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POLICY DEPARTMENT  
ECONOMIC AND SCIENTIFIC POLICY **A**



Economic and Monetary Affairs

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# Social and Employment Policies in Spain

In-Depth Analysis for the EMPL Committee

**DIRECTORATE GENERAL FOR INTERNAL POLICIES**  
**POLICY DEPARTMENT A: ECONOMIC AND SCIENTIFIC POLICY**

# **Social and Employment Policies in Spain**

**IN-DEPTH ANALYSIS**

## **Abstract**

This document describes the situation of employment policies in Spain and assesses their recent effects on the labour market in the context of the employment upturn that started in 2013. The impact of unemployment on poverty and the population at risk of social exclusion and the population in a situation of dysfunctional mobility are analysed, highlighting the changes caused in his composition by the impact of the economic crisis.

This document was requested by the European Parliament's Committee on Employment and Social Affairs.

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## **CONTENTS**

<b>LIST OF ABBREVIATIONS</b>	<b>4</b>
<b>LIST OF FIGURES</b>	<b>5</b>
<b>LIST OF TABLES</b>	<b>5</b>
<b>EXECUTIVE SUMMARY</b>	<b>6</b>
<b>1. INTRODUCTION: AN OVERVIEW OF EMPLOYMENT POLICIES IN SPAIN</b>	<b>8</b>
1.1. The Spanish Strategy for Employment	10
1.2. The most vulnerable groups	11
<b>2. RECENT DEVELOPMENTS IN EMPLOYMENT AND RELATED POLICIES</b>	<b>12</b>
2.1. Impact of the crisis on the labour market	12
2.2. The impacts of the labour market reform	13
2.3. Main employment policies targeting youth	16
2.4. Activation strategies for the long-term unemployed	18
<b>3. RECENT DEVELOPMENTS IN SOCIAL AFFAIRS AND RELATED POLICIES</b>	<b>21</b>
3.1. The evolution of poverty indicators	21
3.2. The unemployment protection system	24
<b>4. RIGHTS OF PERSONS WITH DISABILITIES</b>	<b>27</b>
<b>ANNEX</b>	<b>29</b>
<b>REFERENCES</b>	<b>31</b>

## LIST OF ABBREVIATIONS

<b>SNE</b>	National Employment System
<b>SEPE</b>	State Public Employment Service
<b>PAPE</b>	Annual Employment Policy Plan
<b>POEFE</b>	Operational Programme for Employment, Training and Education
<b>FUNDAE</b>	State Foundation for Training in Employment
<b>NYGS</b>	National Youth Guarantee System
<b>IPREM</b>	Public Income Indicator of Multiple Effects
<b>PRODI</b>	Temporary Programme for Unemployment Protection and Integration
<b>AROPE</b>	At Risk of Poverty or Social Exclusion
<b>RAI</b>	Active Income for Inclusion
<b>POISE</b>	National Operational Programme on Employment and Social Inclusion
<b>LISMI</b>	Law for the Social Integration of Persons with Disabilities
<b>SGMI</b>	Guaranteed minimum income support
<b>SATP</b>	Third Person Assistance Allowance
<b>SMGT</b>	Mobility Allowance and Compensation for Transport Costs
<b>CERMI</b>	Council of Disability Representatives
<b>CRPD</b>	UN Convention on the Rights of Persons with Disabilities

## LIST OF FIGURES

- Figure 1: Evolution of labour market policies expenditure by policy type in Spain 2007-2011 (2007=100) and as percentage of Gross Domestic Product
- Figure 2: Active labour market policy expenditure by type of action, Spain-EU 28
- Figure 3: Employment and unemployment in Spain, 2011Q1-2017Q2 (2011Q1=100)
- Figure 4: Employment and hours worked per employee in Spain since the beginning of the crisis 2008Q1-2017Q2 (2008Q1=100)
- Figure 5: Evolution of employment on full-time and part-time basis, Spain 2011Q1-2017Q2, (2011Q1=100)
- Figure 6: Salaried employees by contract type, Spain 2011Q1-2017Q2, (2011Q1=100)
- Figure 7: Unemployment and employment rates by age groups, Spain 2007Q2 – 2017Q2
- Figure 8: At Risk and Poverty and Social Exclusion (AROPE) rates, 2008-2015
- Figure 9: Evolution of the unemployment protection beneficiaries (2007=100) and coverage rates
- Figure 10: Evolution of the distribution of unemployment beneficiaries by level of protection and the age groups of beneficiaries (2016)

## LIST OF TABLES

- Table 1: Subsidised contracts for young people as percentage of total subsidised contracts 2014-2017
- Table 2: Rates of people at risk of poverty or social exclusion, Spain 2009-2016

## EXECUTIVE SUMMARY

### Background

The European Parliament's Committee on Employment and Social Affairs requested a medium briefing note in view of its delegation visit to Spain from 20 to 22 September 2017.

### Content

The guidelines on active employment policies are set on a multiannual basis in the Spanish Employment Activation Strategy, developed by the national public employment services with the participation of social partners. The state is responsible for the regulation, coordination and control of employment policies, and it is in charge of the management and control of unemployment benefits. Autonomous communities are responsible for the development of active labour market policies in their respective territories. This strategy is implemented through the Annual Employment Policy Plans (PAPE).

Total expenditure on employment policies in Spain for 2015 was equivalent to 2.5% of the GDP. This represents a reduction of one GDP percentage point (about €10 billion) with regard to the toughest years of the economic recession (2010-2012), which mostly from savings due to not paying unemployment benefits. This decrease is partly the result of the reduction in unemployment levels, but also of the 2012 reform limiting the benefits for new entries in unemployment. In the case of active labour market policies, spending cuts were applied in 2011 and mainly affected the budget allocated to employment incentives.

The recent evolution of the Spanish labour market shows a slight recovery, particularly in the last three years, primarily due to the reduction of unemployment rather than employment generated, which still remains below pre-crisis levels.

The observed reduction of unemployment levels has not translated into an equivalent increase in employment partly because of the reduction of the active population, which has been particularly pronounced among migrants and youth. Youth and people older than 55 years of age are the groups most affected by the crisis and their situation remains critical with high levels of unemployment. In this context, activation strategies aimed both at providing income support and promoting re-entry into the labour market for the long-term unemployed have gained relevance.

Current employment levels in Spain are 10% below pre-crisis, but total working hours have fallen even further and a considerable gap remains to date. Employment growth in the last three years has also been fuelled by the recovery of temporary employment, whose evolution is more sensitive to economic fluctuations than open-ended contracts.

The reduction of youth and long-term unemployment are two of the most relevant priorities of the government. The Strategy for Entrepreneurship and Youth Employment 2013-2016 was adopted in March of 2013 by the Spanish government and it aims to reduce unemployment levels among young people through the improvement of their employability and the promotion of self-employment and entrepreneurship. In July 2017, the Employment Ministry announced the implementation of a 'Shock Plan for Youth Employment'.

In December 2014, the Spanish government adopted the Employment Activation Programme that specifically addresses the long-term unemployed. The programme was the result of an agreement between social partners and the government. The programme's objectives are twofold: first, to foster the return to employment of those long-term unemployed with family responsibilities, who exhausted their unemployment benefits and, second, to provide economic assistance to the unemployed conditioned on their participation in activation programmes.

In spite of improved employment rates in recent years, the social effects of the crisis on the living conditions of the population remain high. The evolution of the rate of people at risk of poverty and social exclusion (AROPE), following the last available estimates for 2015 almost a third of the Spanish population (28.7%) is in a vulnerable state. This represents a 4.8% increase with regard to the levels at the beginning of the crisis.

The impact of the crisis has not only led to a significant increase in poverty and social exclusion risks, but has also resulted in changes in the traditional composition of the population at risk. Firstly, the crisis was characterised by a stark and general fall of household incomes among the active population, in contrast to the positive trend of inactive households. Youth under 25 has become the active population group with the highest prevalence of poverty risks (from 26.7% to 40.3%). This age group has replaced people over 65, mostly retired and dependent on social protection schemes, as the most vulnerable to poverty and social exclusion. Also, when considering the activity status of the population, the prevalence of poverty and social exclusion rates is currently higher among those who are employed than for pensioners (15.1% and 11.1% respectively). These differences are explained by the spread of low-paid jobs (part-time and temporary), especially among new entries in the labour market, and the wage restraint policy enabled by the 2012 reform of collective bargaining, which gave priority to company agreements over those concluded in multi-employer bargaining, therefore collectively agreed wages could be adjusted to the specific needs of the firm. On the other hand, pension benefits of new retirees have retained their purchasing power.

In respect to the evolution of the employment situation of people with disabilities in Spain, in recent years there has been a policy shift towards improving employability and the labour inclusion of people at the expense of passive and income support policies.

An assessment of these measures for the period considered yields a positive balance. These positive records, however, should not lead us to overlook the fact that the labour participation rates for the collective still lag far behind with regard to the other population groups.



# 1. INTRODUCTION: AN OVERVIEW OF EMPLOYMENT POLICIES IN SPAIN

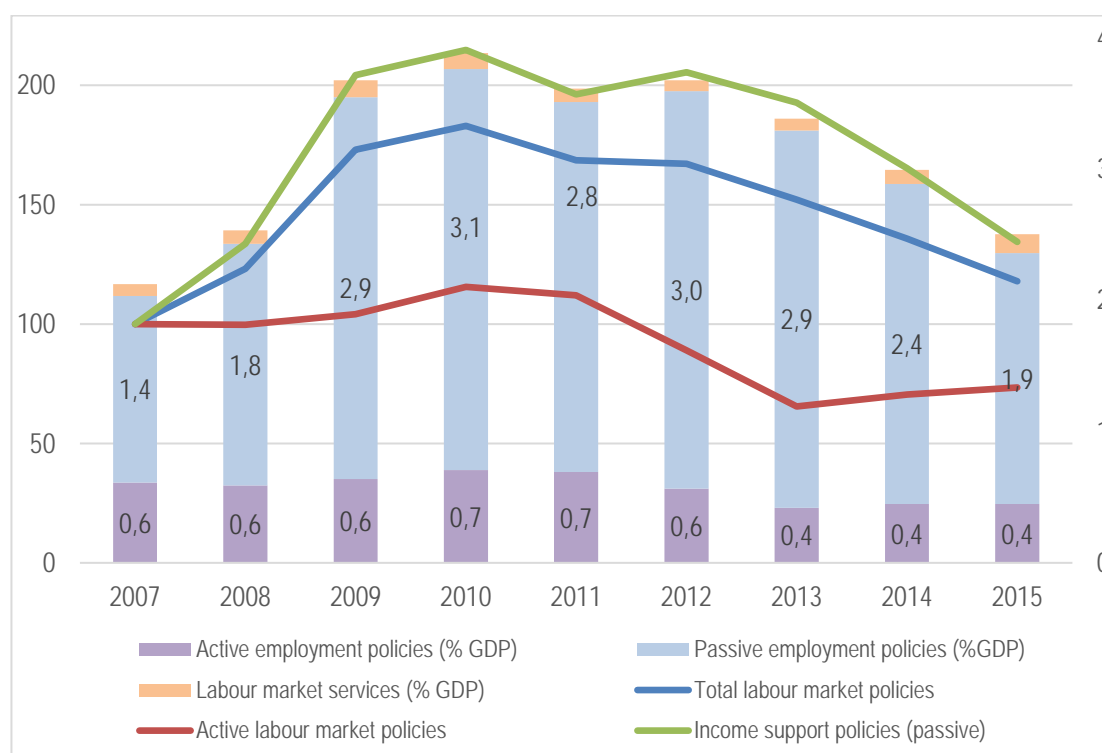
The organisation of employment policies in Spain established by the Employment Law (Law 56/2003) is defined by its decentralisation at a regional level. The law established a National Employment System (SNE per Spanish acronym) aimed at improving the coordination and cooperation of the different public administrations involved in managing employment policies. Thus, the SNE is made up of the State Public Employment Service (SEPE), under the responsibility of the state, and regional public employment services, under the responsibility of the autonomous communities. The state is responsible for the regulation, coordination and control of employment policies, and is in charge of the management and control of unemployment benefits. Autonomous communities are responsible for the development of active labour market policies in their respective territories. Coordination between both administrations is organised through the Sectoral Conference on Employment Affairs, a body of the SNE formed by the Ministry of Labour and regional government representatives.

The guidelines on active employment policies are set on a multiannual basis in the Spanish Employment Activation Strategy, developed by the national public employment services with the participation of social partners. This strategy is implemented through the Annual Employment Policy Plans (PAPE). A look into the budgetary allocation of different labour market policies provides an approach to the changing priorities over the course of recent years (Figure 1).

Total expenditure on employment policies in Spain for 2015 was equivalent to 2.5% of the GDP. This represents a reduction of one GDP percentage point (about €10 billion) with regard to the toughest years of the economic recession (2010-2012), which was mostly from savings due to not paying unemployment benefits. This decrease is partly the result of the reduction in unemployment levels, but also of the 2012 reform limiting the benefits for new entries in unemployment. In the case of active labour market policies, spending cuts were applied in 2011 and mainly affected the budget allocated to employment incentives. The impact of this reduction is clear in terms of the distribution of total expenditure in active labour market policies by types of action (Figure 2).

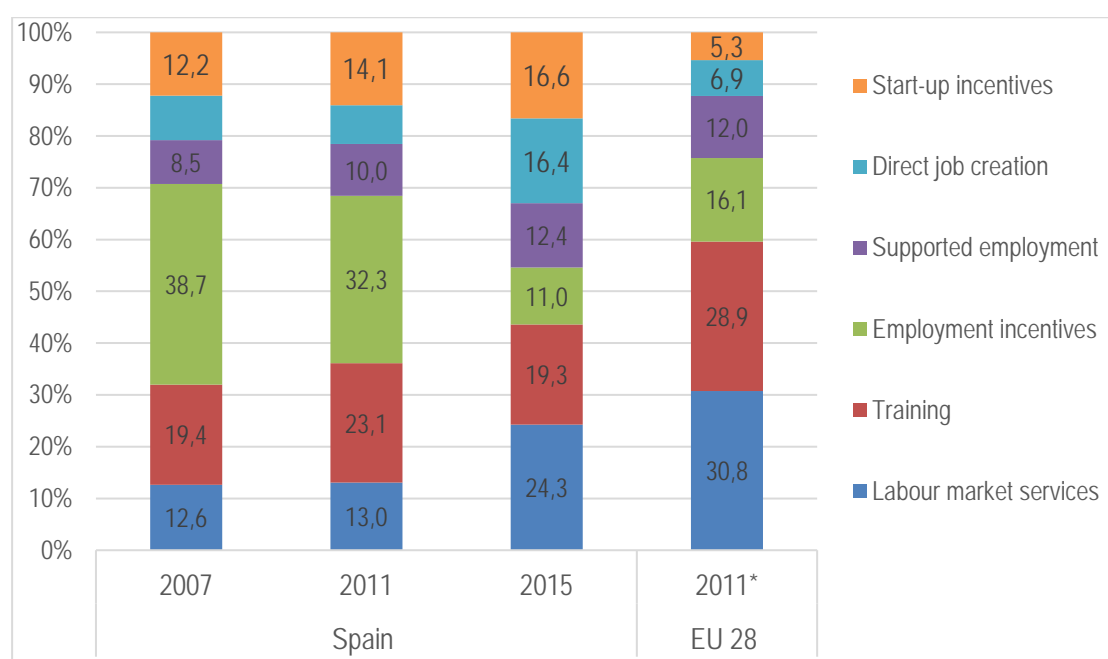
The bulk of spending on active policies in Spain has traditionally been focused on employment incentives, which represented more than one-third of the total budget in 2011, far beyond the EU28 average. The high prevalence of employment incentives in Spain needs to be put into context with the long-standing attempts to reduce labour market duality since the mid-nineties. This labour market reform strategy, which was in force from 1997 to 2006, was pursued through the extension of deductions on social security contributions for new open-ended contracts and the conversion of temporary into open-ended contracts. Conversely, the last labour market reform of 2012 (Law 3/2012 on Urgent Measures to Reform the Labour Market) was mainly focused on the reduction of severance payments for permanent contracts.

**Figure 1: Evolution of labour market policy expenditure by policy type in Spain 2007-2011 (2007=100) and as percentage of Gross Domestic Product**



Source: By author based on Eurostat

**Figure 2: Active labour market policy expenditure by type of action, Spain-EU 28**



Source: Eurostat

(\*) Most recent available data

On the other hand, the share of employment services and direct job creation are the items that experienced the largest increase in the 2011-2015 period. Training policies also represent a prominent share of total spending in active policies but it still ranks at considerable lower levels than the European average. Nevertheless, it should be noted that official statistics may underestimate the real expenditure in training, since these do not include many activities that are being developed at regional level<sup>1</sup>.

### 1.1. The Spanish Strategy for Employment

The Spanish Employment Activation Strategy for 2014-2016 set the targets to be attained by public employment services. These are aimed at improving the employability of youngsters through the implementation of the Youth Guarantee in Spain and other groups particularly affected by unemployment, such as those older than 45 with long-term unemployment. The strategy also aims to improve the quality of the vocational training system, which was reformed in March 2015, and strengthen the links between passive and active labour market policies, and support entrepreneurship. These strategic targets inform all the active labour market programmes that are being implemented by public employment services through annual plans: training activities and employment incentives account for more than 80% of the total budget allocated in the last Annual Employment Policy Plan (PAPE) for 2016.<sup>2</sup>

In 2015 the national Operational Programme for Employment, Training and Education (POEFE) was adopted, which is one of the three main state-wide operational programmes for the 2014-2020 period, together with the Youth Employment Programme and the Social Inclusion and Social Economy OP. The POEFE was allocated a €3 billion total budget, including €2.1 billion from the ESF budget. Almost half will be spent on promoting employment opportunities for the most vulnerable worker groups.

<sup>1</sup> The system of Vocational training for Employment in Spain is made up of different training initiatives. On the one hand, 'company training' is organised by companies and consists of training activities and personal leaves to meet the changing training demands of companies and their staff. These initiatives are funded through training contributions by companies and managed by the State Foundation for Training in Employment (FUNDAE). On the other hand, there are training activities for workers who are both employed and unemployed, which are referred to as 'supply training', which are financed through different calls: 'training plans' for employed workers are funded by the state and managed by FUNDAE, and training for both unemployed and employed workers are funded and managed by regional authorities.

In 2015 there were two different training initiatives for young workers managed by FUNDAE.

	Participants	Average training hours
Youth programme (<30 years old)	20,230	354
Training programmes for participants in the National System of the Youth Guarantee	9,270	300

Data are updated to 31/03/2015 and correspond to the training activities managed by FUNDAE. Therefore, they do not cover all the training activities for youth managed by regional authorities. On the other hand, the figure on young participants in 'company training' in 2015 was 203,846 and accounts for 5% of total participants (a share that has been decreasing since 2008, 10.2%) (FUNDAE, 2015).

<sup>2</sup> SEPE, Annual Employment Policy Plan 2016:

[https://www.sepe.es/contenidos/que\\_es\\_el\\_sepe/publicaciones/pdf/pdf\\_empleo/pape\\_2016.pdf](https://www.sepe.es/contenidos/que_es_el_sepe/publicaciones/pdf/pdf_empleo/pape_2016.pdf)

## **1.2. The most vulnerable groups**

The following sections focus on the recent evolution of the Spanish labour market, with special emphasis on the employment and social policies addressing the situation of the most vulnerable groups of workers, which lag behind the broad numbers related to economic recovery. Two specific groups of the working population are the priorities of Spanish employment policies. The first is youth that are either inactive or unemployed with lower education levels. This group not only accounts for the greatest impact on unemployment with lower social protection levels, but also because they face negative and persistent consequences throughout the course of their work lives. In this regard, we focus on assessing the implementation of the Youth Guarantee in Spain over the last three years.

Another group deserving special attention is the long-term unemployed, with overrepresentation of workers over 55 years of age. The persistence of unemployment in the later stages of working life will translate into increasing inequalities in access to adequate pension benefits for the workers concerned. In this context, activation strategies both aimed at providing income support and promoting the re-entry into the labour market of the long-term unemployed has gained relevance. The second section of the report deals with the social balance in the aftermath of the crisis, its impact in terms of the prevalence of poverty and social exclusion risks and the changing profile of social vulnerability in Spain. Many claim that the last crisis has resulted in a stronger association between unemployment and poverty risks compared to other periods of economic recession in Spain. Finally, we focus on the measures for labour inclusion and the enforcement of the employment rights of people with disabilities, one of the groups most affected by unemployment and inactivity.

## 2. RECENT DEVELOPMENTS IN EMPLOYMENT AND RELATED POLICIES

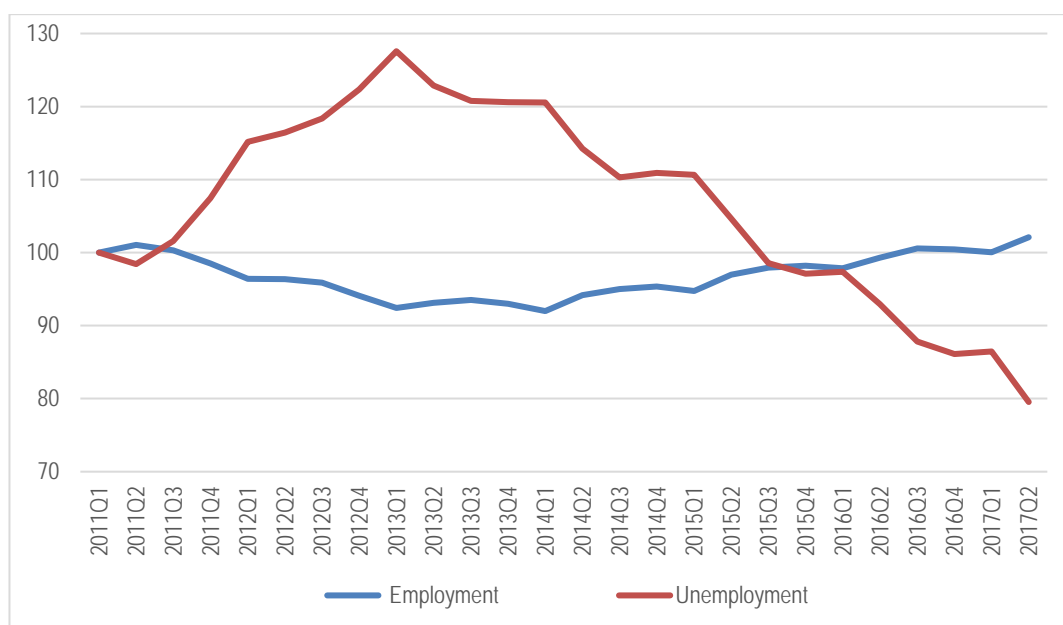
The recent evolution of the Spanish labour market shows a slight recovery, particularly in the last three years, but some negative effects persist.

### 2.1. Impact of the crisis on the labour market

The recovery of the labour market is mostly due to lower unemployment and not actual employment (Figure 3), which still remains below pre-crisis levels (Figure 4).

The observed reduction of unemployment levels has not translated into an equivalent increase of employment partly because of the reduction of the active population which has been particularly pronounced among the migrants and the youngsters. Foreign immigration accounted for a big share of the growth of active population and employment in the last cycle of expansion of the Spanish economy. However, since 2011 the active population of foreign origin has decreased by 20%. The decline of participation rates of the young started earlier and accounts for 20 percentage points with regard to the levels previous to the crisis (see Table 1 in the Annex).

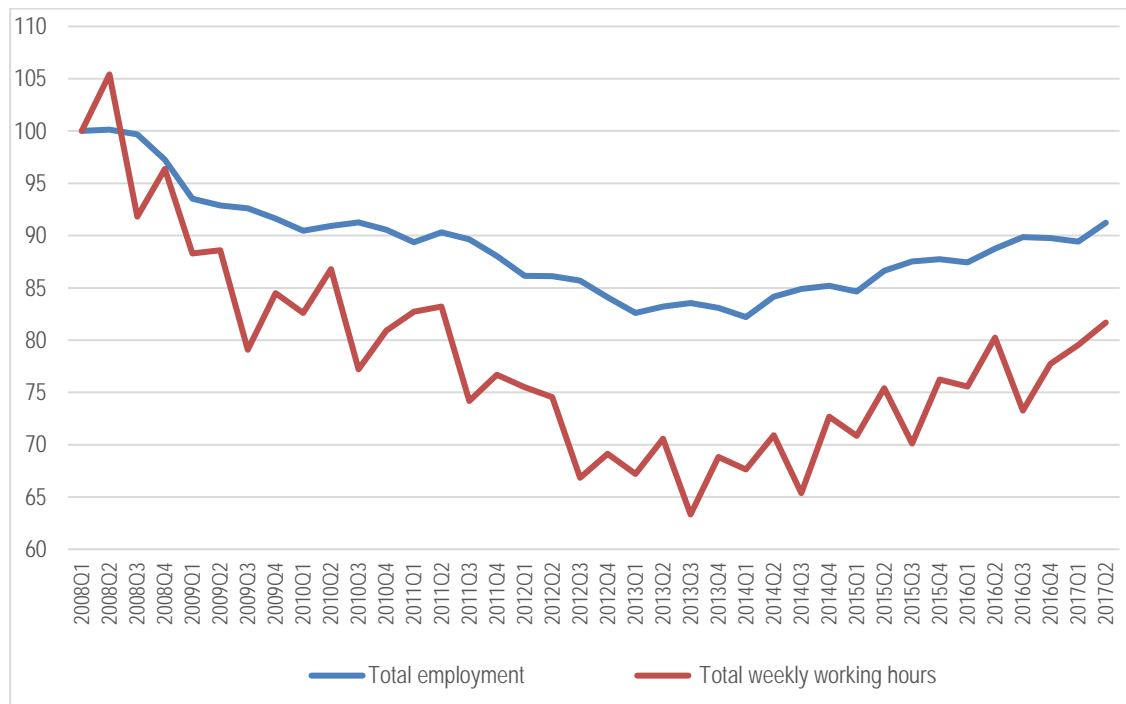
**Figure 3: Employment and unemployment in Spain, 2011Q1-2017Q2 (2011Q1=100)**



**Source:** By author based on Labour Force Survey, National Institute of Statistics.

Current employment levels in Spain are 10% lower than pre-crisis, but total working hours have fallen even further and a considerable gap remains to date. The steep decline in total hours worked may partly reflect a change in the sectoral composition of employment growth, with increased relevance from the services sector, but it also accounts for important changes in the regulatory framework of part-time contracts that were introduced in the 2012 labour market reform (Figure 5).

**Figure 4: Employment and hours worked per employee in Spain since the beginning of the crisis 2008Q1-2017Q2 (2008Q1=100)**



**Source:** By author based on Labour Force Survey, National Institute of Statistics

## 2.2. The impacts of the labour market reform

The reform provided for more flexibility in using these contracts by allowing overtime, or additional working hours to those initially agreed. However, recent figures on part-time employment also reflect the effect of changes in the legal recognition of the employment status of domestic workers (Malo, 2015). Because they are reported in statistics as new part-time contracts, and not as self-employed as they previously were. This statistical effect is mostly related to migrant women in domestic service, but the increase of part-time contracts is also found among men (the part-time rate for men has almost doubled with regard to pre-crisis levels, although it amounts to barely a third of the women's rate (Table 3 in the Annex).

Employment growth in the last three years has also been fuelled by a recovery in temporary employment, whose evolution is more sensitive to economic fluctuations than open-ended contracts (Figure 6). Although large parts of the Spanish economy rely upon seasonal activities such as tourism, temporary contracts in Spain are more widespread than in any other European country, irrespective of the sector or occupation.

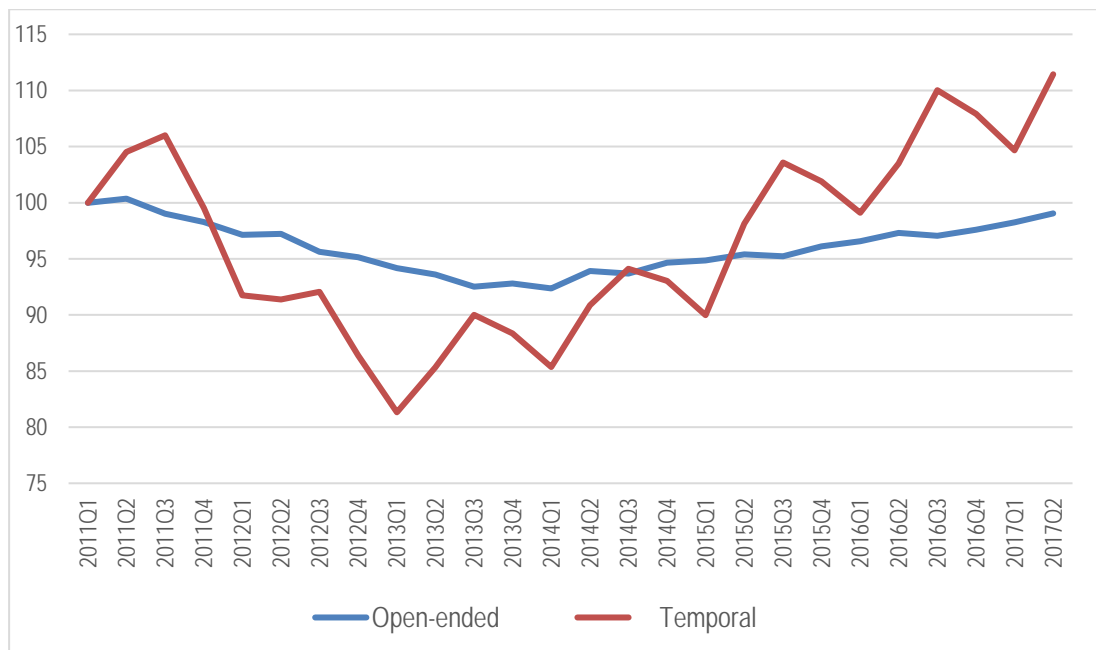
The issue of 'labour market duality', mainly related to the gap in severance payments between temporary and open-ended contracts, was pointed out by most analysts as one of the main factors explaining the higher prevalence of unemployment among young and workers with low-skilled jobs. It is argued that this gap is acting as an incentive for companies to rely on these types of flexible contracts instead of alternative forms involving wage or working hour adjustments. The 2012 labour market reform specifically addressed the issue of labour market duality by reducing dismissal costs for open-ended contracts, but it also aimed to make it easier to adopt internal flexibility measures as an alternative to business restructuring.

**Figure 5: Evolution of full-time and part-time employment, Spain 2011Q1-2017Q2, (2011Q1=100)**



**Source:** By author based on Labour Force Survey, National Institute of Statistics

**Figure 6: Salaried employees by contract type, Spain 2011Q1-2017Q2, (2011Q1=100)**

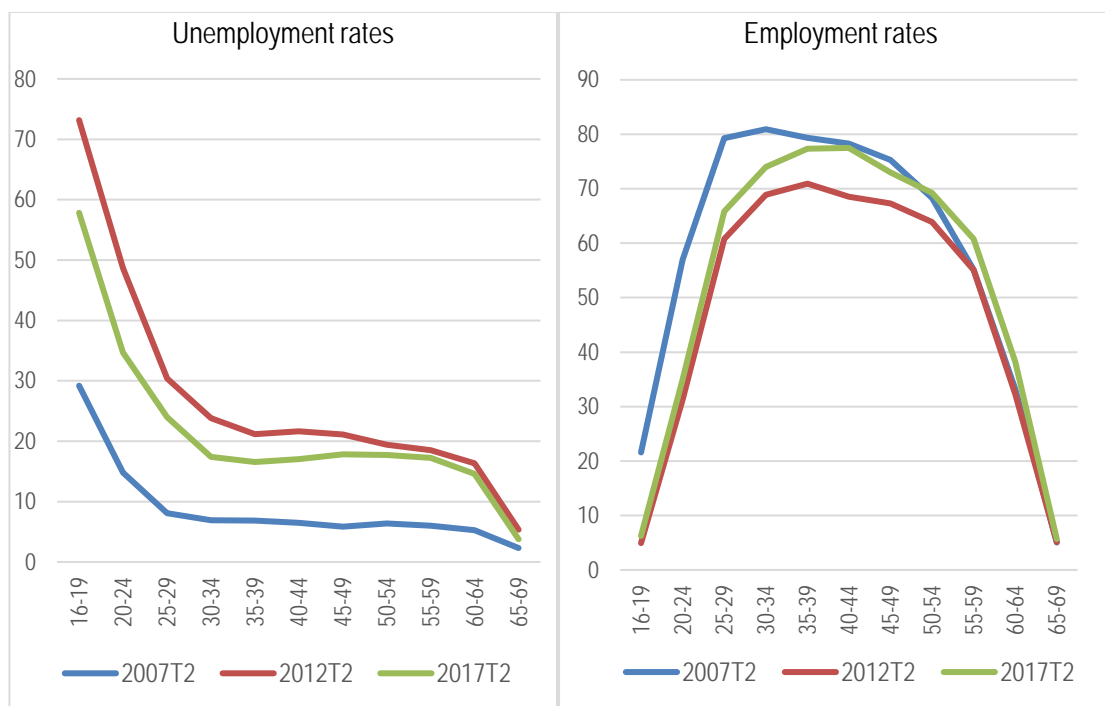


**Source:** By author based on Labour Force Survey, National Institute of Statistics

When considering the recent evolution of unemployment and employment rates by age groups, major differences emerge between young and older workers (Figure 7). Young workers have been the age group most affected by unemployment during the recession, but they are also experiencing the largest drops in unemployment rates in the latest years of recovery. However, current youth unemployment figures must be qualified by this age group's lower activity rates. This is the reason why decreases in unemployment are not reflected in improved employment rates for this age group. The highest rates of unemployment and inactivity are found among young men with lower education levels.

The employment rates of the core age and older groups of workers in the last five years have regained levels prior to the recession. These estimates partly reflect the effect of progressive ageing cohorts in the Spanish labour market, but also women's advancement in labour market participation rates in these age groups (the activity rates of women over 55 has increased by 18 percent since 2007). Whereas most of the youth unemployment increases have been absorbed through greater inflows into inactivity, the advance of older women's activity rates also explains the stability of current unemployment rates among older workers (almost triple of 2007 levels), since most of them enter into very short term unemployment or part-time jobs. On the other hand, the persistence of high unemployment levels accounts for the difficult prospects for re-employment of this age group. The rate of long-term unemployment (unemployed for more than a year as a percentage of total unemployment) among workers aged over 55 is currently at 74.5%, far higher than that for young workers under 25 (34.6% in the second quarter of 2017).

**Figure 7: Unemployment and employment rates by age groups, Spain 2007Q2 – 1017Q2**



Source: By author based on Labour Force Survey, National Institute of Statistics

Major differences also emerge when considering the distribution of different employment types by age groups and gender (Table 3 in the Annex).



Contractual instability affects more than two-thirds of workers under 25 (more than twice the average for the core age group of workers). Furthermore, the rate of temporary employment for this age group has increased by almost 12 percent with regard to the figure prior to the crisis. As most of the temporary contracts in Spain are very short, youth as well as other worker groups 'on the margin' of the labour market, such as migrants and low qualified workers with high rotation rates are more vulnerable to loss of employment than other groups in more stable positions.

### 2.3. Main employment policies targeting youth

Despite the labour market situation of youth under 25, the participation of this age group in labour market programmes in Spain is below many other European countries. This holds true for passive labour market policies (unemployment benefits), as in Spain only 2.8% of total beneficiaries were under 25 in 2015, a significant decline compared to the beginning of the crisis (7.5% in 2008). Conversely, the share of young participants in training activities is in line with the European average: 40% in 2015. This record captures the effect of the implementation of the Youth Guarantee schemes that have been implemented and co-funded by the ESF through the Operational Programme for Youth Employment.

As pointed out in the introduction, the promotion of entrepreneurship is one of the cornerstones of policies aimed at activation and employment recovery in the aftermath of the Spanish recession. The Strategy for Entrepreneurship and Youth Employment 2013-2016 was adopted in March of 2013 by the Spanish government and it aims at reducing the unemployment levels among young people by improving their employability and promoting self-employment and entrepreneurship. This strategy employs the European Commission's recommendations and guidelines on youth employment and is also in line with the objectives of the Youth Guarantee.

The strategy includes some 100 measures for youth under 30 years old, especially those who are unemployed. In the case of applicants with disabilities the age threshold for eligibility is extended a further five years. To summarise, the objective of fostering entrepreneurship as an employment alternative for young people is pursued with different financial incentives: (1) flat rate contributions to Social Security in the first six months of new activities, (2) 30% reduction in the contributions during the subsequent year of activity for men under 30 years of age and women under 35, and (3) other financial incentives such as the possibility of combining income from unemployment benefits and self-employed activity for nine months. Another objective of the strategy is to develop a system of dual vocational training through different incentives for part-time employment involving a training component. This is the case of on-the-job training contracts, which apply to unemployed under 30 years old and benefits from 75% of employer's social contributions for large companies and 100% for others. Also, the so-called 'contract for entrepreneurs' lets self-employed hire youth under 30 who are unemployed with a 100% reduction in the employer's contribution during the first year of contract.

An assessment of the relevance of each of these measures in terms of their budget allocation shows the importance of the employment incentive system for this collective: the measures fostering entrepreneurship and incentives for hiring represented 78% of the total budget allocated (€2,022,797), whereas the measures related to training and employability activities accounted for the remaining 22%.<sup>3</sup>

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<sup>3</sup> Ministry of Employment and Social Security 'Strategy for entrepreneurship and youth employment 2013-2016' [http://www.empleo.gob.es/ficheros/garantiajuvenil/documentos/EEEJ\\_Documento\\_en\\_INGLES.pdf](http://www.empleo.gob.es/ficheros/garantiajuvenil/documentos/EEEJ_Documento_en_INGLES.pdf)

In January 2017, the extension of the Strategy of Youth Employment for the 2017-2020 period was announced, although no new measures have been put forward to date.

The National Youth Guarantee System (NYGS) was established in 2014 and it is aimed at the implementation of the Council Recommendation on the Youth Guarantee of 22 April 2013 in Spain. The NYGS in Spain is based on a large partnership, which originally was mainly formed by national and regional public employment services and a broad array of intermediate associations at national and regional levels. The government and social partners joined the partnership at the end of 2016.

Regarding the potential beneficiaries of the Youth Guarantee, several changes were introduced since its inception. In July 2015 (Law 25/2015) programme coverage was extended to all young people up to 30 years old who are not employed or studying. Initially, the eligibility requirements to register with the system were not being employed in the past month or participating in training activities within the last three months before applying. These were considered too restrictive and were subsequently removed following the specific recommendations of the European Commission. These changes had a positive impact on the implementation of the YG in Spain, which accelerated notably during 2015-2016. In December 2016 (Law Decree 6/2016) further amendments were introduced aimed at extending the coverage of the system. According to the most recent available data, in June 2017 there were a total of 664,279 applicants registered with the system. The initiative's actual coverage falls extremely short of the potential population, originally estimated at nearly one million. Comparisons with other member states are difficult due to the different methodologies used: Spanish numbers on the participants registered are cumulative, that is, they do not exclude those who have already got a job offer or training opportunity.

According to SEPE statistics on contracts (Table 1) the share of subsidised contracts for participants in the Youth Guarantee programme significantly increased in the last two years of its implementation from 2.3% to 17.3%. Overall, the most important type of subsidised contract is the one for those under 30 years old in small companies, which accounts for more than half of the total. This type is followed by the different schemes for converting temporary contracts into open-ended contracts, as authorised by Law 3/2012. Law Decree 6/2016 just extended the reductions in companies' contributions that were stipulated in the 2012 Reform for training contracts of participants in the Youth Guarantee by transforming them into subsidies.

**Table 1: Subsidised contracts for youth as percentage of total subsidised contracts 2014-2017\***

	2014		2015		2016		2017*	
	N	%	N	%	N	%	N	%
Youth 16-30 in companies <50 employees	11,478	64.6	10,457	49.3	16,737	54.7	16,510	64.4
Youth <30 in social cooperatives	62	0.3	32	0.2	49	0.2	46	0.2
Youth <30 at risk of social exclusion in 'insertion companies'	229	1.3	251	1.2	184	0.6	132	0.5
Open-ended 'first job' for youth	82	0.5	35	0.2	56	0.2	43	0.2
Open-ended, converted from training contracts (Law 16/2013)	22	0.1	46	0.2	54	0.2	40	0.2
<b>Youth Guarantee beneficiaries</b>	<b>415</b>	<b>2.3</b>	<b>3,817</b>	<b>18.0</b>	<b>5,288</b>	<b>17.3</b>	<b>..</b>	<b>..</b>

Training contract - Youth Guarantee (RDL 6/2016)	..	..	..	..	..	..	489	1.9
Conversion from temporary into open-ended (Law 43/2006)	109	0.6	134	0.6	200	0.7	160	0.6
Conversion from temporary to open-ended (Law 3/2012)	5,302	29.8	6,389	30.1	7,944	26.0	5,940	23.2
Conversion from temporary to open-ended (Law 11/2013)	76	0.4	39	0.2	59	0.2	31	0.1
Conversion from temporary to open-ended (RDL 6/2016)	..	..	..	..	..	..	2,235	8.7
<i>Total subsidised contracts for youth</i>	17,775	100	21,200	100	30,571	100	25,626	100
<i>Total subsidised contracts</i>	215,675		242,689		263,420		179,119	
<b>Share of subsidised contracts for youth / Total</b>	<b>8.2</b>		<b>8.7</b>		<b>11.6</b>		<b>14.3</b>	

**Source:** By author based on SEPE, State Public Employment Service, statistics on contracts  
(\*) To July

Regarding the effectiveness of the YG, the latest available data on the budget implementation refer to the 2014-2015 period. Of the total budgetary allocation of €943,496,315 under the Youth Employment Initiative, only 12.25% of the budget assigned to regional governments (autonomous communities) and the 10.5% of the budget for the national government was spent in the first year of implementation of the YG. However, there are significant differences among regions: Navarra spent the largest share of its allocated budget (90.9%), followed by Asturias (64.8%), Cataluña and Melilla (around 40%), the Balearic Islands (18.2%), Aragón (18.4%) and Galicia (13.72%). The remaining regions have spent less than 10% of their total budget allocation. There is no data on Andalusia, the region which accounts for one-third of total registered participants at a national level<sup>4</sup>.

In July 2017, the Employment Ministry announced the implementation of a 'Shock Plan for Youth Employment' which will provide for a 'pay supplement' (€430) for all YG participants who conclude an on-the-job training contract for 18 months. Furthermore, companies opting for the conversion of training contracts will benefit from important reductions in their social security contributions for the following three years. The budget allocated to the plan is €500 million.

## 2.4. Activation strategies for the long-term unemployed

Active ageing policies had not traditionally been a priority on the Spanish social dialogue agenda. A first set of public policies addressing this issue in the mid-nineties consisted of an attempt to counteract the effects of early retirement on the low activity rates of older workers and its impact on the sustainability of Social Security Systems. More recently, in March 2013, the Government approved Law 5/2013 on measures to foster the continuity of work life for older workers and to promote active ageing, which aimed at tightening early and partial retirement schemes in order to bring the actual retirement age into line with the

<sup>4</sup> Ministry of Employment and Social Security 'Primera evaluación de la iniciativa de Empleo Juvenil' ['First evaluation of the Youth Employment Initiative']

[http://www.empleo.gob.es/uafse/es/fse\\_2014-2020/evaluaciones/documentos/Evaluaci%20n%20IEJ\\_2015.pdf](http://www.empleo.gob.es/uafse/es/fse_2014-2020/evaluaciones/documentos/Evaluaci%20n%20IEJ_2015.pdf)

statutory age set in the 2011 pension reform, which was aimed at extending the working life age and strengthening the link between contributory efforts and pension benefits<sup>5</sup>.

The Active Ageing Law also provided a set of incentives aimed at 'activation', or promoting the re-entry of older workers into the labour market, which consisted of a tightening of eligibility criteria for unemployment assistance benefits for those over 55 years old. The law also addressed the issue of pre-retirement practices by increasing companies' costs in lay-offs where older workers might be disproportionately affected and to offset the transfer of costs to the social protection system.

In December 2014, the Spanish government adopted the Employment Activation Programme, which specifically for the long-term unemployed. The programme was the result of an agreement between social partners and the government. The programme's objectives are twofold: first, to foster the return to employment of those long-term unemployed with family responsibilities, and who had exhausted their unemployment benefits and, second, to provide economic assistance to the unemployed dependent on their participation in activation programmes. The programme's financial support amounts to 80% of the Public Income Indicator of Multiple Effects (IPREM), €426 per month for a maximum of six months.

Since its inception in January 2015 and to April 2017 the Employment Activation Programme benefited more than 150,934 unemployed, which falls short of original expectations, estimated at 400,000 potential beneficiaries. The programme inclusion rate is 17.4% (CES, 2017b). Although programme results were poor, it has been extended to April 2018, with some modifications to eligibility criteria aimed at facilitating access and expanding the scope of potential candidates. A new programme feature is that beneficiaries of the allowance can receive wages for up to five months, as long as the benefit quota is deducted from their wages.

Trade unions, however, have argued that the conditions for accessing the programme are still too restrictive, limiting access for many potential beneficiaries in long-term unemployment: its allocation is dependent on the recipient having family responsibilities and limited only to those who have exhausted all alternative assistance benefits.

In fact, similar 'temporary' social protection programmes combining activation measures and economic assistance for the long-term unemployed have been in force since 2009 and had been subsequently extended in order to fill coverage gaps in the formal unemployment protection system. These include the Temporary Unemployment Protection and Integration Programme (PRODI) and PREPARA retraining programme.

The PREPARA programme is a protection mechanism in place since 2011 for the long-term unemployed. Although the validity of the PREPARA programme was initially planned for the period in which the unemployment rate was over 18%, the government just announced that the extension of the programme through 2018 will be negotiated with the autonomous communities. Nonetheless, programme coverage has been decreasing since 2012, when it reached a peak of 300,000 total beneficiaries, partly because of the tightening of eligibility criteria to access unemployment benefits following Law 56/2013, which we will speak of in the next section. In 2016, a total of 54,019 new participants joined the programme. Women represented two-thirds of total participants in 2016. The group of long-term unemployed over 45 years old accounts for 15 percent.

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<sup>5</sup> Pension system in Spain was reformed in 2011 following an agreement with the social partners. The two main elements of the reform, that will be gradually implemented by 2027 are, first, the increase of statutory retirement age from 65 to 67 years while a period of 37 is required to be entitled to receive full pension (previously 35). Second, the estimation of the pension benefit is based on the 25 years before retirement, instead of 15.

Regarding programme effectiveness, 30% of the total new participants in 2016 were reintegrated into the labour market.

Additionally, at the end of 2016 the government adopted the Joint Action Programme for the Long-term Unemployed, following the European Council Recommendations of 15 February 2016 on labour market integration of the long-term unemployed, which stated the need to personalise attention given to this specific collective. The implementation of the programme for 2016-2018 is supported by a total budget of €515 million. The target of the programme is the long-term unemployed aged 30-54, those who are outside the scope of the potential beneficiaries of the Youth Guarantee and the specific programmes for unemployed over 55 years of age. The actions foreseen in the programme cover the allocation of employment counsellors for individually attending to participants and set a maximum ratio of 120 unemployed per each counsellor.

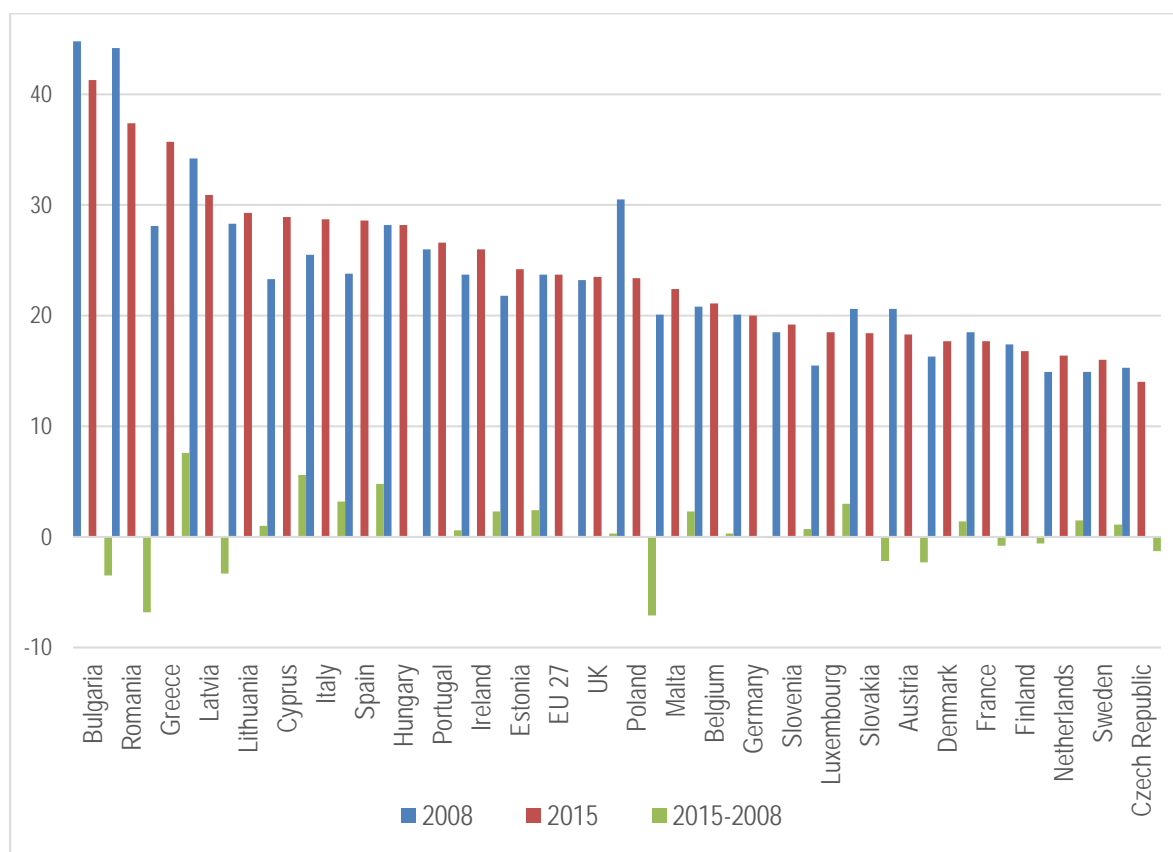
### 3. RECENT DEVELOPMENTS IN SOCIAL AFFAIRS AND RELATED POLICIES

The main policy instrument against poverty in Spain are the National Action Plans for Social Inclusion, the most recent for the 2013-2016 period, which have been developed for different periods under the influence of the Open Method of Coordination and the Europe 2020 strategy. The implementation of this policy framework in 2006 led to the adoption of an integrated national strategy that did not previously exist. It merits mention that these plans include handling social problems for the first time, such as reducing national child poverty rates. However, in spite of this progress, it is difficult to provide an assessment on the effectiveness of these plans, since they do not contain specific measures and targets, but only non-binding general guidelines, which largely reproduce those that are already covered by active labour market policies and social protection policies. On the other hand, the implementation of many of the guidelines in the plans is the responsibility of regional governments and local public administrations, which are in charge of managing Social Services in Spain and have been pursuing their own social inclusion strategies and plans.

In this regard, one of the most relevant guidelines covered in the 2013-2016 Plan refers to the improvement of the minimum income schemes that have been unevenly developed across Spanish autonomous communities since the early nineties and following the decentralisation of the welfare state. Successive National Plans for Social Inclusion stated the need for improved coordination at a national level in order to standardise protective intensity and fill coverage gaps left by the different income schemes that shape Spain's 'last social protection network'. The objectives set in the last National Plan move towards its recognition as a subjective right and to guarantee adequate coverage of minimum income schemes, for which it foresees a 'Law on the re-ordering of the non-contributory benefits of Social Security'. This proposal would contribute to improving the system's efficiency and filling the gaps in coverage. The plan advocates a closer link between the minimum income schemes and participation in active labour market policies (CES, 2017).

#### 3.1. The evolution of poverty indicators

When considering the recent evolution of poverty and exclusion indicators, it must be borne in mind that these problems have been highly prevalent in Spanish society for a long time, even during the last cycle of economic growth, during which poverty rates remained high and stable around 20%. This situation has been compounded by the impact of the last economic recession (Figure 8). The evolution of the rate of people at risk of poverty and social exclusion (AROPE), an indicator that measures the vulnerability and social exclusion risks of households facing economic deprivation and very low work intensity. According to the last available estimates for 2015, almost one-third of the Spanish population (28.7%) is in a vulnerable situation. This translates into a 4.8% increase with regard to levels in the beginning of the crisis and accounts for one of the largest impacts of the crisis, together with other Mediterranean countries such as Greece, Cyprus and Italy.

**Figure 8: At Risk of Poverty and Social Exclusion (AROPE) rates, 2008-2015**

**Source:** Eurostat, Income and Living Conditions Survey

Delving into the underlying factors in the evolution of poverty and exclusion rates reveals the extent of economic poverty over the 2009-2016 period, reaching almost a quarter of the total population (22.3%) (Table 2.1). This situation is closely linked to the spread of unemployment: the rates of the population at risk of poverty and exclusion as a consequence of living in a household with low work intensity almost doubled in the same period, from 6% to 11.3% (Table 2).

The impact of the crisis has not only led to a significant increase in poverty and social exclusion risks, but has also resulted in changes in the traditional composition of the population at risk. Firstly, the crisis was characterised by a stark and general fall of household incomes among the active population, in contrast to the positive trend of inactive households (Sanzo, 2016). Youth under 25 has become the active population group with the highest prevalence of poverty risks (from 26.7% to 40.3%). This age group has replaced people over 65, mostly retired and dependent on social protection schemes, as the most vulnerable to poverty and social exclusion. Also, when considering the activity status of the population, the prevalence of poverty and social exclusion rates is currently higher among those who are employed than for pensioners (15.1% and 11.1% respectively). These differences are explained by the spread of low-paid jobs (part-time and temporary), especially among new entries in the labour market, and the wage restraint policy enabled by the 2012 reform of collective bargaining, which gave priority to company agreements over those concluded in multi-employer bargaining. This means that collectively agreed wages could be adjusted to the specific needs of the firm. On the other hand, pension benefits of new retirees have retained their purchasing power.



Social vulnerability is having particular incidence among the unemployed population (59%), single parent households (53%) and the migrant population (54.5%). The recent evolution of the at-risk of poverty and social exclusion rates in Spain can be explained by new patterns in the distribution of unemployment in households with regard to previous episodes of recession. One of the distinctive features of the last recession has been its impact on the unemployment rates of men, most often heads of household, whereas in previous crises it was the employment of the 'breadwinner men' that provided a guarantee against the loss of income stemming from the job losses of other household members. This is also the main reason behind the stability of at-risk of poverty rates since the mid-nineties in spite of increasing employment rates, because most of the people starting jobs were from households with income levels above the poverty threshold, either spouses or children (women and youth) of the (male) breadwinner. As a result, the differences between the AROPE rates for men and women have progressively tended to converge and also explain the increases among households with dependent children (31.9%) and young people under 25, most of who live in the family household.

The sharp increase of AROPE rates among the unemployed is a clear sign of the progressive depletion of the capacity of the Spanish system of unemployment insurance as a social protection network against poverty. This is reflected both in the reduction of its coverage rate and in the growing importance of the assistance level, whose protective intensity is notably lower than in contributory level benefits (Figure 2.2 and 2.3).<sup>6</sup>

**Table 2: Rates of people at risk of poverty or social exclusion, Spain 2009-2016**

	2009	2016
<b>Total AROPE</b>	<b>24.7</b>	<b>27.9</b>
<b>Rates by each component and its intersections</b>		
Population at risk of poverty	20.4	22.3
Population severely materially deprived	4.6	5.8
Population living in a household with low work intensity	6.0	11.3
<b>Household type</b>		
Households without dependent children	21.0	23.8
Households with dependent children	28.2	31.9

<sup>6</sup> In Spain, there are two main levels of social protection for the unemployed: contributory benefits, or unemployment insurance, whose amount and duration is related to previous contributions (70% of their previous monthly contributions during the first six months and 50% for the rest), and unemployment assistance. Access to unemployment assistance is mean-tested to 2012 and its amount was adjusted according to family burdens of the beneficiary. The Active Income for Inclusion (RAI) is an assistance benefit specially focused on those long-term unemployed over 45 years' old who have exhausted their insurance entitlements and whose total monthly income is below 75% of the National Minimum Wage. This benefit is also granted for specific groups of workers such as people with disabilities, abused women and unemployed younger than 45 who meet the rest of the conditions. The amount for unemployment assistance benefits is currently about €426 per month (equivalent to 80% of the Public Income Index - IPREM).



One adult 65 years or over	40.8	11.9
Single person with dependent children	51.1	53.3
<b>Most frequent activity status</b>		
Employed persons	12.8	15.1
Employees	11.5	13.6
Employed persons (non-salaried)	22.8	25.5
Not employed persons (inactive)	34.2	35.4
Unemployed persons	44.4	59.5
Retired persons	20.3	11.1
<b>Activity limitation (disability) (16-64 years old)</b>		
Some or severe	33.5	43
None	21.5	29.4
<b>Citizenship</b>		
National	20.6	24.4
Foreign	45.9	54.5
EU28	37.8	46.2
Non-EU28	49.9	59.5
<b>Sex</b>		
Men	23.8	28.0
Women	25.6	27.9
<b>Age group</b>		
Younger than 16	31.9	31.7
16 to 24 years old	26.7	40.3
25 to 54 years old	21.9	29.7
55 to 64 years old	24.2	27.9
Older than 65	24.9	14.4

**Source:** Eurostat, Income and Living Conditions Survey

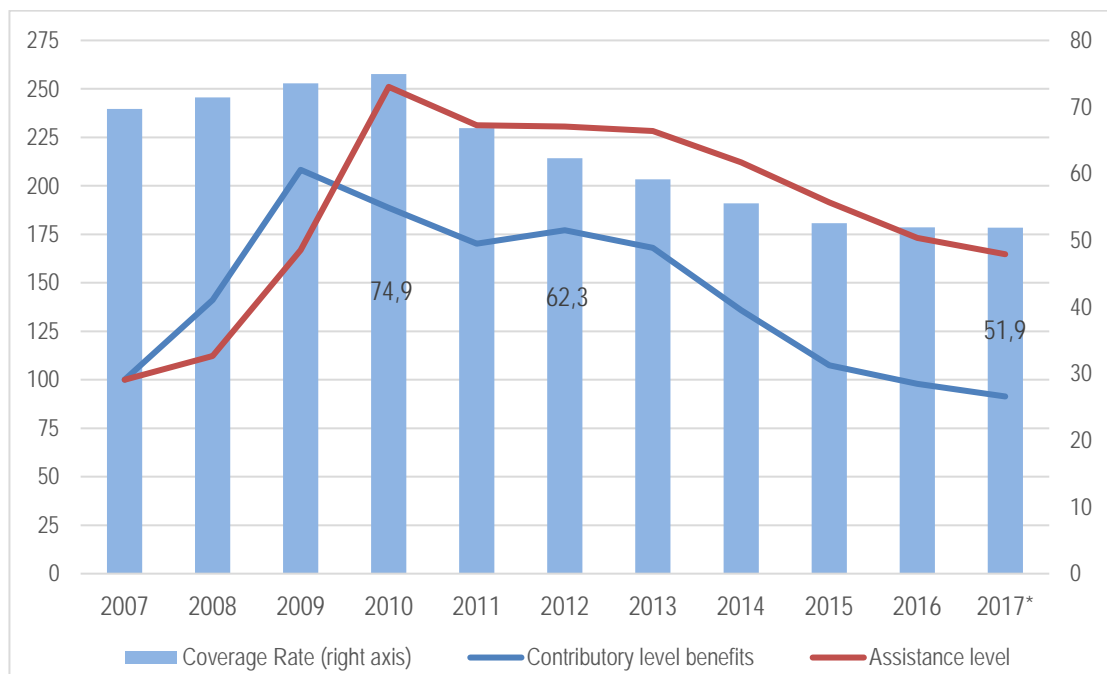
### 3.2. The unemployment protection system

The regulation of the unemployment protection system has been amended twice in recent years. Through 2011, changes were introduced with the aim of improving coverage of the long-term unemployed, whereas the 2012 reform was adopted as one of a series of austerity driven measures to moderate public expenditure (Malo, 2015). One of the most notable changes in the first stage of reforms was the establishment of special and temporary unemployment assistance programs for the long-term unemployed that have been subsequently extended and expanded, such as the PREPARA Plan and the extraordinary program for employment activation (see above).

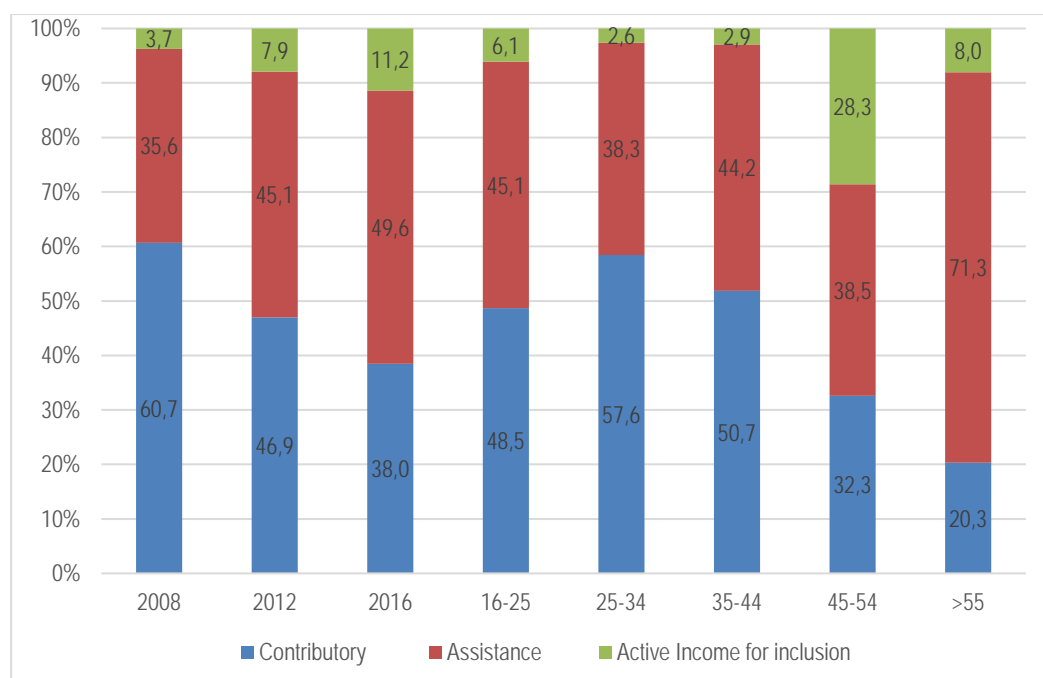
On the other hand, the reform of the system in 2012 meant a reduction in the amount of contributory unemployment insurance in the first six months (the replacement rate of the benefit was reduced from 60% to 50% of reference earnings for the remaining period after the first six months).

Important changes were also introduced with regard to eligibility criteria and intensity of protection of the assistance level with special impact on the status of the over 55 unemployed. The high prevalence of long-term unemployment, along with the household circumstances of this age group, accounts for the fact that more than two thirds (71%) of beneficiaries are covered by the assistance level. However, the social protection of this age group has been reduced in different ways. First, access to unemployment assistance for older workers was restricted by delaying the minimum age required for eligibility from 52 to 55 years old and by means of considering all the household members' incomes (and not just those of the recipient) in the mean test assessment. Furthermore, since July 2012 the amount of unemployment assistance has been drastically reduced for those beneficiaries who cease a part-time job, as new benefits are reduced proportionally to the working time of their last contract. The reduction in the coverage of the unemployment assistance level of protection is also affecting the foreign population: 40% of the total foreign beneficiaries of the unemployment protection system in 2016 were covered by assistance benefits, according to SEPE statistics on unemployment benefits.

**Figure 9: Evolution of unemployment protection beneficiaries (2007=100) and coverage rates**



**Source:** By author based on the Statistical Series of the Ministry of Employment and Social Security. 'Gross' coverage rates are estimated as the share of total beneficiaries over total unemployed registered at the Public Employment Services (although not all of them are entitled to benefits)  
(\* ) To May

**Figure 10: Evolution of the distribution of unemployment beneficiaries by level of protection and the age groups of beneficiaries (2016)**

**Source:** By author based on the Statistical Series of the Ministry of Employment and Social Security

The 2014-2020 National Operational Programme on Employment and Social Inclusion (POISE) has €1.1 billion in funding, including €800 million from ESF funding, was adopted in 2015 as one of the main policy instruments enabling the Spanish government to meet the targets set in the 2020 Strategy with regard to inclusive growth. The priority of POISE is to promote the social inclusion of the most vulnerable groups and its actions are guided by the principles of Active Inclusion (2008/867/CE): activation strategies for unemployment benefit recipients and an investment priority in guaranteeing universal access to public services. The programme also aims at promoting the social economy as a key sector for its contribution to employment growth and social cohesion. Currently, POISE is in an early stage and there is no information available yet on its implementation.

Spain's social economy has proved to be more resilient to the crisis than the rest of institutional sectors. According to the Spanish Business Confederation of the Social Economy (CEPES, 2017), the social sector represents 10% of the Spanish GDP and employed more than 2,220,000 workers in 2016.<sup>7</sup> It should be noted, however, that more than a half are members of agro-food cooperatives and an additional 15% are fishermen's organisations. On the other hand, 3.3% (73,260) are workers with disabilities at special sheltered employment centres.

<sup>7</sup> Law 5/2011 on Social Economy considers a wide array of organisations as part of the social sector in Spain, such as cooperatives, mutual benefit associations, foundations and the associations carrying out economic activities, placement companies, Special Employment Centres (for people with disabilities), fishermen's associations and agricultural processing companies.

## 4. RIGHTS OF PERSONS WITH DISABILITIES

A recent study by Hernández and Millán (2015) analyses the evolution of the employment situation of people with disabilities in Spain with regard to the non-disabled population for the 2008-2012 period. This research is based on two new data sources on employment and income of people with disabilities resulting from the integration of different existing surveys and administrative records: the Survey on the Employment of People with Disabilities.

In recent years there has been a policy shift towards the improvement of employability and the labour inclusion of people at the expense of passive and income support policies. Measures for the labour inclusion of people with disabilities in Spain can be grouped into three different categories: the first are aimed at fostering integration in the mainstream labour market thanks to the 2% reservation quota in companies with more than 50 employees, as established by law, together with other financial incentives for hiring or entrepreneurship and other support and guidance actions. The second category is through their integration at special employment centres. The third is focused on easing the transition from sheltered employment to ordinary employment, mainly through financial incentives for the hiring firms.

An assessment of these measures for the period considered yields a positive balance: the employment quota of people with disabilities increased to 3% and 2% in the public and the private sectors, respectively. Further, almost one third of the total employment of people with disabilities (35% men and 15% women) benefits from subsidies and reductions in employers' Social Security contributions. This feature, together with the importance of public 'sheltered employment', accounts for the higher job stability of people with disabilities with regard to other groups of the active population.

These positive statistics, however, should not lead us to overlook the fact that the labour participation rates for the collective still lag far behind with regard to other groups of the population. The employment rate of people with disabilities amounts for a fifth of the total population with disabilities, whereas it stands at two thirds for people without disabilities. But the biggest differences with regard to the population without disabilities are found in their respective activity rates: the rates for people with disabilities amounts to half that of the rest of the population.

The wage difference between both working population groups was 9% in 2011. But relative wage differences within the population with disabilities are even higher: more than 40% for workers with mental illnesses and 24% in the case of employees in contracts with no subsidies granted (Hernández and Millán, 2015). As a result of these differences both in the pattern of labour market participation and in the wages of working people, the AROPE rate for people with disabilities is far higher than for people with none and this gap has persisted in recent years (Table 2). Thus, there is a clear and steady association between disability and poverty risks in Spain, and this makes them more dependent on public income support schemes.

The Law for the Social Integration of Persons with Disabilities (LISMI), approved in the early eighties, established three specific benefits for people with disabilities: the guaranteed minimum income support (SGMI), the allowance for a care-giver (SATP) and the mobility allowance and compensation for transport costs (SMGT). These benefits are mean-tested and aimed at protecting those who are unemployed. The first two income supports were repealed in 2015 by Royal Legislative Decree 8/2015, approving the Revised Text of the General Law on Social Security, but previous beneficiaries retain the right until they meet the age requirement for a pension.

It is worth mentioning here that the protection system for people with disabilities was extended by Law 39/2006 on the Promotion of Personal Autonomy and Care for Dependent Persons. This law was an important landmark in the history of social policy in Spain and it established the economic benefits and services entitled for 'dependent people'. The recognition of rights is contingent on the 'degree of dependency' recognised by the regional and local public administrations. The law provides a catalogue of services such as care centres, tele-assistance and economic benefits. The latter consists of different types of benefits: the benefit linked to the service when its provision is not feasible, the financial benefit for personal assistance, letting the beneficiary hire personal assistance and, the most widespread, the financial benefit for household care and support of carers, which is granted to beneficiaries being cared for by relatives (Jenaro and Verdugo, 2015). The adoption of the so-called 'Dependency Law' is one of the main factors explaining the dramatic increase of people with disabilities in Spain between 2008 and 2012: the number of people with physical disabilities almost doubled from 400,000 to 700,000, whereas the figure on people with mental disabilities also increased by 90%. This suggests that the impact of the economic crisis pushed many dependent people to apply for new benefits made available to contribute to the household economy (Hernández and Millán, 2015).

Regarding relevant policies on the issue of non-discrimination, particularly in social protection measures, the General Law on the Rights of Persons with disabilities and their social inclusion (1/2013) adopted the regulation related to the UN Convention on the Rights of Persons with Disabilities. Spain signed the United Nations CRPD Convention in 2007, which confirmed the policies and measures for the inclusion of people with disabilities. Spain had already advanced legislation on the protection of persons with disabilities, but the signing of the convention brought about an updating and adaptation of national legislation to the contents of the convention. The CERMI (Spanish Council of Disability Representatives), as the organisation responsible for the monitoring of convention implementation in Spain on behalf the UN, has reported some positive advances in the field of employment and social policies (CERMI, 2017).

The CERMI Report values the recognition of the special needs of people with disabilities in the definition of the Common Service Portfolio of the National Employment System and the Spanish Employment Activation Strategy, which means that public employment services are now obliged to facilitate access and to adapt the design of personalised itineraries for labour inclusion according to the profile of people with disabilities and in compliance with the principle of non-discrimination. On the other hand, the 2015 National Reform Plan establishes the obligation of a minimum quota in public procurement reserved for Special Employment Centres, which mainly employ people with disabilities.

The convention establishes the right of people with disabilities to equal access to social protection schemes. In this regard, the CERMI promoted a Popular Legislative Initiative aimed at the amendment of the co-payment system set in the 'Dependency Law'. The initiative was supported by the majority of political forces in the Spanish Parliament and led the government to reconsider the criteria on financing the National System of Dependency.

The initiative of the proposed European Directive 'European Accessibility Act' will represent a new step forward in the development of accessibility for people with disabilities, but it will have to adapt and generate the necessary consensus to extend accessibility to those products and services that still present barriers for people with some form of disability.

## ANNEX

**Table 1: Activity rates by sex and age group, Spain**

	2007 Q2			2017 Q2		
	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN
16-24	48.7	53.9	43.1	34.5	36.5	32.4
25-44	85.5	93.5	77.2	88.5	92.2	84.8
45-54	76.5	90.4	62.7	83.8	90.8	76.9
55-64	46.9	62.0	32.5	58.5	66.4	51.0

**Source:** By author based on the Labour Force Survey, National Institute of Statistics

**Table 2: Unemployment and employment rates by sex and age groups, Spain**

UNEMPLOYMENT RATES				EMPLOYMENT RATES			
	2007 Q2	2012 Q2	2017 Q2		2007 Q2	2012 Q2	2017 Q2
<b>TOTAL</b>	<b>7.9</b>	<b>24.4</b>	<b>17.2</b>	<b>TOTAL</b>	<b>63.7</b>	<b>53.6</b>	<b>58.0</b>
16-24	18.1	53.0	39.5	16-24	42.9	20.3	22.3
25-44	7.1	23.8	16.2	25-44	79.5	67.7	74.4
45-54	6.1	20.3	15.2	45-54	72.1	65.7	71.2
55-64	5.8	17.8	15.5	55-64	44.7	44.3	50.5
<b>MEN</b>	<b>6.2</b>	<b>24.4</b>	<b>15.6</b>	<b>MEN</b>	<b>74.2</b>	<b>58.1</b>	<b>63.5</b>
16-24	15.1	54.3	40.6	16-24	48.8	20.4	23.0
25-44	5.4	24.1	14.3	25-44	88.4	71.1	79.4
45-54	4.3	20.1	13.0	45-54	86.6	72.5	79.1
55-64	4.9	17.6	14.8	55-64	59.7	52.7	57.8
<b>WOMEN</b>	<b>10.3</b>	<b>24.4</b>	<b>19.0</b>	<b>WOMEN</b>	<b>53.1</b>	<b>49.0</b>	<b>52.5</b>
16-24	22.0	51.7	38.2	16-24	36.7	20.2	21.5
25-44	9.2	23.5	18.3	25-44	70.1	64.2	69.4
45-54	8.6	20.7	17.8	45-54	57.7	58.8	63.3
55-64	7.3	18.0	16.3	55-64	30.5	36.2	43.5

**Source:** By author based on the Labour Force Survey, National Institute of Statistics

**Table 3: Temporality rates by age groups and part-time rates by sex\*, Spain****TEMPORALITY RATES**

	2007Q2	2012Q2	2017Q2
<b>TOTAL</b>	<b>31.7</b>	<b>23.4</b>	<b>26.8</b>
16-24	62.5	60.6	74.1
25-40	35.1	29.3	33.7
40-49	23.2	17.5	21.6
>50	15.6	10.8	14.1

**PART TIME RATES**

	2007Q2	2012Q2	2017Q2
<b>TOTAL</b>	<b>12.1</b>	<b>15.6</b>	<b>16.6</b>
Men	4.0	6.8	7.9
Women	22.7	25.0	26.1

(\*) Share of (salaried) workers with temporary contracts and part-time contracts in each group

**Source:** By author based on the Labour Force Survey, National Institute of Statistics

**Table 4: Long-term unemployment rates by age group\***

	2007 Q2	2012 Q2	2017 Q2
<b>TOTAL</b>	<b>24,6</b>	<b>52,2</b>	<b>54,6</b>
16-24	12.2	42.4	34.6
25-44	22.8	50.5	51.4
45-54	36.5	58.4	62.0
55-64	54.1	67.3	74.5

(\*) Share of people unemployed for more than one year over total unemployed in each age group

**Source:** By author based on the Labour Force Survey, National Institute of Statistics

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## NOTE





## DIRECTORATE-GENERAL FOR INTERNAL POLICIES

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