally, also of relevance in combating youth unemployment are the measures adopted to ensure greater coordination between employment policies and education policies. These include: establishing a more flexible procedure for streamlining the updating of the National Directory of Vocational Qualifications (vocational training diplomas and certificates of vocational competence); boosting vocational training that is better matched to the labour market and more effective, including the establishment of "basic vocational training" (vocational training in the education system has seen an increase from 462,492 students in 2007–08 to 793,034 in 2014–15, an increase of 71.5 per cent); combating early school drop-out through a specific plan for 2014–20 supplementing the education reform. In Spain, the school drop-out rate has fallen gradually from 31.7 per cent in 2008 to 21.9 per cent in 2014 (the intermediate commitment was therefore comfortably achieved). This decrease has been greater than the average achieved across the EU (where the rate fell from 14.8 per cent to 11.1 per cent).

Assisting categories with greater difficulties in finding employment

The Extraordinary Programme for Employment Activation, which was adopted in December 2014 in the context of social dialogue and collaboration with the Autonomous Communities, is an illustration of the Government’s determination that the economic recovery should benefit as many workers as possible. It is aimed at categories whose needs arising out of the economic crisis are particularly acute, such as the long-term unemployed with family responsibilities who have exhausted the options available to them under the employment protection scheme and who meet the requirement of actively seeking employment. The Programme envisages activities that are designed to improve the employability of such workers so that they can return to the labour market, as well as time-based assistance in the form of financial support to enable them to benefit from activation measures. Moreover, the scheme is compatible with a contract for an employer, as an innovation that serves as a double incentive for both workers and employers.

The Programme also responds to the need to provide personalized employment services and to improve the employability of those with the greatest difficulties in finding employment and who meet the requirement of actively seeking employment. One innovative aspect of the Programme is that the receipt of economic assistance can be combined with work, in which case the financial aid becomes an economic incentive for enterprises which take on unemployed workers.

Vocational training reform

Spain has for some time been facing the problem of the mismatch between the skills required by the economy and those possessed by workers. Although the country’s vocational training system, which each year trains over three million workers, with the participation of some 480,000 enterprises, managed to keep pace with requirements in a specific social and economic context since it was first set up in 1992, it has not adapted with the required flexibility to the ever more complex requirements of the economy.

As early as 2012, the labour reform began a gradual process of transforming the vocational training system in which it opted deliberately for a form of training that could provide the skills required by the economy. It was at that point that the individual right of workers to training was explicitly recognized and that training centres were given direct access to funds that had previously been reserved for the social partners. This gradual transformation of the training system, which is also reflected in the management and financing of training schemes run by the social partners over the past three years, culminated in the recent reform of the vocational training system that was approved by Royal Legislative Decree No. 4/2015 of 22 March 2015.

Some of the most significant features of the reform are as follows: it applies to all public administrations whose responsibilities cover employers and workers throughout the national territory, thereby promoting the necessary labour market unity; the social partners and collective bargaining continue to play a fundamental role; an efficient system of labour market monitoring and forecasting is to be introduced as part of a multi-year strategic plan to ensure that training is consistent with the present and future requirements of the economy and of workers; each worker will have a training account that will accompany them throughout their working life; training at the enterprise will be made as flexible as possible; the training provided through the public administration will be organized on a competitive basis and will be open only to training institutions; tele-training will be used to maximize efficiency and flexibility; the quality and impact of the training will be monitored on an ongoing basis to increase the productivity of workers and the competitivity of the enterprises; and a special inspection unit and a new endorsement system will be established, based on the principle of zero tolerance of fraud.

These innovations will all be made possible by the development of a comprehensive data system to guarantee the traceability of training activities and the comparability, consistency and regular updating of all available information on vocational training.

The adoption of the new vocational training model coincides with the increasing signs of economic recovery (six quarters in which GDP has risen steadily and an estimated annual growth rate of around 3 per cent between 2015 and 2018). It should be possible to translate these promising economic forecasts into tangible gains for the labour market through the greater employability of workers and greater competitivity of the enterprises.

A positive outcome

Judging from the various reforms and other measures introduced since the 2012 labour reform and from the benefits that they have brought, the application by Spain of Convention No. 122 constitutes a positive outcome in both quantitative and qualitative terms.

Current monthly and quarterly data tend to confirm that the country's economic and employment recovery is here to stay. This is the conclusion that can be drawn from the various sources that measure the labour market situation.

According to the survey of the active population, in the first quarter of 2015, the number of unemployed fell by 488,700 compared with the previous year (minus 8.2 per cent year on year), the largest fall in unemployment since 2006. This was due in part to the creation of 504,200 jobs in that quarter, or a growth rate of 3 per cent since the previous year, which was higher than the GDP growth rate of 2.6 per cent. Spain has never before experienced such intense and rapid growth simultaneously in both employment and GDP.

According to registered unemployment and social security affiliation, between April 2014 and April 2015, unemployment fell by over 350,000 (minus 351,285), the biggest year-on-year fall ever recorded (with an actual fall of 7.5 per cent, compared with the 12.5 per cent increase in unemployed workers recorded in May 2012). Over the same period, social security affiliation rose by almost 580,000 (plus 578,243), while the fall in unemployment over the last two years combined was over 650,000 (minus 656,177) and affiliation to the social security system exceeded 750,000 (plus 775,944). The underlying trend, as reflected in seasonally adjusted data, continues to be favourable. With the exception of July 2014, Spain has now experienced 24 consecutive months in which seasonally adjusted unemployment has fallen, something unheard of for the past 15 years. In seasonally adjusted terms, unemployment in April 2015 dropped by 50,160, the best figure for April ever recorded. Registered unemployment among young persons under 25 years of age has fallen over the past 12 months by 33,965, or 9.5 per cent year on year.

Despite these encouraging figures, Spain still suffers from high unemployment. According to the estimates of the 2015–18 Budget Stability Programme, unemployment in 2015 is expected to be 22.1 per cent, and with an estimated GDP growth rate of around 3 per cent over the coming years, the unemployment rate should gradually fall to about 15.6 per cent in 2018.

Social dialogue

In accordance with Convention No. 122, social dialogue has been a constant feature of the Government's action during an especially intense period of reforms, in the course of which efforts have always been made to seek agreement with the social partners. This is because only with an instrument as powerful as social dialogue, together with the collaboration of everyone, is it possible to confront the biggest challenge facing Spanish society, namely employment. Although for the past three years people have not always agreed on their diagnosis of the country's labour market, or on the best way to solve the problems posed in each case, all the parties concerned have made an effort to keep all channels and means of communication open.

The Government of Spain is fully aware of the irreplaceable role played by the social partners, which is recognized in the Constitution and is of vital importance to the country's democratic system. That is why, irrespective of the differences of view that may have occurred from time to time, the Government has consistently maintained a climate of dialogue with trade unions and employers' associations, which necessarily contributes to the more effective defence of the rights and legitimate interests of both workers and employers.

Social dialogue has thus become firmly established, both through meetings of ad hoc working groups and the competent bodies on which the social partners are represented, such as: the State Council for Corporate Social Responsibility; the General Council of the National Employment System; and the Board of the Tripartite Foundation for Vocational Training.

The issues on which the social partners have engaged in dialogue and reached consensus include: the Entrepreneurship and Youth Employment Strategy; the Youth Guarantee Plan; the Corporate Social Responsibility Strategy; the introduction of changes in the vocational training subsystem; the annual employment policy plans; the regulation of occupational skills certificates for updating the national register and the amendment of the relevant decree; the training and apprenticeship contract; as well as more specific matters, such as (in 2013 and 2015) the reduction in the number of days of entitlement to agricultural subsidies and support.

This systematically open approach to the exchange of views and proposals has also clearly contributed to the conclusion of other agreements on employment issues, such as: the Agreement on proposals for tripartite negotiations to strengthen economic and employment growth rates of July 2014; the Agreement on an activation programme for the long-term unemployed of 15 December 2014; and, after prolonged and intensive negotiations (although the document itself has never been signed) a new tripartite agreement on training. Account has also been taken of the countless proposals and combined analytical input of the social partners and other representative organizations of the self-employed, which have their own enterprises, training centres and experts.