



KINGDOM OF SPAIN
NATIONAL ACTION PLAN FOR
EMPLOYMENT
-
2003

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INTRODUCTION

The national employment policy background: progress towards the three objectives

In 2002 the Spanish economy **grew at a rate of 2%**, against a figure of 2.7% for 2001. Despite this slowdown, the pace of growth was superior to that of the euro zone as a whole, which allowed the economy to maintain the differential of over one percentage point from the previous few years and converge in real terms with the leading European economies. The lower rate of growth in 2002 was due mainly to a slowdown in domestic demand together with a slightly more negative contribution from foreign trade.

However, it is important to emphasize that in **the last quarter of 2002 a change in trend was observed which has continued throughout the first six months of 2003**, producing a year-on-year growth rate for the second quarter of 2.3%, 0.1 points above the rate recorded for the first quarter. The pick-up has been attributed to an improvement in domestic demand, and, above all, investment in capital goods, that have helped compensate for the slightly reduced contribution from foreign trade.

Inflation showed an upward trend throughout 2002, finishing the year at 4%, although the annualised average was 3.5%. This increase reflected the impact of a number of transitory factors. Among these were the increase in indirect taxes at the beginning of the year, the adverse weather, and the introduction of the euro. The disappearance of these transitory factors and the price stability of core components of the inflation index (processed food, energy products and services) has produced a reversal of the upward trend in the consumer price index (*IPC*) in 2003, with the second quarter rate dropping back to 2.9%. However, the figure for the first six months to June was 3.2%, representing a significant reduction in the differential with the euro zone as a whole.

In relation to the **labour market**, employment indicators reflect an upward trend in 2002, with a figure for year-on-year employment growth, according to the Labour Force Survey (*EPA*), of 2%; double that for the EU over the same period, although the rate did slow down slightly in the second half. Figures for the first half of 2003 show an improvement in the rate of employment; for the second quarter the *EPA* forecasts a year-on-year growth rate of 2.6%, while the growth rate in the numbers of those affiliated to the social security system shows year-on-year growth of some 3.3%, as against a rate of 3% for 2002 as a whole. Referring to **unemployment**, it is important to emphasize that the most recent figures available show a marked slowdown in its year-on-year increase; 2.9% in the second quarter compared with 4.9% in the first. All of this points to a fulfilment of **our positive expectations for the Spanish labour market** in 2003.

Figures for **public spending** and income for 2002 showed a practically balanced budget. What is more, we look set for a third year in a row of budgetary balance, as figures available in July 2003 point to a similar result for 2003, given that in the seven months, a surplus of 0.33% of GDP was recorded. Such improvements are mainly the result of a tighter control of current expenditure.

Expectations of a steady international economic recovery in the second half of 2003, together with the figures for the Spanish economy in the first six months give cause **for reasonable optimism for the economy in 2003**, with growth reaching 2.3% in 2003 and 3% in 2004, and the difference between it and the EU average possibly widening. This scenario will allow Spain to

maintain its current rate of job creation alongside a corresponding reduction in the unemployment rate.

Against this background, **Spanish economic policy** will continue to revolve around the twin pillars adopted hitherto: on the one hand, a policy of both short and long-term fiscal stability; and on the other, a policy of structural reform in product, service and factor markets, and of an improved institutional framework strengthening growth potential and job creation and improving competition with the objective of increasing the efficiency of resource allocation.

Progress towards the three objectives

• Full employment

Since 1997, the Spanish economy has experienced significant increases in employment, including over the previous few years of international recession, as can be seen from the following table:

Overall employment rates			
	1997	2002	Difference
15-64 male and female	48.2%	58.8% (*)	10.6
55-64 male and female	34%	39.8% (**)	5.8
Female	33.6%	41.9%	8.3
Second quarter of 2003: (*) 59.6% (**) 40.8%			

Forecasts included in the latest version of the Kingdom of Spain Stability Programme (2002-2006) show sustained increases in employment over the period 2002-2006 of 1.8% per year in terms of full-time equivalent jobs.

In summary it can be stated that during the recent downturn of the economic cycle, the Spanish economy has continued to create employment, including with GDP growth rates which would in other times have suggested falls in employment. The structural reforms of recent years explain this experience. The maintenance of this policy of reform, within the framework of fiscal consolidation, should serve the Spanish economy well in the concerted pursuit of full employment.

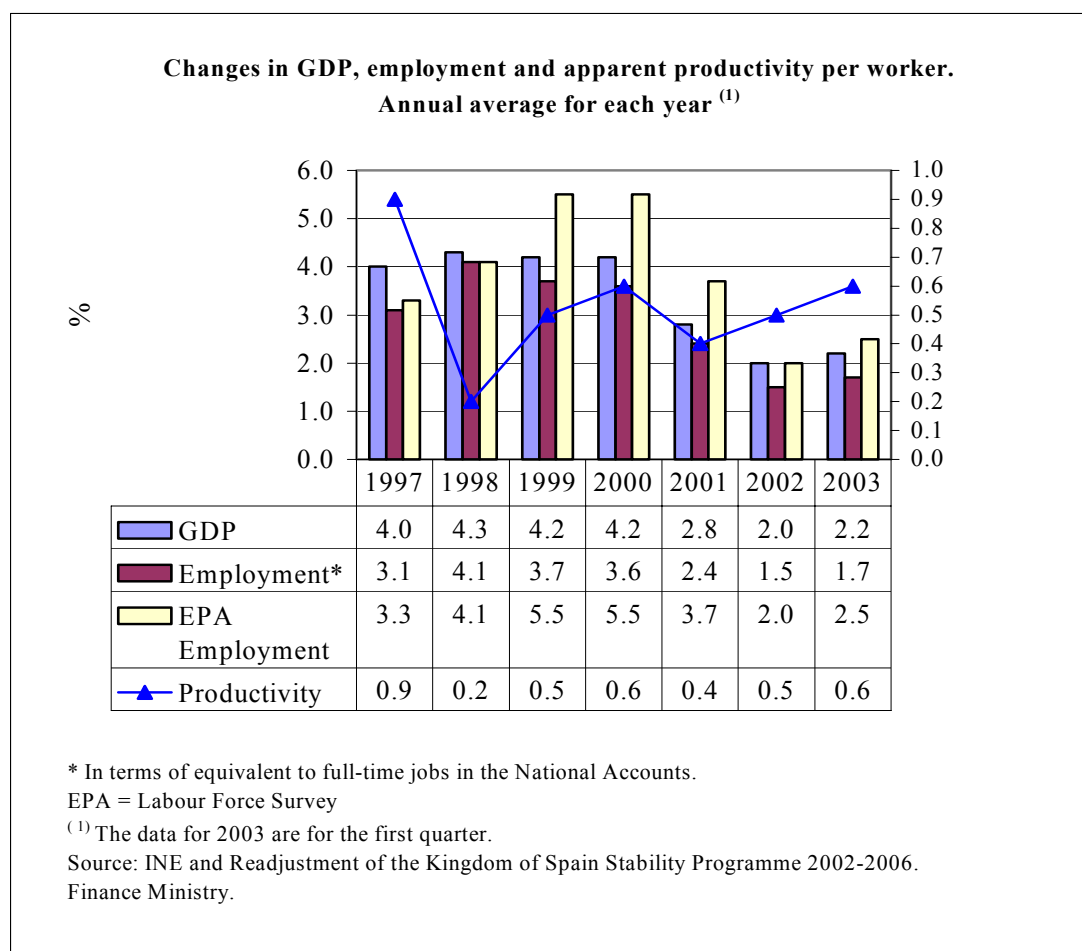
• Improving the quality and productivity in work

Improving the quality in work is one of the core objectives of Spanish employment policy and one which is reflected in all measures adopted in recent years. The concept of quality in work has many facets. In Spain, in addition to training and the prevention of workplace risks, we consider stable employment and women's access to such employment particularly important. Recent reforms in training were reported in the NAP 2002; new ones are outlined in Guideline 4. Guideline 3 contains information relating to the prevention of workplace risks. In relation to the creation of stable employment, since 1997 there has been a conscious emphasis on the creation of permanent over temporary employment in order to address the high rate of the latter in the Spanish labour market.

The legislation introduced in Spain in recent years, stemming from the Employment Stability Pact concluded with the social partners, sets up a framework for labour relations which combines stability and flexibility. This has led to a steady decrease in fixed-term labour contracts, as a proportion of total contracts, as a result of the incentives offered for both part-time and full-time stable employment. The creation of more and better jobs has been the guiding concept of employment policy, which has used a number of strategies to increase the quality of work: a) allowances in social security contributions for the recruitment of certain disadvantaged groups into stable employment, with a special emphasis on women's employment; today, in Spain, any employment contract signed by a woman will attract some sort of incentive, as long as such employment is of a stable nature; b) the modification of some laws, including a reduction in the

cost of lay-offs, which may have acted as a disincentive to companies wishing to offer indefinite-term contracts

c) restrictions on the conditions under which temporary contracts are allowed, and at the same time the establishment of a severance payment at the end of the contract. From the first quarter of 1997 to the first quarter of 2003, 3,671,200 net salaried jobs have been created; of which 2,853,100 have been indefinite-term.



Additionally, the increase in the quality of employment, as a combination of stability in employment together with better training, is leading to increased apparent labour productivity. In the graph above, progress can be seen in 2002 and 2003 compared to the previous year, in terms of the relation between GDP growth and employment growth measured as equivalent full-time jobs: in 2002 productivity stood at 0.5, with the figure for 2003 estimated at 0.6, as against figures of 0.4 and 0.6 for the years 2001 and 2000 respectively.

• Strengthening social cohesion and inclusion

All the measures included in this plan work toward the objective of greater social cohesion and inclusion.

We have designed policies to **improve the chances of finding jobs for unemployed people** (through which, more than 1.4 million people have been helped); made **women** (1,200,000 helped) and **disabled** workers (more than 50,000 under various measures) priority groups for these actions, and introduced policies to reduce wage costs to employers for those groups facing special problems in finding work. All these policies share the fundamental objective of working

toward real and effective equality for all citizens. Furthermore, such real and effective equality must allow the use of positive discrimination towards those most disadvantaged groups in society, as set out in Article 9.2 of the Spanish Constitution.

In the same way, certain measures for the **reform of social protection**, such as the extension of unemployment protection to some groups who did not enjoy this up until last year, also share the objective of strengthening social cohesion. An example of this is in the agricultural sector where 30,000 workers are now eligible to receive unemployment benefit.

Social cohesion is also being boosted by developing continuing training of **both young people and adults**, helping to bring this form of training to those **groups most at risk of losing their jobs**, such as unqualified workers, older people, and women.

Tellingly, one indicator measuring the progress made in social cohesion and social inclusion informs us that the proportion of **households with not one active member** has fallen from 26.2% to 24.7% in three years, according to figures published in the EPA.

It is important to point out that the application of the **strategy of social inclusion** and the **open method of co-ordination** has resulted in an efficient model for action, allowing the active participation of all the relevant bodies, whilst at the same time stimulating the design and application of devices and measures to combat exclusion in a more efficient and participative manner.

Finally, it should be stressed that the measures in this plan cannot be fully appreciated or understood without reference to the recent **National Plan for Social Inclusion, 2003-2005**, presented to the European Union last July.

In terms of the **format of the NAP**, it is organized by Guidelines and followed by annexes.

The text of the European Guidelines and Recommendations are set out in Annex VI. The indicators that each country must include, using domestic sources, are in Annex I. The financial breakdowns for each Guideline appear in Annex II, along with the figures for the contribution of European funds and the number of people participating in each measure. Annex III features some examples of “best practices”. Annex IV lists the measures implemented by the autonomous regions, including those with a national impact, as well as numerical data in addition to that contained in Annex II. Finally, Annex VII contains the views of the main trade unions and employers’ associations with regard to the plan.

The most important measures included in the NAP are the following:

- Help for the unemployed to find work through jobsearch measures. The majority of these are managed by the autonomous regions and will allow some 1.5 million unemployed people in 2003 to participate in one or more actions.
- Reform of the unemployment benefit system, passed by Law 45/2002, which features a variety of incentives for employment.
- A future employment law which will improve the employment service received by Spanish citizens.
- Reform of continuous training, making it available to workers in all companies, especially SMEs.
- Development of the Vocational Training Act, to ensure a more skilled active population.
- Encouragement for the social partners to independently reach agreements which contribute to modernizing the labour market.
- Reform of the Risks at Work Act to reduce the number of workplace accidents, following an agreement reached with the social partners.

- Reform of the personal income tax (*IRPF*) regime (starting this year), to reduce tax levels, especially for those on low incomes.
- Support measures for working women who wish to have children, by offering tax allowances to employers and financial assistance towards childcare.
- Support measures for the employment of people with disabilities, as included in the recent agreement with CERMI.

GUIDELINE 1. ACTIVE AND PREVENTATIVE MEASURES FOR THE UNEMPLOYED AND INACTIVE: Member States will develop and implement active and preventative measures for the unemployed and the inactive designed to prevent inflow into long-term unemployment, and to promote the sustainable integration into employment of unemployed and inactive people.

THE CURRENT SITUATION

Since the initiation of the European Employment Strategy (EES) in 1997, Spain has **made use of the preventative approach** in dealing with the unemployed, as well analysing how they can best find employment. Proof of this is the number of actions and the number of people helped over this period, particularly given that in Spain the actions are calculated not when they are offered, but when they are actually delivered to the beneficiaries.

Generally speaking, **all the commitments included in the NAP 2002 have been fulfilled**, and progress has been made in other areas:

- The process of **devolution of responsibility for active policies** from central government to the autonomous regions has practically been concluded, except for the Basque Country.
- The process of **reviewing active policies** together with the autonomous regions has advanced to bring them more into line with the EES, the current conditions prevailing in the labour market (growth in activity, falling unemployment) and the devolution of administrative responsibility.
- **Substantial ground has been made in the development of the PES Information System (SISPE)**, which now computerizes all employment contracts signed in Spain (some 13 million annually). The SISPE project is still in the experimental phase in the autonomous regions of Catalonia and Valencia.
- The government has **drafted an Employment Bill** that establishes a method of co-ordination between all the public employment services (PES) as part of a National Employment System, including representatives from the autonomous regions and the social partners. The bill also enshrines the NAPs, adjusted to the EES, as a core feature of the government's employment policy. Furthermore, it establishes a binding link between active policies and passive policies and creates mechanisms for controlling the taxation and funds used for active policies (especially those which are co-financed) and for compliance with the EES. At the same time, it co-ordinates the National Action Plan for Employment with the National Action Plan for Social Inclusion, and in so doing, makes it an essential instrument for achieving the third general objective of the EES: social inclusion and cohesion. The essential elements of this bill have been agreed after negotiation with the autonomous regions and the social partners.

In 2002, **jobsearch measures were carried out** with 1,408,938 unemployed people. In 66% of these cases, the action was of a preventative nature, before the individual reached 6 or 12 months without work, according to the age of the person. The breakdown, according to age and length of time unemployed, was as follows:

< 25 years, < 6 months unemployed	> 25 years, < 12 months unemployed	Long-term unemployed	TOTAL PARTICIPANTS
311,118	617,708	480,112	1,408,938

On average, each participant received 1.45 actions, bringing the total number of actions to 2,044,892. Of that total (see Annex), some 26% were purely for training whilst 5% were a combination of employment and training; 52% were for career guidance for employment or self-employment, and 11% were direct assistance for employment in public-sector work of social interest. These figures return results slightly better than those forecast, except in the case of guidance, where the figures are not comparable because of a change in the method of calculation.

In addition to these actions, a total of 697,950 unemployed people found jobs via a form of contract that attracted public financial assistance (social security allowances or subsidies; from central government in the case of the former, and from a combination of central government and autonomous regions in the latter).

Total expenditure on these actions, a breakdown of which can be seen in the Annexes, was 2,552 million euros, a figure very similar to the forecast of 2,593 million euros contained in the NAP 2002.

PRINCIPAL FEATURES OF THE POLICIES FOR THE PERIOD 2003-2006

The number of people registering at employment offices will show a slight increase. Accordingly, we expect an increase of the target group under this Guideline.

BREAKDOWN OF STOCK OF UNEMPLOYED JOBSEEKERS IN 2003		
	TOTAL	PROPORTION
Young people < 6 months	290,000	13%
Young people > 6 months	90,000	4%
Adults < 12 months	1,200,000	54%
Adults > 12 months	630,000	29%
TOTAL	2,210,000	100%

In relation to the flow of jobseekers, it is estimated that in 2003, **130,000 young people will reach six months of unemployment** and that **360,000 adults will reach twelve months of unemployment**. A total of 1,510,000 unemployed people will participate in employment actions: some of them will participate in more than one, which will in turn contribute to the achievement of the target of 2,114,723 jobsearch actions, a figure which breaks down as follows:

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FORECAST NUMBER OF JOBSEARCH ACTIONS IN SPAIN IN 2003				
	TOTAL	< 25 years, under 6 months unemployed	> 25 years, under 12 months unemployed	Long-term unemployed
IMPROVING EMPLOYABILITY				
Occupational training	480,033	155,170	233,450	91,413
Training-employment programmes	69,981	41,011	13,947	15,023
Employment of social interest	245,005	29,157	167,216	48,632
Employment of the disabled	38,711	10,996	22,330	5,385
Career guidance and advice on self-employment	1,170,221	223,636	659,894	286,691
EMPLOYMENT PROMOTION				
Support for self- employment	35,027	6,739	19,351	8,937
Local development specialists	4,901	369	3,889	643
Subsidies for recruitment	70,844	20,188	34,541	16,115
TOTAL	2,114,723	487,266	1,154,618	472,839

THE BUDGET FOR 2003

In 2003, a budget of 2,765 million euros has been allocated to actions specifically for the unemployed. A breakdown of this figure can be seen in the table which follows. This figure of 2,765 million euros represents an increase of 6.63% on the figure for 2002, despite the public deficit being kept under control, which is a core feature of the government's economic policy.

The breakdown of funds is similar to that of 2002, although this year there will be an increase in the proportion of funds used to create jobs (employment of social interest and of the disabled). As in previous years, more than 70% of the budget will pay for vocational training, employment-training or employment of social interest.

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2003 BUDGET			
	TOTAL (*)	INEM (*)	AUTONOMOUS REGIONS (*)
IMPROVING EMPLOYABILITY			
Occupational training	858.1	695.8	162.3
Training-employment programmes	506.7	487.1	19.6
Employment of social interest	598.1	547.0	51.1
Employment of the disabled	173.0	161.3	11.7
Career guidance and advice on self-employment	127.1	84.7	42.4
EMPLOYMENT PROMOTION			
Support for self-employment	125.7	70.7	55.0
Local development specialists	105.9	104.0	1.9
Subsidies for recruitment	270.8	93.4	177.4
TOTAL	2,765.4	2,244.0	521.4

(*) Millions of euros

POLICIES TO BE IMPLEMENTED

- The modernization of the public employment service (PES) will be completed as follows **(Response to Recommendation on Employment 4. See Annex VI)**:
 - ✓ More PES staff will progressively be recruited, towards a goal of 5,000 additional employees. The autonomous regions have been allocated 52.1 million euros for additional staff to manage employment. This finance will be sufficient for the recruitment of around 3,500 people. For its part, the INEM has taken on 410 people in the first six months of the year to administer passive policies. This will be complemented by a further 500 people in the fourth quarter of the year followed by a similar figure in the first six months of 2004. The staff increases are part of a series of objectives which the INEM and autonomous regions have committed themselves to as part of a comprehensive programme to improve the efficient administration of active and passive employment policies by the PES.
 - ✓ The SISPE will be fully implemented in all key areas (employment intermediation, vocational training, School-Workshops and Trade Learning Centres).
- The new Employment Act will come into force **(Response to Recommendation on Employment 4. See Annex VI)**:
 - ✓ The government approved the draft Employment Bill on 25 July, 2003.

- ✓ Currently the bill is on its way through parliament and is expected to come in to effect in 2004.
- The work of reviewing active policies will be completed. Taking into account the huge number of laws and programmes, the task is expected to take until 2005.
- A report will be drawn up on all the jobsearch measures to help the unemployed carried out by each autonomous region over the previous year. This study is already underway and complements the evaluations made as a matter of course.

SOME ACTIONS BY THE AUTONOMOUS REGIONS

Among the many actions carried out by the autonomous regions are the following: the Canary Islands region is improving its vocational guidance schemes and self-employment support schemes; the autonomous region of Cantabria is creating an autonomous body, the "Cantabria Employment Service", with its own website; the autonomous region of Valencia is creating a co-ordinated information system, "TAURÓ", tied administratively to its employment and training service, "SERVEF"; the autonomous region of Galicia is consolidating its network under one application, including the young people's employment programme, "Programa Labora Xuventude"; the autonomous region of La Rioja is digitalizing and modernizing its entire network; and the region of Navarre aims to tackle real needs early by carrying out interviews with jobseekers within the first three months of their unemployment.

GUIDELINE 2. FOSTER ENTREPRENEURSHIP AND PROMOTE JOB CREATION: Member States will encourage the creation of more and better jobs by fostering entrepreneurship, innovation, investment capacity and a favourable business environment for all enterprises. Particular attention will be given to exploiting the job creation potential of new enterprises, of the service sector and of R&D.

THE CURRENT SITUATION

The number of people in employment in Spain is around 16.7 million. This is a record and represents an increase of 3.6 million people since 1996. Similarly, the number of companies registered with the social security system has grown considerably in recent years, with the current figure standing at more than 1.2 million firms. Fundamentally, the Spanish economy is made up of SMEs, so policies aimed at fostering the creation and growth of companies are formulated with such enterprises in mind.

REDUCTION OF RED TAPE

The “**Single Business Window**” (**VUE**) programme continues to help small businesses deal with bureaucratic matters and receive advice from a single point of contact by phone or using the Internet. This programme was started up in 1999 and has been explained in past NAPs. So far, 26 single windows have been set up in 12 autonomous regions. These have helped in the creation of 14,256 companies and 21,384 jobs, in response to enquiries from 69,233 entrepreneurs. In the period July 2002-June 2003, 11 new single business windows were established, far more than forecast in the NAP 2002.

FINANCIAL SUPPORT FOR SMEs

The **credit line for SMEs provided by the Official Credit Institute** (*Linea ICO-PYME*) used 2,700 million euros to finance 48,252 transactions, the majority of which were loans to companies employing fewer than 50 workers. This resulted in the creation of an estimated 79,620 jobs. The **loan guarantees offered to Mutual Guarantee Companies (SGRs)** have led to the formalization of contracts with a total exposure of 863.74 million euros and guarantees of 272.81 million euros. **Participative loans** to the sum of 9.3 million euros have been awarded, with 2.7 million of the total going to help finance technology companies. The number of jobs created or guaranteed is estimated at 1,322. **Asset-backed securities** were approved with a total collateral value of 1,802.56 million euros.

Both the effort to reduce bureaucracy and the financial support for SMEs meet the terms of **Recommendation 11 of the document, “Major Objectives of Economic Policy, 2003-2005” (GOPEs).**

The objective of the ARTEPYME II initiative is to support projects developing advanced telecoms services for SMEs. It has achieved the following results: negotiated investment, 12 million euros; ERDF co-financed, 10.7 million euros; and ERDF financed, 5.4 million euros, for 62 approved projects in 6,200 SMEs.

PROMOTION OF THE SPIRIT OF ENTERPRISE

An “entrepreneurship” module has been incorporated into the school curriculum and into professional training courses, in line with the Constitutional Law 10/2002 on Education Quality (LOCE) and Constitutional Law 5/2002 on Qualifications and Vocational Training.

MAIN FEATURES OF POLICIES FOR THE PERIOD 2003-2006

SIMPLIFICATION AND REDUCTION OF ADMINISTRATIVE BURDENS

In April 2003 a new law was passed relating to new companies. The objective of the **New Enterprise Limited Company Act (SLNE)** is to create a new simplified legal framework specifically for the needs of SMEs, and cut the paperwork and procedures required to set up a small company. The most prominent new **company law** characteristics in the SNLE are: the maximum number of partners in the new company is five, and they have to be natural persons; the minimum start-up capital should be no less than 3,012 euros with a maximum of 120,202 euros; the system will allow the completion of the relevant administrative paperwork for the company's constitution and start-up within 48 hours, including over the Internet. Additionally, there is a series of **tax incentives**, including the postponement of the taxes to be paid on company establishment, corporation tax and personal income tax. Furthermore, the new law establishes a special company savings account. This provides an incentive to create companies by promoting the spirit of enterprise. To open and operate such an account, the law dictates that the company must be denominated “New Enterprise Limited Company”, have at least one set of premises, one employee and operate the account for at least two years.

The principle objective for the future of the **Single Business Window** system is to establish new single windows in the capital cities of those autonomous regions in which the system is already operating successfully and also to extend it to the regions of La Rioja, Galicia, Extremadura and Catalonia. Over the coming two years, some 80 new single windows will be set up. In addition to this, the Expansion Plan for Single Business Windows, a partnership agreement between central government and the Chambers of Commerce, will decentralize business support services to help overcome the hurdles involved in creating new companies, and establish a network of Local Business Observatories.

The social security system on the Internet, the Sistema RED, will continue to be developed, with the objective for 2003 of reaching 94% of companies. Furthermore, the use of **Contrat@** will be extended in an effort to establish this system of electronic registration of employment contracts as a standard throughout Spain.

FINANCIAL SUPPORT FOR SMEs

In 2003, the ICO-PYME Credit Line will make 3,000 million euros available for loans with a maximum of 1.5 million euros each. In terms of the **loan guarantees for Mutual Guarantee Companies (SGRs)**, the policy adopted hitherto will be maintained to support technology companies. In terms of **participative loans**, some 16 million euros will be allocated to this form of finance, 12 million euros of which will be used to fund the credit line set up by the Ministry of Science and Technology for supporting projects undertaken by technology companies. Turning to the **asset-backed securities**, central government will be able to offer collateral worth up to 1,803 million euros.

The forecasts for 2003 for the **ARTEPYME II** initiative are as follows: 12.7 million euros of negotiated investment; ERDF co-financed, 11.3 million euros; and ERDF financed, 5.7 million euros, for 47 approved projects in 4,700 SMEs.

SUPPORT FOR THE CREATION OF EMPLOYMENT IN THE SERVICE SECTOR AND DEVELOPMENT OF THE INFORMATION SOCIETY

The **Plan for the Consolidation and Competitiveness of SMEs 2000-2006 (SME Plan)** has a budget for the period of some 300.51 million euros, including finance for 2003 of 60.1 million euros. The plan embodies a policy designed to support the Spanish corporate sector, increase the competitiveness of firms, sustain the environment, and promote the creation of employment and wealth.

“España.es 2004-2005” is a package of measures that constitute a Plan for the Promotion of the Information Society, which is financed with 1,029 million euros over two years. This money comes from central government (63%) and the autonomous regions (26%), with the remainder being provided by the private sector. All government ministries are involved in this plan which is structured into the following three main areas: 1) the development of a digital public administration; 2) education and 3) SMEs. These are complemented by horizontal measures promoting Internet access for all citizens, along with the creation of content, and information campaigns for España.es.

PROMOTION OF SELF-EMPLOYMENT

Two main measures are being taken to **promote self-employment**. The first is the reorganization of the system of **lump-sum payment of unemployment benefit** for those who want to become self-employed. Disabled workers are eligible to take 100% of their benefit as a lump sum. Other workers may take up to 20% as a lump sum and the rest as a credit towards future social security payments. This measure is forecast to lead to the creation of 17,260 new jobs in 2003, with 260 of those being for disabled people. The cost will be 39 million euros, of which 2 million euros is specifically for the disabled. The second measure is designed to **improve the protection afforded by the social security system to the self-employed and to promote their economic activity** by reducing the contribution base for young people and women registered in the special scheme for self-employed workers as well as waiving contributions for self-employed workers aged 65 and over.

PROMOTION OF THE SPIRIT OF ENTERPRISE

One new agreement has been reached between the Ministry of Education, Culture and Sport and the employers' organization CEOE, within the framework of the collaboration agreements between education and the private sector. The agreement deals with the classification of trades and their corresponding qualifications.

SOME ACTIONS BY THE AUTONOMOUS REGIONS

Among the many actions carried out by the autonomous regions, one by Castilla-León aims to develop a specific programme to help self-employed people and sole traders recruit their first employee.

GUIDELINE 3. ADDRESS CHANGE AND PROMOTE ADAPTABILITY AND MOBILITY IN THE LABOUR MARKET: Member States will facilitate the adaptability of workers and firms to change, taking account of the need for both flexibility and security and emphasising the key role of the social partners in this respect.

THE CURRENT SITUATION

Social dialogue has traditionally served as a core reference point for the government. This can be seen by the **many agreements it has concluded**, such as the “Agreement on the Prevention of Risks at Work (30.12.02)”, and the extension to 30.12.04 of the “Agreements for Extra-Judicial Resolution of Labour Conflicts”. These agreements were reached with the employers’ organizations CEOE and CEPYME, and the trade unions CCOO and UGT, and have been described in previous NAPs. Other important features in this regard are the “Government-trade union agreement for 2003-2004 for the modernization and advancement of the public administration”; the recovery of social dialogue after the strike over the reform of unemployment benefit; the recent agreement on the new continuing training model for workers; and the agreement on the Employment Bill.

The “**Government-trade union agreement for 2003-2004 for the modernization and advancement of the public administration**” was concluded on 13 November 2002 between central government and the main trade unions in the sector: Comisiones Obreras (CCOO), the Unión General de Trabajadores (UGT) and the Independent and Civil Service Trade Union (CSI-CSIF). The aim of the agreement was to improve both the working conditions for public-sector employees and the service offered to the public by creating a more modern and efficient public administration. Included were measures to promote stable employment through career plans, reduce temporary employment and absenteeism, promote mobility, extend the opening hours for the public, reconcile work and family life and extend continuing training.

The social partners have continued to follow the “**Interconfederal agreement for Collective Bargaining (ANC) for 2002**”, which was outlined in the NAP 2001. They have also concluded the “**ANC 2003**” agreement. The ANC agreements set guidelines for the collective agreements negotiated during the year.

The agreement on risks at work mentioned above sets out the reforms to be carried out in 2003 to **improve the conditions of health and safety**. At the same time, efforts have continued to help harmonize our legislation in this respect with that of the EU on questions such as explosive hazards or carcinogenic agents. The system of notification of accidents in the workplace has been modernized with companies now giving details of such accidents online. It is worth pointing out that in the first quarter of this year deaths from work-related accidents have fallen by 24% compared to the same period last year.

Law 45/2002 introduces two important measures to improve the functioning of the labour market and to foster indefinite-term employment: a) It establishes new regulations affecting some aspects of dismissal, to prevent uncertainty on the part of employers as to lay-off costs; and b) It allows the INEM to take court action to recover benefit payments if unemployment benefit is based on a possible fraudulent temporary contract entered into by the employer, without prejudice to the worker, whose right to receive benefit payments is not affected. (**Response to Recommendation on Employment 1. See Annex VI**).

JOINT POSITION OF THE SOCIAL PARTNERS

(Transcription of the **Report on the ANC 2002, drawn up jointly by the social partners**).

The Interconfederal Agreement for 2002 concluded between the employers' organizations CEOE and CEPYME and the trade unions UGT and CCOO, was unlike the agreements made in previous years in that social dialogue and harmony were applied to principles and issues relevant to different stages of collective bargaining. During the time it was in force wages rose moderately, and employment and recruitment became a more important issue in collective agreements, particularly through regulations relating to the various forms of contracts, while collective bargaining was made more flexible. There was also greater awareness and progress made in questions related to the occupational categories, the working day, recruitment, and equal opportunities between men and women. However, there was less acceptance of proposals to create stable administrative instruments for anticipating change, such as national industrial employment and competitiveness observatories.

These positive results and the unchanging economic scenario justified the signatory parties in concluding a second Interconfederal Agreement for Collective Bargaining in 2003. Its aim is to set common criteria for those taking part in collective bargaining, of whatever scope. The agreement includes guidelines linked to aspects such as wages, recruitment, internal flexibility, vocational training, the prevention of risks at work, and equal treatment and opportunities. All these are interrelated elements which can benefit business activity and employment. If they are dealt with adequately in collective agreements, striking a balance between flexibility for companies and security for workers, they can represent a real alternative to cuts in the workforce and can help companies to overcome any temporary difficulties they may be experiencing.

MAIN FEATURES OF POLICIES FOR THE PERIOD 2003-2006

On the question of **forms of contract and working practice**, the aim is to achieve a more flexible management of working time, for which the agreements with the social partners detailed below are an essential element. Spanish legislation will be brought into line with Community guidelines on working time, reductions will continue to be applied to social security contributions for indefinite-term employment and there will be stricter controls on fraudulent temporary employment (see Guideline 8). (**Response to Recommendation on Employment 1. See Annex VI**).

In terms of **collective bargaining**, the **ANC Agreement 2003** sets out the principles which should be followed at different levels of negotiation (**Response to Recommendation on Employment 1, see Annex VI**). These principles are:

- To encourage indefinite-term employment, both for new jobs and by converting temporary contracts into indefinite-term ones, as well as by preventing the unjustified use of successive temporary contracts for the same worker.
- To establish definitions of occupations and job descriptions, linking mobility to occupational category.
- To manage working time by achieving a flexible distribution of the annual total, whilst bearing in mind the work-life balance.

- To ensure a wage structure (basic payments and bonuses) in line with the business conditions in the company and industry in question, and in direct relation to the work organization systems.
- To develop continuing training.
- To analyse the impact of new technologies (Internet, e-mail, etc.) on labour relations, including the definition of the conditions of teleworking, and to promote the establishment of national industrial monitoring centres or observatories to anticipate and manage the changes involved.

Social dialogue within companies will be fostered by bringing Spanish legislation into line with the Directives on notification and consultation of workers and the participation of workers in European society.

Parliament has ordered a report to be drawn up on **the social responsibility of companies**. Among the measures to be dealt with are the voluntary publication of information, the creation of a body which evaluates and certifies social responsibility, the creation of a symbol of social responsibility, and the drawing up of social reports and audits.

On the question of **prevention of risks at work**, regulations will be introduced to improve co-ordination between different companies if they operate in the same workplace, and to specify activities considered hazardous or involving special risks. In addition, the list of work-related illnesses will be brought up to date, and Spanish legislation will be brought into line with Community Directives on the questions of equipment, asbestos, noise and vibrations. The Labour and Social Security Inspectorate will make this a priority. Particular attention will be paid to the construction sector (with specific campaigns, together with the European-wide safety campaign to reduce the number of falls from height), companies with high accident rates, and prevention services, as a foundation of prevention policy.

The **EURES-ESPAÑA network**, set up by central government and regional PES, will continue to promote mobility in the European labour market and broaden the use of the network by drawing on its human and technological resources to bring employers and jobseekers together, and offer information on the labour market and the conditions of life and work in other countries.

The policies which have a particular impact on older workers, women or disadvantaged groups are included in Guidelines 5, 6 and 7 respectively.

SOME ACTIONS BY THE AUTONOMOUS REGIONS

Among the many actions carried out by the autonomous regions are the following: the region of Valencia offers assistance for companies to reorganize the working day, as well as an Comprehensive Employment Plan to facilitate the geographic mobility of unemployed agricultural workers; the region of Aragón offers incentives for reorganizing the working day by recruiting new workers instead of using overtime; and a number of autonomous regions such as the Balearic Islands, Cantabria or Navarre have implemented programmes to prevent accidents at work, including the training of specialist teams.

GUIDELINE 4. PROMOTE DEVELOPMENT OF HUMAN CAPITAL AND LIFELONG LEARNING: Member States will implement lifelong learning strategies, including through improving the quality and efficiency of education and training systems, in order to equip all individuals with the skills required for a modern workforce in a knowledge-based society, to permit their career development and to reduce skills mismatch and bottlenecks in the labour market.

THE CURRENT SITUATION

The proportion of the population in education is growing in all age groups, and in particular between the ages of 16 and 19, where it has increased from 73.6% in 1997 to 77.1% in 2003. The most important recent measures have been two constitutional laws on educational quality and training, regulating the pre-university levels of the educational system.

THE QUALITY OF EDUCATION ACT

The measures included in the Organic Law 10/2002, the Quality of Education Act (*LOCE*), will be implemented once the provisions of the royal decrees regulating the *LOCE* calendar and curriculum are enforced. These measures encourage young people to remain in education, thanks to the flexibility of the system, as explained below.

Continuous education is one of the priorities of the *LOCE* under its Section III, which enables every citizen to receive a basic school certificate and continue on to the Baccalaureate (*Bachillerato*) and Vocational Training courses with no further academic requirements.

The system will require educational authorities to collaborate with other public authorities involved in the training of adults, and in particular, with the labour authorities.

THE VOCATIONAL QUALIFICATIONS AND TRAINING ACT

The Constitutional Law 5/2002, the Vocational Qualifications and Training Act, was dealt with in detail in the NAP 2002. It is a modular system of vocational training and academic and career guidance, responsive to changes in occupational skills needs. It organizes training and vocational guidance using feedback from the authorities and social agents involved and establishes guidelines for the National System of Qualifications.

THE TRAINING OF WORKERS

The Tripartite Foundation (now the National Foundation for Training in Employment) has steadily increased its resources from 763 million euros in 2002 to 854 million euros in 2003. The number of workers benefiting from this training increased from 1.3 million in 1997 to an estimated 1.8 million in 2002, of whom 45.4% were employed in SMEs.

Continuing training now extends to groups which were not included before the EES, such as the self-employed and partners in co-operatives. These represent about 10% of workers currently receiving this training. The finance received by these groups is 72 million euros.

When offering financial support for training, priority is given to women, workers over 45 years of age and the unskilled; priority is also given to training in new technologies. The proportion

represented by these groups out of the total number of workers trained is 18.54% for workers over 45 years of age, 42.38% for women and 38.39% for unskilled workers.

In addition to this, the Telecommunications Training Programme (*FORINTEL*) strives to improve workers' skills and qualifications and their ability to adapt to changes produced by information technology in industry. The programme is structured into two types of actions: training of users and training of professionals. At the user level, it offers training on computer skills and the Internet, and their use in business. At the professional level, it trains workers in the telecommunications sector. Both actions are co-financed by the European Social Fund as part of the Business Initiative and Continuing Training Programme. In 2002, 77,510 users and professionals benefited, at a cost of 17.11 million euros, of which 5.71 million were co-financed.

MAIN FEATURES OF POLICIES FOR THE PERIOD 2003-2006

THE NATIONAL SYSTEM OF QUALIFICATIONS AND VOCATIONAL TRAINING (National Catalogue of Qualifications and Occupational Aptitude Certificates)

The purpose of the National Catalogue of Occupational Qualifications is to create a systematic list of skills needed in the productive system), together with the training associated with them. This catalogue will serve as the reference point for diplomas supervised by the Ministry of Education and certificates supervised by the Ministry of Labour and Social Affairs. Since the content of the diplomas and certificates is determined by real skills, the catalogue will act as a guide to the appraisal, recognition and validation of the skills acquired through training, non-formal learning or work experience. It will be a useful tool in designing occupational courses, because what is learnt and validated by any means will be recognized by the system. It can be used to tailor the training courses already available to meet the needs of the productive system (and making the labour market needs more transparent), and to categorize groups of occupations and skills levels using a participative methodology based on the reality of the workplace. The law regulating the catalogue was approved by the government on 5 September and the skills included will be revised in a year's time in collaboration with the social partners and experts.

Three new vocational training diplomas have been agreed on, so that now there are 142 in the Catalogue of Vocational Training at the middle and higher level. In addition, a new law has been passed creating the qualifications of Vocational Training Technician and Higher Technician (Royal Decree 942/2003 of 18 July). This means that everybody can use these qualifications as a reference for validating the skills they have acquired, whether totally or partially.

In terms of the Occupational Aptitude Certificates (*Certificados de Profesionalidad*), there is now a range of 130 categories. The number will be increased, and improvements made in their subject matter and procedure. Before the end of the year the government will approve the law regulating the award of the Occupational Aptitude Certificates. From the year 2004 anyone who is able to prove one of the skills established in the certificates, whether totally or partially, will have the skill officially recognized with a certificate from the year 2004.

THE TRAINING OF WORKERS

The Constitutional Tribunal ruled on 25 April and 17 October 2002 that certain aspects of the regulations relating to continuing training in Spain were unconstitutional. As a result, the management model which will come into effect on 1 January 2004 has been modified, following a reasonable level of agreement from the social partners.

The new model (Royal Decree 1046/2003 of 1 August) establishes reductions in social security contributions for companies which train their employees, and gives small and medium-sized enterprises special treatment (the smaller the company, the greater the reductions). The companies will be able to deliver training themselves or through the employers' organizations, trade unions or specialist training bodies. The aim is to create a flexible, objective, efficient and transparent management model, which guarantees finance for companies with the minimum of red tape. The new model also applies strict control systems to the financing of continuing training in order to prevent fraud.

As to the Telecommunications Training Programme (FORINTEL), it is expected to have 51,474 trainees, at a cost of 10.3 million euros and co-finance of 3.6 million euros. However, since these figures only reflect the situation up to June 2003, the final cost could be greater by 50%.

SOME ACTIONS BY THE AUTONOMOUS REGIONS

Among the many actions carried out by the autonomous regions are the following: Aragón is developing a Training Plan in Information and Communications Technologies for workers, including teachers, with certificates awarded by multinational corporations such as Microsoft, Oracle, Cisco, Novell, etc.; the region of Navarre is offering occupational training to graduates of universities and the Vocational Training II level (FP II) course, with a commitment to offer employment at the end of the course; and the region of La Rioja is increasing the quality of training by using better equipment and improving curricula and the relations between educational centres and companies.

GUIDELINE 5. INCREASE LABOUR SUPPLY AND PROMOTE ACTIVE AGEING: Member States will promote an adequate availability of labour and employment opportunities to support economic growth and employment, taking into account labour mobility, as indicated in specific guideline 3.

THE CURRENT SITUATION

Since 1997 the **active population** has increased in Spain by 12%, or two million people, and the rate of activity of people aged 15 to 64 has increased from 61.5% to 66.7%. The increase has been greatest among women, whose activity rate has increased by 6.5 percentage points, but it has also been significant for men, whose rate has increased by 4 points. The increase is expected to continue in the near future, particularly for women aged between 25 and 55.

However, significant changes are not expected for those **under 25**, because the inactivity of this age group is nearly always linked to schooling, which has to be encouraged. Significant increases are not expected for the male 25 to 55 age group either, as their participation in the labour market is already relatively high.

However, there is margin for growth in the **over-55** age group of both sexes. From 1997 to 2003 the activity rate of the 55 to 64 age group increased by 5 percentage points to 43.3%. The rate for men increased by 6 points, above all because of the improved employment situation, which makes people less likely to leave the labour market. The rate for women increased by nearly 5 points, although it continues to be low because most Spanish women in this age group have been outside the labour market all their lives. The growth in activity rates for this group in the next few years will probably speed up, since women born after 1950 have been more active in the labour market.

Despite the rapid rate of growth in the last few years, the overall activity rate in Spain continues to be below the European objectives. Guideline 8 analyses possible disincentives to work, but in Spain the main causes are probably historic.

The labour supply resulting from **immigration** is increasing rapidly in Spain. At present there are 915,000 foreign workers in the social security system, 28% more than last year. The foreign population legally resident in Spain in June 2003 was 1,448,671, nearly three times the figure for 1996.

MAIN FEATURES OF POLICIES FOR THE PERIOD 2003-2006

It is estimated that over the next three years the active population will continue to grow, especially if job creation continues. Economic and employment policy as a whole will pursue this goal, using the measures mentioned at various points in this NAP, in particular in Guidelines 2, 3 and 8. Another factor will be the increase in the educational level of the population of an age to work, especially in the case of women (see Guideline 4).

Older workers will be helped to remain in employment by increasing both the incentives they have to remain in work, and those which employers have to retain them. This will be done under the law implemented in 2002, by which the pension of a worker who retires before the age of 65 is reduced between 6% and 8% for each year remaining before 65. Workers who entered the social security system after 1966 can only take early retirement, with the reduction in pension indicated, if they have been made redundant. On the other hand, workers who delay their

retirement after the age of 65 receive an increase of 2% in their pension for each year after 65. In addition to this, the recent tax reform offers special income tax cuts for people who decide to continue working beyond the age of 65.

It will be possible to **work part-time and receive a retirement pension**, reduced accordingly. If the worker is between 60 and 65, the company will be obliged to find a substitute by offering a relief contract to an unemployed person or a worker in the company who is on a temporary contract. If the worker is over 65, there is no obligation to recruit a substitute.

The policy of **reductions in employers' social security contributions** for indefinite-term recruitment of people over the age of 45, initiated in 1997, will be continued. The reduction initiated in 2002 in employers' contributions for workers over the age of 60 will also be continued. The reductions begin at 50% and are increased by 10% each year, up to a total exemption at the age of 65.

The legal changes introduced in 2002 should take effect in the period 2003-2006, as an increasing number of workers become affected by the measures. The parliamentary commission (**Non-Permanent Toledo Pact Commission**) is continuing its work in the field and is due to propose new recommendations, among which will be some relating to strengthening policies designed to prolong active life.

Another measure relating to this guideline affects companies which lay off workers over the age of 55 through redundancy plans. They will have to continue to pay part of the workers' social security contributions until the workers reach the age of 61. The workers will also not be able to receive welfare benefits at the same time as significant severance payments from the companies. These measures aim to encourage companies to prolong their workers' active life rather than offering them early retirement.

To make it easier for the unemployed over the age of 52 to find a job, they can continue to receive unemployment benefit while working, with a proportional reduction in wage costs for the companies which recruit them.

The labour supply resulting from **immigration** will be regulated through the bill on the rights and freedoms of foreigners in Spain, now passing through parliament. The aim is to simplify the paperwork needed by immigrants and make them feel more secure, whilst at the same time combating illegal immigration rackets. The bill includes a less uncertain system of permits; measures designed to help foreigners to find regular work; and a system to control migration flows at the country of origin. This will be achieved by continuing the policy of bilateral agreements with the countries of origin of the largest groups of immigrant workers.

As before, there will be an annual quota of work permits to be offered to foreigners for jobs which are needed in the economy, but for which there is not a sufficient supply in the domestic market.

SOME ACTIONS BY THE AUTONOMOUS REGIONS

Among the actions carried out by the autonomous regions is the Plan Promoting Stable and Quality Employment in Aragón.

GUIDELINE 6. GENDER EQUALITY: Member States will, through an integrated approach combining gender mainstreaming and specific policy actions, encourage female labour market participation and achieve a substantial reduction in gender gaps in employment rates, unemployment rates, and pay by 2010. The role of the social partners is crucial in this respect.

THE CURRENT SITUATION

Despite the positive changes in female employment, which has increased by 40% since 1997, there is still a major imbalance in terms of women's participation in the labour market compared to men's. The rate of unemployed women is twice that of men and women represent only 30% of the self-employed. Because of this, it is essential to continue measures specifically targeted at those sections of the female population facing the greatest difficulties in entering the labour market. The following are the most significant measures taken in this regard since the last NAP:

- Law 33/2002 modified the Workers' Statute and broadened the principle of equality between men and women. It extended the principle of equal remuneration to non-wage payments, considering that discrimination can arise from direct or indirect remuneration for work.
- The "Report on collective bargaining as a mechanism to promote equal opportunities between men and women in access to and maintenance of employment, 1998-2002", drawn up by the Economic and Social Council, highlights the progress made during this period in legislation and agreements, as reflected in collective bargaining.
- Gender mainstreaming and non-discrimination for reasons of sex has been incorporated into all phases of political decision-making, as well as in the planning, implementation and monitoring of actions resulting from those decisions.
- The "General Subsidy" (*Subvención Global*) was given a boost to finance projects linked to local services and infant care centres (see Guideline 10).
- Positive discrimination in favour of women for PES actions improving employability has been maintained (see figures in Annex 5), together with the promotion of specific active jobsearch measures in a collaborative effort between the Institute for Women's Affairs and the autonomous regions. Employers recruiting women receive reductions in social security payments.
- Training programmes and support for company creation and development have been introduced in partnership with a variety of bodies: the Higher Council of the Chambers of Commerce, Industry and Shipping in Spain; the Foundation of the School of Industrial Organization (EOI); and the Foundation of the Chamber of Commerce Institute for Company Creation and Development (*INDCYDE*). They offer guidance and training in various business activities, including individual tutoring for female entrepreneurs and businesswomen via the Internet, and online services such as the C-TEST project and "Online Teleservice Centre".
- Programmes have been introduced offering financial support by a) promoting the self-employment of women, through the **Female Entrepreneur ("Emprender en Femenino")** programme, which awards subsidies to businesswomen who have created their own companies based on new sources of employment, or in sectors in which women are under-represented; and b) a **micro-credit line for female entrepreneurs and businesswomen**, offering 6 million euros a year, and co-financed by the European Social Fund.

INFANT EDUCATION AND CHILDCARE SERVICES

According to a report by the National School Council, **nearly 100% of children aged 4 and 5 attend school, as do nearly 93% of those aged 3, and 11% of those under 3.** This means that the objective of schooling all children from 3 to 6 years of age has been almost achieved.

As a basis for **promoting schooling for children of 0 to 3 years of age**, the Quality of Education Act makes a distinction between preschool education (0-3 years) and infant education (3-6 years). The autonomous regions are given the authority to regulate this phase, which combines education and care, within the basic educational features implemented by the Royal Decree 828/2003.

MAIN FEATURES OF POLICIES FOR THE PERIOD 2003-2006

The actions outlined above are scheduled to operate until 2006. The development of Internet services will be boosted both in terms of training and as a tool for delivering information and business advice. A “virtual trade fair” will be created for businesswomen, giving details of new and continuing actions.

The Community project “ISOS: wage differences between women and men and job evaluation” is being developed in collaboration with the European Commission. The project has a number of national and trans-national partners, and has a twofold aim: first, to analyse the relation between wage discrimination on the grounds of gender and job characteristics; and secondly, to establish a gender-neutral system for evaluating jobs.

SUPPORT FOR MOTHERHOOD AND INFANT CARE

As a means of promoting the reactivation of women after periods of maternity leave, the scope of reductions in social security benefits has been extended to include the indefinite-term employment of unemployed women (laws 45 and 53/2002) and to the renewal of indefinite-term or temporary contracts, when women begin work after periods of maternity or extended leave (Royal Decree-Law 2/2003), as long as the work begins within 24 months of giving birth. **(Response to Recommendation on Employment 2. See Annex VI).**

Although power has been devolved to the autonomous regions in the fields of social welfare and education, central government continues to offer significant support for improving the **care services for early infancy** (0-3 years). An example of this is the new credit introduced in 2003 to co-finance investment in new nursery and crèche places for children under 3 in local authority centres or those run by companies or groups of companies to look after their employees' children. **(Response to Recommendation on Employment 2. See Annex VI).**

The recent reform of the income tax regime introduced a tax credit for women who have a job, whether salaried or self-employed, if they are registered in the social security system or in a friendly society. The maximum annual amount is 1,200 euros for each child under the age of 3, including those adopted or in foster care. The credit can be applied for in advance and received monthly for a maximum of three years. The cost of the measure in 2003 is estimated at 650 million euros, and will go towards the care of 540,000 young children. **(Response to Recommendation on Employment 2. See Annex VI).**

JOINT POSITION OF THE SOCIAL PARTNERS

Through the 2003 Interconfederal Agreement for Collective Bargaining we have established a set of general standards for gender equality which are to serve as guidelines for negotiators on questions such as the following: adopting anti-discriminatory clauses; adjusting the content of collective agreements to the legislation in force; including positive action clauses to favour the employment of women in sectors in which they are under-represented; using technical, neutral and objective criteria for recruitment, categorization, promotion and training systems; applying correctly the principle of equal remuneration for work of equal value; adopting measures related to the working day, holidays and the planning of training in order to reconcile production demands with personal or family needs; and monitoring the application of agreements from the point of view of equal opportunities. We have also selected a number of clauses relating to these questions from various collective agreements as an example of good practice for negotiators. ***(Response to Recommendation on Employment 2. See Annex VI).***

SOME ACTIONS BY THE AUTONOMOUS REGIONS

Among the many actions carried out by the autonomous regions are the following: the Balearic Islands offers financial assistance to companies which give women the opportunity for career advancement, and to companies and workers to compensate for reductions in the working day to care for children or other dependents; the Canary Islands stimulates the reactivation of women who have been out of the labour market; and Cantabria has implemented the II Equal Opportunities Plan, which pays 100 euros per child under 3 years of age.

GUIDELINE 7. PROMOTE THE INTEGRATION OF AND COMBAT THE DISCRIMINATION AGAINST PEOPLE AT A DISADVANTAGE IN THE LABOUR MARKET: Member States will foster the integration of people facing particular difficulties on the labour market, such as early school leavers, low-skilled workers, people with disabilities, immigrants, and ethnic minorities, by developing their employability, increasing job opportunities and preventing all forms of discrimination against them.

THE CURRENT SITUATION

EDUCATION AND TRAINING OF YOUNG PEOPLE AND ADULTS

The proportion of **young people completing Higher Secondary Education** continued to increase in 2002, with a total of 1,186,722 at a cost of 2,796 million euros, and co-finance of 570.6 million euros from the European Social Fund. The number of students in Initial Vocational Training was 469,100, at a cost of 1,489 million euros, with co-finance of 744.5 million (see Guideline 4).

The number of **adults** of 24 to 64 years of age who participated in training actions in which the Ministry of Education was involved was 496,790, at a cost of 894.2 million euros, with co-finance of 44.7 million euros (see Guideline 4).

PEOPLE WITH DISABILITIES

According to data from the Labour Force Survey (Q2, 2002), 8.7% of the population of an age to work suffer from some form of disability; 2 out of every 3 disabled people of an age to work are inactive, and about 15% of those who are active are unemployed. Disabled jobseekers registered with the PES in this period numbered 54,737.

It is the policy of the Ministry of Labour and Social Affairs to sign **agreements with bodies representing this group**. The agreement with the Spanish Committee of Disabled People's Representatives (*CERMI*) has been renewed, with improvements in the regulations giving support to people with disabilities. The following measures have been passed as a result: a) social security costs are waived when disabled workers on relief contracts substitute disabled workers on sick leave; b) measures promoting the self-employment of people with disabilities have been introduced, and mentally disabled workers on training contracts will be able to replace the theoretical part of their training with rehabilitation or personal or social adjustment programmes; and c) the social security allowances for the temporary employment of disabled women have been increased.

The **PES, in their role as employment intermediaries**, found 22,382 jobs for disabled jobseekers in 2002.

The programmes promoting the recruitment of disabled jobseekers, whether by private companies or special employment centres, produced the following results in 2002:

Programme	Number of beneficiaries
Work for the disabled in special employment centres	33,404
Support for indefinite-term employment	13,065
Support for temporary employment	10,520

IMMIGRANTS

The number of foreigners in Spain has grown significantly (see Guideline 5) in the spheres most relevant to the NAP. The total number of foreign jobseekers in December 2002 was 121,853, an increase of 35.50% on the figure for the same date the previous year. Of this total, 79.28% were from non-EU countries. The number of non-Spanish people employed with contracts in 2002 was 1,249,427, of whom 1,073,325 were non-EU citizens.

The number of foreigners taking part in jobsearch programmes is growing: 26,197 foreigners benefited from employment programmes in 2002, and participated in 30,354 actions. The agreements with the cities of Ceuta and Melilla deserve particular mention. They developed comprehensive employment plans for 1,069 jobseekers from Morocco, who on the whole had low skills levels and great problems in entering the labour market. The total budget for these programmes was 4.4 million euros.

OTHER DISADVANTAGED GROUPS

Employment programmes targeted at groups with particular difficulties in finding jobs were boosted in 2002. A total of 5,559 contracts (91.46% more than in 2001) received social security reductions for the employment of people in a position of social exclusion. The national PES financed the recruitment of 869 specialists by collaborating bodies who offer special employment services, at a cost of 4.54 million euros.

Agreements have been signed with organizations representing **gypsies** and drug-dependents undergoing social rehabilitation to develop experimental employment programmes aimed at finding jobs for these groups. The results have been extremely positive, with 550 jobs found. The subsidy was 0.83 million euros.

MAIN FEATURES OF POLICIES FOR THE PERIOD 2003-2006

In general, the policies explained above will continue to be implemented during this period. In addition to these, the **II National Action Plan for Social Inclusion 2003-2005** includes a wide range of measures which not only promote a comprehensive and inclusive policy for all, but also establish active and preventive measures for the unemployed, the inactive, those at risk of social exclusion and the socially excluded.

PEOPLE WITH DISABILITIES

The Community directives relating to assistance and legal protection for people with disabilities will be implemented through **awareness-raising and training measures, and good practice codes and guides**.

People with disabilities will continue to receive priority in training and employment programmes (Guideline 1), as well as in the experimental programmes developed in partnership with organizations involved in the care of disabled workers. The number people placed by these programmes will increase by at least 10%. The personalized plans for the unemployed will be boosted through collaboration between the PES, employment agencies in the sector and specialist organizations.

The law regulating **special employment centres** will be modified so that subsidies will be available to finance assisted employment (aided by a helper) for people with severe disability, and the modernization of services offering personal and social adaptation for the disabled. A

study will be made of the mechanisms necessary to establish labour enclaves for disabled workers in ordinary companies, as a formula to help the move from protected employment to ordinary employment. A boost will be given to support groups for the disabled self-employed, the social economy and the creation of companies by people with disabilities.

IMMIGRANTS

The II National Action Plan for Social Inclusion, 2003-2005, will continue the policy supporting programmes which promote the labour integration of immigrants at risk of social exclusion.

OTHER DISADVANTAGED GROUPS

The employment promotion programme for 2003 maintains the reductions in social security contributions for the recruitment of socially excluded unemployed people. This is expected to benefit more than 7,000 workers.

Specialized bodies who provide assistance to groups with difficulties integrating on the labour market will continue to receive support. Of particular importance here is the implementation of the II National Action Plan for Social Inclusion, as well as the agreement which is planned between the Ministry of Labour and Social Affairs and the Foundation of the General Secretariat for Gypsies on measures to improve employment opportunities for gypsies. Lastly, the Multi-Regional Operational Programme for the Fight against Discrimination, co-financed by the European Social Fund, will continue to operate.

REDUCING THE DROPOUT RATE IN EDUCATION AND INCREASING THE RATE OF YOUNG PEOPLE COMPLETING HIGHER SECONDARY EDUCATION

The following measures are being introduced to reduce the school dropout rate:

- Measures are being taken to increase the length of time spent in higher secondary education by 4 years (until 22), so that the majority of young people can receive a corresponding diploma by remaining at school. A flexible timetable of specialized training will be offered, as well as the Baccalaureate, and specific middle-level and higher-level vocational training for young people over the age of 18 who are not in education.
- Young people over the age of 18 will be able to take tests to obtain the certificates of Graduate in Secondary Education, Baccalaureate, or Vocational Training, and the Language Certificate.
- Social Guarantee Programmes have been set up for people who drop out of the education system without adequate qualifications. The programmes have different formats to suit the interests and expectations of young people. They help them to return to the educational system, and provide access to other training and jobs.
- The Introduction to Employment Programmes, established by the Education Quality Act, will reduce the number of young people dropping out of compulsory education.

Lastly, the Jobsearch Plans are measures offering support in finding employment and in the acquisition of basic skills. These plans are designed to help prevent those who abandon schooling from becoming marginalized, and include employment and personal information and guidance, as well as training for employment.

GUIDELINE 8. MAKE WORK PAY THROUGH INCENTIVES TO ENHANCE WORK ATTRACTIVENESS: Member States will reform financial incentives with a view to making work attractive and encouraging men and women to seek, take up and remain in work. In this context, Member States should develop appropriate policies with a view to reducing the number of working poor. They will review and, where appropriate, reform tax and benefit systems and their interaction with a view to eliminating unemployment, poverty and inactivity traps, and encouraging the participation of women, low-skilled workers, older workers, people with disabilities and those furthest from the labour market in employment.

THE CURRENT SITUATION

In general, Spain cannot be said to have problems in terms of what are called unemployment, poverty or inactivity traps. The following facts support this statement:

- Taxes and social security contributions, including the employer's share, represent a third of gross total wages for a worker on a low income. This figure is below the European average.
- Although the maximum period for which contributions-based unemployment benefit can be received is two years, the average is seven-and-a-half months. In the case of unemployment welfare benefit, the average time is around 17 months.
- People who earn close to the minimum wage do not pay income tax even if they are working. This prevents the creation of poverty traps.

Nevertheless, there is still concern that disincentives may exist. One such case is that of women with small children who have to pay for childcare, as indicated in Guideline 6. Another example is that studies carried out on benefit recipients show that a large proportion of them (nearly 20% of men and more than 30% of women) declare that they are not actively looking for work.

MAIN FEATURES OF POLICIES FOR THE PERIOD 2003-2006

As indicated in Guideline 5, the main factor making employment attractive is the existence of attractive jobs. This is why indefinite-term contracts are being promoted by reductions in social security contributions. The amount and duration of these reductions will depend on the possible difficulties each target group has in finding a job.

In addition to this, the last tax reform eliminated the number of employees as a factor for determining the amount of Business Tax (*Impuesto de Actividades Económicas*) payable. This was done to rectify a disincentive for the creation of employment.

The rules for unemployment benefit eligibility during this period will depend on the recent Law 45/2002. The law aims to create incentives for employment and to guarantee an efficient and adequate level of protection, extending it to groups which were not previously covered. The measures making work more attractive for benefit recipients include the following:

- The receipt of benefit will depend on the beneficiary agreeing to participate in activation measures proposed by the employment services.
- A new, more flexible definition has been established for the concept of a "suitable job".

- A closer connection has been established between active and passive policies, thanks to the planned increase in new staff to administer unemployment benefit, who will improve its management and control as part of a Programme of Objectives (see Guideline 1).
- The Active Jobseeker's Income is now compatible with working. This increases job opportunities for everyone taking part in the programme, which is targeted at groups with special difficulties.
- The unemployment protection system for agricultural workers in Andalusia and Extremadura will become contributions-based, although with a lengthy transition period.

People receiving permanent invalidity pensions will have an annual check-up to see if there has been an improvement in their level of incapacity and they are able to return to active life.

The measures to make employment more attractive for older workers have been explained in Guideline 5, and those which affect women in particular in Guideline 6.

The recent tax reforms, which will be in effect for the 2003-2006 period, include a series of measures to reduce the tax burden on workers. The tax allowance for earned income will increase by 7% overall and by 17% for wages under 8,200 euros a year. The tax rates will be cut, with the highest dropping from 48% to 45% and the lowest from 18% to 15%.

As a result of this, the burden for taxpayers will fall, in particular for workers with the lowest incomes. The average tax reduction is greatest at the lowest income levels. Thus, whereas the average reduction is 11.1% overall, for taxpayers with taxable income of below 12,020 euros, the reduction is 38.2%.

GUIDELINE 9. TRANSFORM UNDECLARED WORK INTO REGULAR EMPLOYMENT: Member States should develop and implement broad actions and measures to eliminate undeclared work, which combine simplification of the business environment, removing disincentives and providing appropriate incentives in the tax and benefits system, improved law enforcement and the application of sanctions. They should undertake the necessary efforts at national and EU level to measure the extent of the problem and progress achieved at national level.

THE CURRENT SITUATION

There are no official figures on the extent of undeclared work in Spain. The figures giving the number of affiliates in the social security system are only slightly below the total estimated employment figures in the Labour Force Survey and the National Audit. The different rates of employment growth given by these three different sources could be signalling the appearance of undeclared work.

The measures which have been applied since 1997 to **support indefinite-term employment**, including lowering labour costs, have given added impetus to the legalization of undeclared work by eliminating or reducing the obstacles to activity and stable employment.

Regular co-ordinated action between the ministries involved (Treasury, Finance and Labour and Social Affairs) is taken to identify and regularize activity associated with the black economy. This work has a positive effect on compliance with tax and social security obligations.

The Labour and Social Security Inspectorate is also permanently investigating undeclared work, both by foreigners and Spanish citizens, and identifying companies and workers who are not registered with the social security system, as well as people receiving social benefits fraudulently.

As a result of all these actions, the following transformations of undeclared work into regular employment occurred in 2002:

CATEGORY	NUMBER OF JOBS COMING TO LIGHT
Foreigners without permits	8,413
Fraudulent benefit recipients	8,069 ¹
New social security affiliates	47,433
TOTAL	63,905

¹ Includes 4,691 workers sanctioned as a result of inspections by the Labour and Social Security Inspectorate (very serious infringement) and 3,378 recommendations for ending benefit payments by the Managing Body (serious infringement).

MAIN FEATURES OF POLICY FOR THE PERIOD 2003-2006

SOCIAL SECURITY AND INSPECTION

The Labour and Social Security Inspectorate will continue its work in uncovering cases of non-registration with the social security system in sectors with the highest levels of fraud (domestic work, temporary and seasonal agricultural workers, and the tourism sector, particularly in the June-September period), as well as specific geographical areas, to which the Inspectorate will

pay particular attention during the agricultural seasons. In 2003 this extra work by the Inspectorate will be carried out in 15 provinces.

TAX MEASURES AND REDUCTION IN COSTS

The **income tax reform** represents a reduction in the tax wedge and in marginal tax rates on earned income, especially for low-income workers. In turn, this will have the positive effect of boosting economic growth and job creation and reducing unemployment (see Guideline 8).

In addition, the **New Enterprise Limited Company** Statute reduces the tax burden on new companies (see Guideline 2).

The **programme of reductions in employers' social security contributions** will continue. They range from a minimum of 20% to a maximum of 100%, and are offered for the indefinite-term employment, whether part-time or full-time, of workers in groups with the biggest difficulties in integrating into the labour market, such as women, the long-term unemployed, older people, agricultural workers, and workers at risk of social exclusion.

GUIDELINE 10. ADDRESS REGIONAL EMPLOYMENT DISPARITIES: Member States should implement a broad approach towards reducing regional employment and unemployment disparities. The potential for job creation at the local level, including in the social economy, should be supported and partnerships between all relevant actors should be encouraged.

THE CURRENT SITUATION

The indicators of regional disparities in employment and unemployment, measured using the coefficient of regional variation in employment and unemployment rates, show (see table in Annex V) that in the last few years there has been a clear reduction in disparities between Spanish regions, in terms of both employment and unemployment levels, with the disparity between employment levels showing the greatest reduction.

REDUCING REGIONAL DISPARITIES BY BOOSTING JOB CREATION AT THE LOCAL LEVEL

The promotion of employment at the local level has gained importance in recent years, with a growth in the number of local bodies investing resources in training and job creation.

Evidence of this can be seen in a study carried out by the Spanish Federation of Municipalities and Provinces (*FEMP*) for the Ministry of Labour and Social Affairs. The study shows that apart from the spending on active employment policies included in Guideline 1, local corporations spent 313.74 million euros of their own budgets, of which an estimated 35% was for helping recruitment.

In the same way, 80% of the PES budget goes to local corporations, which are the main organizations, together with the social partners, collaborating in employment services.

In Spain the "General Subsidy" is gaining increasing importance in the promotion of local employment initiatives. The main target of this subsidy is local development and local services in municipalities with populations of over 50,000, as part of the operational programmes for employment promotion under Objectives 1 and 3 (see Guideline 6). A total of 24,307 people took part in 92 projects under the scheme in 2002. Its budget was 70.8 million euros, of which 46.4 million came from the European Social Fund.

As explained in the NAP 2001, INEM funds for active policies are distributed to the autonomous regions in proportions reflecting regional disparities, with the least developed regions receiving the most and the most developed, the least. The INEM also has special funds for some regions to compensate for local imbalances. For example, the Employment Promotion Programme in Andalusia and Extremadura and Depressed Rural Areas (parts of Castilla-La Mancha, Valencia, Castilla-León and Murcia) works on two fronts: it acts as a top-up for the incomes of unemployed people during periods of inactivity in these regions, and it promotes stable employment (industrial parks, new business incubators, etc.). (Guideline 1 outlines the annual budget).

REGIONAL INCENTIVES

The Economy Ministry allocates funds to stimulate the creation of companies in the industrial, crafts and services sector, if they set up in the least developed parts of Spain. The aim is to shift the focus of the economy in these areas towards sectors with a higher added value.

A total of 267.5 million euros was spent in 2002 on the policy of stimulating companies to set up in the most disadvantaged areas (Objective 1), of which 216.31 million was co-financed by ERDF.

The number of jobs created was 8,487, and the average investment per job was 31,527 euros. (see Annex V).

PROMOTING THE SOCIAL ECONOMY

In Spain, the social economy creates a large number of jobs. In the last six years, employment in co-operatives and workers' partnerships has grown by 41%, far above the overall 26% increase in employment.

There are a number of different measures designed to create companies in the social economy. In 2002, the number of participants in actions, including training, was 8,718, and spending was 15.01 million euros, of which 9.06 million was co-financed by the ESF and ERDF. The allocation of the funds among the autonomous regions took regional imbalances into account.

MAIN FEATURES OF POLICIES FOR THE PERIOD 2003-2006

REDUCING REGIONAL DISPARITIES BY BOOSTING JOB CREATION AT THE LOCAL LEVEL

The budget for actions in the "General Subsidy" plan for 2003 and 2004 was 74.8 million euros. The presentation of projects phase is still continuing.

Local corporations have budgeted 275 million euros for spending on active employment policies in 2003. Investment in specific employment plans for Andalusia, Extremadura and "Deprived Rural Areas" will be continued

REGIONAL INCENTIVES

The budget for these measures in 2003 is 268 million euros, of which ERDF will co-finance 220 million. A total of 8,500 jobs will be created, with variations between the different autonomous regions affected.

PROMOTING THE SOCIAL ECONOMY

The total estimated number of participants in these measures in 2003, including training, is 9,728, with planned **expenditure** of 17.86 million euros, of which 10.92 million will be co-financed by the ESF and ERDF.

People wishing to create a co-operative or worker's limited partnership, or join one already operating, will be able to receive their unemployment benefit as a lump sum. The new regulations will create 10,000 direct jobs by offering 92 million euros in lump-sum unemployment benefit payments (see Guideline 2).

LABOUR MOBILITY

Active jobsearch will be encouraged to promote mobility and improve the way the labour market operates. Workers who accept jobs which require them to move homes will receive double the tax allowance for earned income for a period of two years. There will be other measures to increase the number of job offers and mobility by reducing tax on earned income, as well as extra tax allowances and credits. The rented housing market will also be boosted by the introduction of a more attractive tax regime for rented property. All these measures are included in the **income tax reform**. (*Response to Recommendation on Employment 3. See Annex VI*).

In the same way, the **reform of unemployment benefit** includes a measure by which two additional months of benefit are paid to certain groups of recipients who accept a job in an area away from their habitual place of residence. (***Response to Recommendation on Employment 3. See Annex VI***).

In 2004, resources will be allocated towards new forms of **supporting jobseekers' mobility**. These will range from grants for house hunting, to paying for the cost of moving home, or for transport or commuting costs. (***Response to Recommendation on Employment 3. See Annex VI***).

Finally, it should be pointed out that a **well-co-ordinated network of public employment services** is a useful tool in helping mobility. As explained in Guideline 1, the new Employment Bill, to be passed into law shortly, will contribute greatly to this. Another vital policy element is the single national database, shared by the autonomous regions and using data generated by them, and containing all the information on jobseekers and job vacancies in the country. It will act as an inter-regional exchange covering local shortfalls in the labour supply. (***Response to Recommendation on Employment 3. See Annex VI***).

SOME ACTIONS BY THE AUTONOMOUS REGIONS

Among the many actions carried out by the autonomous regions is one by the region of Cantabria, which is recruiting specialists in territorial analysis to develop local employment pacts.

PARTICIPATION AND MANAGEMENT: Member States will ensure the effective implementation of the employment Guidelines, including at the regional and the local levels, employing good governance and co-operation in implementing the European employment strategy, and fully respecting national traditions and practices. In addition, they will ensure transparency and cost-effectiveness in the allocation of financial resources for the implementation of the Employment Guidelines, while complying with the need for sound public finances.

THE CURRENT SITUATION AND OUTLOOK

Since the first NAP one of the main objectives has been to ensure the involvement of all the relevant actors. Although the plan is co-ordinated and headed by the Ministry of Labour and Social Affairs, it should involve all ministerial departments whose actions have an influence on employment. It should also involve the social partners, as well as the regional (in Spain this is essential) and local perspective, and sectors of the social economy, whose voice has to be heard on specific questions.

This objective is being gradually achieved. A commission was set up to develop the present plan with representatives from central government, and co-ordinated and headed by the Ministry of Labour and Social Affairs. Specifically, the participants were: the Ministries of Economy; Treasury; Education, Culture and Sport; Environment; Science and Technology; and Public Administrations. Some ministries have taken a leading role or participated to a greater extent in some parts of the plan, such as the **Ministry of Economy** in the introduction and Guidelines 2 and 10; the **Ministry of Education, Culture and Sport** in Guidelines 4, 6 and 7; the **Ministry of Science and Technology** in Guidelines 2 and 4; and the **Treasury Ministry** in Guidelines 8 and 9. The **Ministry of Labour and Social Affairs** has participated in all the Guidelines, with direct responsibility for some of them, in particular Guidelines 1, 3, 4, 5, 7 and 8.

All the **autonomous regions** have participated actively, supplying the INEM with figures relating to the actions for the unemployed carried out and financed by the regional PES, as well as the resources they themselves have spent on these services, and the co-finance of the ESF in its Operational Programmes. In addition, they have given information on their own policies, financed out of their own budgets, which have been implemented in compliance with the EES. These measures are set out in the Annex to this plan. They are complementary and reinforce the central government actions which are applied across the whole of Spain. In addition to this, apart from meetings on a technical and political level, the Ministry of Labour and Social Affairs chaired a meeting with the Labour councillors of the autonomous regions to present them the first draft of this plan.

The **social partners** have offered significant contributions, particularly in Guidelines 3 and 6 and in this section on "Participation and Management". As a matter of course, many bilateral meetings are held with them to negotiate and analyse agreements on the main policies relating to the labour market, as indicated in the introduction to this plan, and these policies are usually agreed with the social partners. In addition to this, there have been three formal meetings with various officials from the Ministry of Labour and Social Affairs to draw up this plan. Of course, the opinions of the social partners are included in their own words in their respective sections.

Information from the **Spanish Federation of Municipalities and Provinces** has also been considered, and meetings have been held and information received from the numerous bodies and organizations of the "**third sector**" such as Cáritas, the Spanish Red Cross, the General

Secretariat for Gypsies, the Spanish Council of Representatives of the Disabled, ONCE, CEPES, the Platform of NGOs for Social Action, etc.

Finally, the plan is being presented to the Spanish parliament, through its Social Policy Commission, having been approved by the Cabinet on 19 September.

COMMENTS BY THE EMPLOYERS' ORGANIZATIONS

In the NAP 2002 the social partners proposed that there should be an improvement in the procedures for drawing up and monitoring the plan. We suggested that a procedure should be introduced by which the priority strategies and objectives for each year could be studied within the framework of the Guidelines, together with the measures to be introduced in line with these objectives. At the same time, there should be a system for monitoring and evaluating the measures already applied.

Throughout this year, we have seen an improvement in the way the plan has been prepared, inasmuch as we were asked before the first draft was produced to comment on the objectives or measures which could be included in certain priority areas, especially in those in which the role of the social partners is the most important. This first step is a positive one.

However, the systems for participation by the social partners in this period have left much room for improvement, not so much in terms of the number or frequency of consultations, but in the quality of information offered: we should be given better information earlier in order to have more time to prepare a more thorough and effective response. The improvement should consist of clearer information regarding many of the measures proposed and a better explanation of some of them with the use of additional information. This could be very useful when it comes to making an in-depth assessment of key issues and would enable such proposed measures to be properly understood and acted on in companies and employers' organizations.

COMMENTS BY THE TRADE UNIONS

The unions CCOO and UGT value positively the maintenance of the Lisbon objectives, both on a qualitative and quantitative level: the application of the Guidelines to produce concrete results; the new timetable which allows the measures proposed to be reflected in the national budget; and the increased co-operation in implementing the EES, given that it asks for greater involvement by the social partners on the one hand, and the national parliaments on the other, in debating the plan.

Nevertheless, despite this being the sixth year of the development of the EES through the NAPs, once more we note that the level of participation offered to the social partners in the drawing up, monitoring and evaluation of the NAP can be said to be token. No stable and regular working method has been established, as we suggested in 2002, to arrange and exchange information and proposals according to the subjects of the Guidelines. As a result we have not been able to exchange ideas on the various measures with the most appropriate government officials in each case.

In 2003 three meetings have been held with the Ministry of Labour and Social Affairs, but they were no more than formality, and the observations and proposals presented by both trade unions relating to the objectives we considered priorities were not taken into account. These objectives were: to reduce women's inequality in employment; to reduce the excessive number of temporary contracts; to increase productivity through investment in technology, innovation and training; and to promote equal treatment and employment for the groups with greatest difficulties.

ANNEX I

EMPLOYMENT PLAN INDICATORS FROM DOMESTIC SOURCES

The name given to the indicator in the European Union list appears underlined in italics.

INDICATORS FOR GUIDELINE 1

INDICATORS RELATING TO PREVENTION

	1/04/02 to 31/03/03	UNDER 25 YEARS OF AGE			OVER 25 YEARS OF AGE		
		Men	Women	Total	Men	Women	Total
A	Become unemployed	637,666	672,128	1,309,794	1,503,934	1,893,811	3,397,745
B	Remain unemployed after 6/12 months	53,760	85,642	139,402	125,673	217,712	343,385
C	Receive help before 6/12 months	207,006	234,227	441,233	440,873	630,485	1,071,358
D	Remain unemployed after 6/12 months, without receiving help	27,322	40,427	67,749	82,389	123,191	205,580
		UNDER 25 YEARS OLD			OVER 25 YEARS OLD		
RATES		Men	Women	Total	Men	Women	Total
<u>PREV 3:</u>							
B/A		8.43%	12.74%	10.59%	8.36%	11.50%	9.93%
C/A		32.46%	34.85%	33.66%	29.31%	33.29%	31.30%
<u>PREV2b:</u>							
D/B		50.82%	47.20%	49.01%	65.56%	56.58%	61.07%

Source: Public Employment System records

INDICATORS RELATING TO ACTIVATION

UNEMPLOYED PEOPLE PARTICIPATING IN ACTIVATION MEASURES AT ANY GIVEN TIME,
IN RELATION TO THE TOTAL NUMBER OF UNEMPLOYED

1/04/02 to 31/03/03	NUMBER OF PARTICIPANTS, as an average for the year			POTENTIAL BENEFICIARIES (E+F)*	ACT1 Rate E/(E+F)
	TRAINING	EMPLOYMENT	TOTAL (E)		
MEN	148,195	407,171	555,366	1,380,609	40%
WOMEN	171,815	443,004	614,819	1,903,444	32%
TOTAL	320,010	850,175	1,170,185	3,284,053	36%

* F= Unemployed jobseekers registered with employment offices, not including those benefiting from measures.

ACT2**Rate of beneficiaries who are employed 6 months after participating in a jobsearch measure**

	Men	Women	Total
Occupational training	36.2%	29.6%	32.1%
Employment of social interest	36.7%	24.7%	30.6%
Career guidance	39.3%	28.2%	32.1%
Employment training	75.1%	69.6%	72.6%
Local development specialists	64.8%	64.4%	64.6%
Local employment initiatives	47.0%	46.6%	46.8%
Employment for disabled (special centres)	36.3%	35.0%	35.8%
Subsidized employment	31.7%	26.0%	28.9%
Support for self-employment	11.4%	11.9%	11.6%
TOTAL	37.6%	28.9%	32.5%

ACT3**Rate of participants who are unemployed 6 months after taking part in a jobsearch measure**

	Men	Women	Total
Occupational training	42.81%	51.39%	48.07%
Employment of social interest	58.01%	70.78%	64.56%
Career guidance	45.37%	53.78%	50.77%
Employment training	25.65%	41.45%	34.72%
Local development specialists	26.67%	32.82%	30.55%
Local employment initiatives	39.77%	37.66%	38.78%
Employment for disabled (special centres)	55.07%	55.85%	55.36%
Subsidized employment	63.39%	68.55%	65.92%
Support for self-employment	76.86%	76.37%	76.64%
TOTAL	48.05%	55.56%	52.49%

34% of these unemployed had a job at some time in the 6 month period following the end of the jobsearch measure (37% of men and 33% of women).

INDICATORS FOR GUIDELINE 3

STOCK OF JOB VACANCIES IN COMPANIES, RELATED TO THE NUMBER OF UNEMPLOYED

	VACANCIES (A)	UNEMPLOYED (B)	<i>NECKc1</i> (A/B)	<i>NECKc2</i>
2000	72,333	2,506,000	2.9%	Not available
2001	67,000	1,861,000	3.6%	Not available
2002	63,633	2,071,000	3.1%	Not available

Note: the figures for each year are the average for the first three quarters of that year.

Source: Company survey. The Survey of the Employment Situation has included this question since the year 2000. The figure for the number of unemployed is from the Labour Force Survey (LFS).

INDICATORS FOR GUIDELINE 6

CHILDCARE *EOc9*

Children in schooling

From 0 to 2 years old: 11% of children of this age group
 3 years old: 92.9% of children of this age group
 From 4 to 5 years old: 100% of children of this age group

Source: Statistics from the educational system. This does not include other forms of childcare.

CARE FOR THE ELDERLY *EOc10*

Of the three million people over the age of 75 in Spain, 113,000 live in residential homes for the elderly of some kind. This represents 3.8% of this age group.

Source: Population Census 2001

Of the elderly living in family homes, data for those receiving care is only available for the over-65 age group:

Dependent elderly people, as a percentage of the total number of people over 65: 15%

Those receiving care other than from the family: 15.2%

Source: survey of homes, EDDes-99

INDICATORS FOR GUIDELINE 7

INDICATORS	RATE OF EMPLOYMENT	RATE OF UNEMPLOYMENT
General population, 16 to 64 years	60.6%	12.2%
Non-EU foreigners, over 16 years	66.6%	15.7%
Disabled, 16 to 64 years	28.5%	15.3%
<u>DGc2</u> , Gap between the rates for non-EU foreigners and the general population	+5.9%	+4.6%
<u>DGc3</u> Gap between the rates for the disabled and the general population	-32.1%	+4.2%
<p>DGc1</p> <p>Proportion of non-EU immigrants in the population of 15 to 64 years: 3.6%</p> <p>Proportion of disabled in the population of 16 to 64 years: 8.7%</p>		
<u>DGc4</u> :	not available	not available

Source: Labour Force Survey (LFS); for the disabled we have used the LFS module for 2002; the 2001 Census data have been used to estimate the total number of non-EU immigrants.

ANNEX II

FINANCIAL TABLES FOR EACH GUIDELINE

FINANCIAL BREAKDOWN FOR GUIDELINE 1				
Measure or action	Implementation of budget 2002		Budget 2003	
	TOTAL EXPENDITURE (euros)	PARTICIPANTS	TOTAL EXPENDITURE (euros)	PARTICIPANTS
Direct actions for the unemployed, financed by the INEM	1,969,088,846	1,760,894	2,244,045,398	1,695,066
Direct actions for the unemployed, financed by the autonomous regions.	584,146,330	283,998	521,478,291	419,657
Other policies and management of the public employment services, financed by the INEM	316,648,704		388,250,782	
Other policies and management of the public employment services, financed by the autonomous regions	19,555,339	533,359	15,567,372	3,148
CONTRIBUTION OF THE EUROPEAN SOCIAL FUND	424,646,077		705,637,873	

FINANCIAL BREAKDOWN FOR GUIDELINE 2				
Measure or action	Implementation of budget 2002		Budget 2003	
	TOTAL EXPENDITURE (euros)	PARTICIPANTS	TOTAL EXPENDITURE (euros)	PARTICIPANTS
Self-employment (lump-sum payment of benefits for the self-employed, including contributions)	2,301,029	572	39,344,503	17,260
ICO-PYME Line (Finance Ministry)	2,678,650,000	79,620	3,000,000,000	
Participative loans (Finance Ministry)	9,300,000	1,322 (1)	16,000,000	
Securitization of assets (Finance Ministry)	1,802,560,000		1,803,040,000	
SME Consolidation and Competitiveness Plan (Finance Ministry-Gen. Dir. SMEs)	57,000,000		60,101,210	
ARTEPYME II (Min. Science and Technology.)	12,000,000	6,200 (2)	12,700,000	4,700 (2)
Promotion of entrepreneurship in non-higher education system (Ministry of Education)	496,349,278	496,100	494,913,209	498,002
Other actions financed by autonomous regions	1,965,839	85	1,716,000	286
CONTRIBUTION OF THE EUROPEAN SOCIAL FUND	61,395,415		90,443,591	
CONTRIBUTION OF ERDF	10,700,000		11,300,000	

(1) Number of operations, not people participating.

(2) Co-financed by ERDF. Figure refers to SMEs benefiting, not people participating.

FINANCIAL BREAKDOWN FOR GUIDELINE 3				
Measure or action	Implementation of budget 2002		Budget 2003	
	TOTAL EXPENDITURE (euros)	PARTICIPANTS	TOTAL EXPENDITURE (euros)	PARTICIPANTS
Expenditure on prevention of hazards at work	29,476,740		28,944,360	
Expenditure of the Labour Inspectorate	22,274,737		36,181,281	
Other measures financed by the autonomous regions			4,547,611	1,529

The contributions of the European Social Fund for updating workers' skills and the use of information technologies are included in Guideline 4; those for modernization which promotes job creation and stability are included in Guideline 8.

FINANCIAL BREAKDOWN FOR GUIDELINE 4				
Measure or action	Implementation of budget 2002		Budget 2003	
	TOTAL EXPENDITURE (euros)	PARTICIPANTS	TOTAL EXPENDITURE (euros)	PARTICIPANTS
Continuing VT (employed) MAP-INAP	63,140,000	443,495	66,780,000	540,000
Continuing VT (employed) TRIPARTITE FOUNDATION	763,190,000	1,775,257	853,990,000	1,917,000
Continuing VT (employed) FORINTEL (1)	17,110,000	77,510	10,310,000	51,474
Continuing VT (employed) HOBETUZ (2)	24,950,000	192,636	25,000,000	193,000
Continuing VT (employed) autonomous regions.	59,180,000	131,643	46,880,000	94,068
Occupational Vocational Training (unemployed) (3)	857,540,000	538,666	858,170,000	480,033
Regulated VT Increasing the numbers in Initial VT (Education Ministry)	1,489,048,000	496,100	1,484,737,000	498,002
Regulated VT. Increasing the numbers of adults (25-64) (Education Ministry.)	894,222,000	496,790	954,486,000	530,270
Regulated VT. Young people studying Higher Secondary Education (Education Ministry)	2,792,933,000	1,186,722	2,724,413,000	1,159,417
Encouraging collaboration agreements between the education sector and social partners (Education Ministry)	74,452,000	496,100	74,237,000	498,002
Other measures financed by the autonomous regions	28,360,000	26,619	805,176	213
CONTRIBUTION OF EUROPEAN SOCIAL FUND	517,867,576		497,790,623	

(1) Data for the year 2003, until 30 June only. The figures may increase by 50% up to 31/12/2003.

(2) Provisional data, based on contracts under the initial resolution. The 2002 invitation to tender ends on 30/07/2003.

(3) Included in Guideline 1. VT = Vocational Training

FINANCIAL BREAKDOWN FOR GUIDELINE 5				
Action or measure	Implementation of budget 2002		Budget 2003	
	TOTAL EXPENDITURE (euros)	PARTICIPANTS	TOTAL EXPENDITURE (euros)	PARTICIPANTS
	Reductions in social sec. contributions for continued employment of older people (also included in Guideline 8)	552,000,000	330,000	740,000,000 430,000 annual average

There is no specific contribution by the European Social Fund for this Guideline.

FINANCIAL BREAKDOWN FOR GUIDELINE 6				
	Implementation of budget 2002		Budget 2003	
	TOTAL EXPENDITURE (euros)	PARTICIPANTS	TOTAL EXPENDITURE (euros)	PARTICIPANTS
Measures to increase female employment (MLSA-IWA)	1,817,627	10,960	2,131,305	11,508
Measures to reduce differences within employment (MLSA-IWA)	3,723,749	4,120	8,197,618	4,326
Schooling before the obligatory age (Education Ministry)	2,153,991,000	2,370,000	2,198,000,000	2,410,000
Child care (nursery schools) (MLSA-DG Children's services)	74,081,883	47,398	75,000,000	50,000
Childcare (tax relief) (Ministry of Finance)	-	-	650,000,000	540,000
Reductions in social sec. contributions specifically for recruitment of women (included in Guideline 8)	390,000,000	280,000 (annual average)	400,000,000	280,000 (annual average)
Microcredits for female entrepreneurs (DG SMEs-IWA)	6,000,000		6,000,000	
Other measures financed by the autonomous regions	640,610	286	8,488,895	4,704
CONTRIBUTION BY THE EUROPEAN SOCIAL FUND	47,019,251		84,395,538	

(¹) The EUROPEAN COMMISSION contributed 99,580 euros in 2002 and 232,354 euros in 2003 for the ISOS Project (MLSA – IWA)
 MLSA = Ministry of Labour and Social Affairs IWA = Institute for Women's Affairs

FINANCIAL BREAKDOWN FOR GUIDELINE 7				
Measure or action	Implementation of budget 2002		Budget 2003	
	TOTAL EXPENDITURE (euros)	PARTICIPANTS	TOTAL EXPENDITURE (euros)	PARTICIPANTS
Reducing dropout rate Social Guarantee Programmes (Education Ministry)	155,798,711	42,027	178,823,572	48,238
Raising awareness and training (MLSA- IMSERO)			1,500,000	
Measures helping immigrants (MLSA-DG Migrations)	2,766,122	1,689	3,123,101	1,820
Reductions in social security contributions for recruitment of immigrants (included in Guideline 8)	205,000,000	56,000 (annual average)	211,000,000	60,000 (annual average)
Other measures financed by the autonomous regions	33,676,085	23,735	2,304,733	621
CONTRIBUTION BY THE EUROPEAN SOCIAL FUND	100,579,374		152,474,370	

MLSA= Ministry of Labour and Social Affairs

FINANCIAL BREAKDOWN FOR GUIDELINE 8				
Measure or action	Implementation of budget 2002		Budget 2003	
	TOTAL EXPENDITURE (euros)	PARTICIPANTS	TOTAL EXPENDITURE (euros)	PARTICIPANTS
Expenditure on benefit management	144,855,790		184,123,400	
Active jobseeker's income	208,638,841		300,506,050	
Social security reductions	1,831,809,721		1,869,748,540	
Tax benefits related to employment*	6,968,000,000		7,998,000,000	
CONTRIBUTION BY THE EUROPEAN SOCIAL FUND	75,564,751		105,928,405	

*Data from the Annual Report of Tax Benefits of the General Budget for 2002. For 2003 it includes the part corresponding to the autonomous regions.

FINANCIAL BREAKDOWN FOR GUIDELINE 10				
Measure or action	Implementation of budget 2002		Budget 2003	
	TOTAL EXPENDITURE (euros)	PARTICIPANTS	TOTAL EXPENDITURE (euros)	PARTICIPANTS
Total subsidies for local initiatives (MLSA-INEM)	70,798,711	24,307	74,846,339	
Spending by various local authorities on active policies (Spanish Federation of Municipalities and Provinces)	313,743,368		275,000,000	
Regional initiatives (Finance Ministry)	267,576,723	8,487	268,000,000	8,500
Support for companies in the social economy (MLSA-DGFSE-DGFES)	15,010,042	8,718	17,860,907	9,728
Co-operatives and workers' limited partnerships	143,150,000	11,300	92,000,000	10,000
Promotion of geographical mobility within Spain (MLSA-DG Migrations)	2,043,381	410,000	1,270,530	410,000
Geographical mobility (MLSA-INEM)	-		9,057,870	
Other actions financed by the autonomous regions	6,512,300	3,288	9,968,520	2,319
CONTRIBUTION BY THE EUROPEAN SOCIAL FUND	106,085,640		51,488,885	
CONTRIBUTION BY ERDF	218,086,095		222,641,799	

MLSA = Ministry of Labour and Social Affairs

ANNEX III

“GOOD PRACTICES” 2003

EXAMPLES OF “GOOD PRACTICES”

This section includes activities which can in general be considered as “best practices”, i.e. they are a selection of “good practices”. They have been chosen from those presented by the managers of employment policies:

➤ PLAN TO INTEGRATE UNEMPLOYED GROUPS WITH LOW LEVELS OF EMPLOYABILITY INTO THE LABOUR MARKET

- The non-profit organization **ASCODEL (Association for the Correction of Long-Term Unemployment)**, based mainly in the autonomous regions of the Basque Country and Valencia, is achieving positive results in finding jobs for the long-term unemployed.
- Between March and December 2002, under an agreement with the INEM, it ran an experimental programme for jobseekers with special financial needs and particular difficulties in finding work. These people benefit from the programme called Active Jobseeker's Income (*Renta Activa de Inserción*) because of their special position of hardship (the long-term unemployed over the age of 45 without income or the right to benefits or welfare payments).
- Their situation leads to lack of motivation to look for jobs and loss of self-belief, making them a group which is particularly difficult to integrate into the labour market. There is also the age factor, which is an added problem in finding employment.
- ASCODEL has used a novel two-pronged approach in its programme, based on the figure of a “reactivator” (reinsertador laboral).
- First, the reactivator establishes ongoing contact with the unemployed person and designs a personal working plan tailored to his or her individual situation through in-depth interviews, analysing the factors which can exclude people from the labour market (attitudes, skills, and socio-employment issues). This information is then used to tackle the participant's weak points to bring them up to a competitive level. ASCODEL's other main function is to act as an intermediary with employers. After a study of industry in the area, it calculates the possibilities of employment according to the growth plans of its companies, the match of possible workers to the annual working hours, etc. and identifies the workforce needs, both short-term (substitutions, holidays, work for specific jobs, etc.), and longer-term (increases in the workforce, retirement, etc.) The overall objective is to find motivated candidates for real job vacancies.
- According to its own targets, ASCODEL has undertaken to assist 200 jobseekers chosen by the public employment services and find salaried jobs for at least 30% of them.
- The most significant data relating to actions carried out are the following: a total of **1,756 interviews** have been held, which means that each of the programme's beneficiaries has had an average of nearly nine personal interviews in all; **848 companies were visited**; and nearly 150 jobs offers were processed.
- The plan has found jobs for **60 participants**, easily achieving the objective specified in the agreement.

➤ **EMPLOYMENT INTERMEDIATION IN THE AGRICULTURAL SECTOR CO-ORDINATING THE MOVEMENT OF AGRICULTURAL WORKERS IN ELEVEN AUTONOMOUS REGIONS**

- The **COAG-IR association (Confederation of Agricultural and Livestock Farmers)** promotes adaptability in what is a very complex sector. By forging links between various autonomous regions it makes it easier for agricultural workers and their families to move around the country for seasonal work. The experimental employment programme developed by **COAG-IR** was the result of an agreement reached with the INEM, and was implemented from January to October 2002, as stipulated in the agreement.
- The management of this programme was extremely difficult, because seasonal work is of characteristically short duration (mostly around 20 days, and rarely more than one month), but is also extremely labour-intensive for this short period. This makes it difficult to find workers prepared to accept these conditions, as well as the high degree of mobility demanded.
- COAG-IR based its programme on information from a study carried out in 1999 into seasonal agricultural work. The study dealt with what was involved in the work itself, how the different seasons followed one another, and the social and labour conditions involved. This study supplied the background information handled by COAG-IR.
- COAG-IR co-ordinated the implementation of the programme in eleven autonomous regions. Seasonal agricultural workers were guaranteed work contracts for various successive seasonal jobs, so that the geographical mobility involved was organized according to the places where, and the times when demand existed. This means that workers could work for longer, and farmers could benefit from a specialized labour supply with greater employment stability both for employers and employees.
- The COAG-IR programme organized and co-ordinated a single employment pool for the whole of the area under its management, offered quality user-friendly information to jobseekers, and held meetings, pep talks and training modules. In addition, the organization undertook to recruit workers where they live, supervise the accommodation offered by farmers, assist in the transfer of workers between the different areas of work, and supervise compliance with the conditions in the corresponding collective agreement and the work regulations applicable in each area. In addition to this, it undertook to help with the social integration of immigrant workers taking part in the programme and to carry out inspections to ensure that the planned objectives were achieved.
- The programme was run in the autonomous regions of the Canary Islands, La Rioja, Castilla-León, Aragón, Extremadura, Valencia, Andalusia, Murcia, Navarre, the Basque Country and Catalonia.
- COAG-IR undertook to see 1,355 unemployed people in the agricultural sector who were chosen by the public employment services. Of these, it had to find jobs for 33% (447 beneficiaries), using information, guidance, training, intermediation and co-ordination in agricultural campaigns. At the end of the programme, **1,360 unemployed people had been seen and 466 people had been found work** lasting at least 4 months and adapted to the special nature of the sector. This exceeds the undertaking given in the agreement.

➤ **CAMPAIGN AGAINST THE BLACK ECONOMY IN THE AUTONOMOUS REGION OF MURCIA**

- The autonomous region of Murcia has implemented a pioneering information, media and awareness-raising campaign explaining the drawbacks of the black economy, for both employers and workers. Particular stress is given to the public assistance available to remedy the situation. The campaign received the support of the social partners in all its phases.
- The Advisory Council for Labour Relations in the Region of Murcia is a permanent forum for the exchange of ideas between the government of the autonomous region and the main employers' organizations and trade unions (CROEM, CCOO and UGT). It addresses all the socio-employment questions of importance to the region.
- One of the outcomes of the work carried out by the Advisory Council was the "Black Economy Action Plan", which consists of two main measures: one related to taxation and the other designed to inform and raise awareness.
- From the taxation point of view, the Labour and Social Security Inspectorate organized a series of visits to places of work as part of the programme of objectives for the Labour and Social Security Inspectorate of Murcia for the year 2003. With respect to the second measure, the information and awareness-raising campaign is based on a broad consensus between the regional government and the social partners, both in terms of the need to carry out such a campaign and what should be included in it. An advertising agency was used to find the most suitable image for creating a social awareness of the undesirability of this kind of fraud.
- All parties involved agreed that the message sent to society had to be carefully chosen, in order not to give people the wrong impression that the black economy is common industrial practice in Murcia. People had to realise that, on the contrary, it is an exceptional situation, which causes serious damage, both to those involved, and to the rest of the industry in which they work. At the same time, a deliberate attempt was made not to criminalize those who find themselves in this situation, but to inform and offer them incentives to use existing public assistance such as an amnesty for regularizing their activity.
- The slogan of the campaign was "Tomorrow, what?" (Mañana, ¿qué?), and it had two basic objectives. The first was to inform people about the damage resulting from the black economy for those involved, both employers and workers: for employers, because it represents a burden on growth in the medium term and in the long term, because it closes the door on access to loans and financial assistance; for workers, because it rules out retirement or invalidity pensions, and precludes protection in the case of accidents or illness. In addition to this, publicity was given to the public assistance available for those who legalized their situations.
- There was an audiovisual plan to publicize the campaign through advertisements in the biggest-selling newspapers in the region, magazines published by employers' organizations and trade unions, billboards, radio commercials, leaflets, advertisements on public transport and on local television.
- The campaign featured a telephone hotline, and later a website, the main purpose of which was to give citizens information about organizations that could give them the help they needed. It was also an indicator of the impact the campaign was having in the

region. The calls revealed two types of concern: first, people reported examples of irregular practices; and secondly a large number of calls were interested in information about the public assistance available for legalizing such practices.

- Finally, it should be noted that a monitoring committee was created within the Advisory Council for Labour Relations to check on the extent and social impact of the campaign; and that both the regional government and the social partners, who devised, designed and implemented the initiative, have agreed to continue it.

➤ **PROFESSIONAL APTITUDE CERTIFICATES IN INFORMATION AND COMMUNICATIONS TECHNOLOGIES IN THE AUTONOMOUS REGION OF ARAGÓN**

- The Employment Institute of Aragón (INAEM) is aware of the economic potential of the Information Society and the need to anticipate the needs of the labour market in its task of finding jobs for people in the region. This is why it has started up the Programme of Professional Qualifications in Information and Communication Technologies, which it is also financing and running.
- The present education system uses curricula based on medium and long-term training needs, and this gives rise to permanent conflicts between the real needs of industry, which are in a state of constant and dynamic change, and the workers' skills levels.
- In order to overcome these skills gaps, the INAEM has reached agreements with the leading multinationals in the sector (Oracle, IBM, Microsoft, Computer Associates, SAP, HP-Compaq, Novell, Esware Linux, Cisco Systems, Sun Microsystems, etc.) which include a commitment to participate actively in both the analysis of employment in the sector, and the delivery of training actions resulting from this analysis.
- The programme aims to discover the direction in which software manufacturers' technology is heading, and the effects on professionals in the field; and then to apply this knowledge to training and professional qualifications.
- The agreements have three main goals: to analyse the labour market, in terms of updated training needs of IT jobs; to offer professional qualifications in the field, leading to corresponding certificates and diplomas validated by the software manufacturers at a worldwide level; and to establish a model of partnership between the government and industry, both in terms of decision-making on the question of training and in the assessment of the results obtained. The underlying objective is to increase the quality and stability of employment.
- The programme has been designed jointly by the INAEM and the technology companies, and pays particular attention to specialities which respond best and most efficiently to the needs of industry. It will be run between October 2003 and July 2004 in the Centre for Advanced Technologies in Zaragoza, soon to be part of the National Employment Institute's National Network of Training Centres. A total of 690 trainees will take part in 46 courses. The level of quality in terms of up-to-date content and technically advanced staff and equipment would hardly have been possible without a management model in which government and the multinationals participated jointly.

ANNEX IV

ACTIONS BY THE AUTONOMOUS REGIONS

EMPLOYMENT PLAN 2002-2003

ACTIONS UNDERTAKEN BY THE AUTONOMOUS REGIONS

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (euros)
	1. Active and preventive measures for the unemployed and inactive		
ANDALUSIA			
ARAGÓN	Aragón youth training and jobsearch plan. Information and Communication Technologies Training Plan for people in the labour force, including teachers. Those trained will be able to receive certificates from multinationals (Microsoft, Cisco, Oracle, Novell, etc.). Promotion of stable and quality jobs. Promotion of self-employment. Promotion of employment in co-operatives and workers' partnerships.		4,981,477 300,000 241,000 120,000 150,000
ASTURIAS	Offering the unemployed possibilities of finding a job. Programming occupational training courses and work experience in places of work within the PNFIP-2003 programme.	3,500 12,550	5,000,000 21,425,000
BALEARIC ISLANDS	<ul style="list-style-type: none"> - Switching jobseekers in priority groups to the general guidance services in the public regional SOIB guidance network. - Moving the unemployed onto vocational training courses and integrated jobsearch pathways. - Reducing the burdens of administrative work and increasing use of labour-saving techniques in employment offices. - Improving the information system for the co-ordination of actions by the public employment service. 	11,835 4,774 students	2,029,514.29 7,381,136
CANARY ISLANDS	<ul style="list-style-type: none"> ▪ EMPLOYMENT COUNSELLOR PROGRAMME ▪ GUIDANCE ACTIONS FOR EMPLOYMENT AND SUPPORT FOR SELF-EMPLOYMENT ▪ IMPLEMENTATION OF THE INFORMATION SYSTEM FOR THE REGIONAL PUBLIC EMPLOYMENT SERVICE 	4,201 18,522 (PES)	2,854,115.00 2,307,760.01 2,994,504.00
CANTABRIA	<p>SPECIFIC GUIDANCE SERVICES TO ESTABLISH PERSONALIZED JOBSEARCH PATHWAYS:</p> <ul style="list-style-type: none"> -JOB-INDICATOR SERVICE -“SIFE” AGREEMENT (CEOE-CEPYME) - UGT AGREEMENT - OCCUPATIONAL TRAINING UNDER THE REGIONAL P.O.I.C. PLAN <p>-RECRUITMENT OF LOCAL ANALYSTS FOR LOCAL EMPLOYMENT AGREEMENTS</p> <p>-TRAINING OF TUTORS/COUNSELLORS IN CANTABRIA EMPLOYMENT SERVICE</p> <p>-CREATION OF THE AUTONOMOUS BODY: CANTABRIA EMPLOYMENT SERVICE</p> <p>-WEBSITE FOR THE CANTABRIA EMPLOYMENT SERVICE</p>	1,500 680 2,500 19 25	197,261 254,849 148,187 1,680,532 271,407.40 25,000 impossible to estimate 50,000

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (euros)
	1. Active and preventive measures for the unemployed and inactive		
CASTILLA LA MANCHA			
CASTILLA - LEÓN	Promotion of indefinite-term recruitment. Youth Employment Plan and Plan for Stable Employment for the Unemployed over 30 years old. Recruitment of the first employee by the self-employed and sole traders. Training for the unemployed.	1,915 149 4,000	7,373,201 611,268 5,687,879
CATALONIA			
VALENCIA	- Occupational Training Programme (includes the Social Guarantee Programmes).	10,330	16,229,710.00
	- Creation of the Servef information system for employment intermediation: TAURÓ.		1,910,193.85
	- Integration of TAURÓ into training and employment promotion.		
	- Exchange of information between TAURÓ and the other Spanish PES.		
EXTREMADURA	- Creation of an information system for intermediation with associate centres.		
	- Creation of an employment website to offer services which are now available through traditional media.		
	- Creation of an Employment Observatory.		
	Creation of a telephone information service for all aspects of employment and training.		412,810.60
GALICIA	- Public employment programme to offer work experience to the unemployed by subsidizing local corporations which recruit people out of work.	532	7,006,925
	- Employment-training programme subsidizing associations of local municipalities which recruit unemployed people who have received occupational training.	189	1,221,270
GALICIA	o Career guidance		
	A network using a single computer application offering employment and occupational guidance for unemployed people in general, women, graduates, the disabled and immigrants, through actions tailored to each user.	35,000	7,220,700
	"Labora" programme: Youth with experience	447	5,259,426
	Modernization of the Galician PES		
	- Implementation of the SISPE-GALICIA computer system.	All the PES network in Galicia	
	- Upgrading of the computer equipment used in the network of employment offices.	51 employment offices	7,566,550
	- Recruitment of staff to carry out individualized counselling and design of jobsearch pathways.	All unemployment benefit recipients	

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (euros)
	1. Active and preventive measures for the unemployed and inactive		
	The regional employment services will carry out vocational guidance actions for employment and self-employment and promotion of entrepreneurship through integrated employment centres	98,000	2,885,286
MADRID	OCCUPATIONAL TRAINING, through the organization of training which improves the qualifications of people in the region and matches them better with the needs of the labour market. The programme is based on the results of studies carried out by the General Directorate of Employment-Regional Employment Service ("Employment Panorama") and the Regional Training Observatory ("Training Map", "Catalogue of Training Specialities", etc.)	18,176	16,579,772
MURCIA	CAREER GUIDANCE BY POI CARM <u>EMPLOYMENT PROMOTION</u> a) Recruitment of women	14,000 820 2,557	420,710 4,267,142 4,577,199.41
NAVARE	Interviews with jobseekers within the first 3 months of the start of their jobsearch, with an evaluation of their needs. Occupational training of university graduates and graduates of the FPII courses, and training with a pledge to employment.	3,000 1,044	435,000 663,319
BASQUE COUNTRY			
LA RIOJA	* Boosting and maintaining the network of employment counsellors of the Rioja Employment Service. * "First Job Programme" to encourage work experience for young people in La Rioja. The target group is unemployed people under 30 years of age, without work experience or who have not worked more than 3 months in the previous 2 years. * Boosting the group employment guidance and jobsearch sessions for jobseekers who use the Rioja Employment Service for the first time. * Computerizing and modernizing the network of employment offices in La Rioja. * Starting up the Rioja Employment Service website, offering instant information to all citizens in the region on the services offered. Of particular interest is the access to daily updated job offers.		
CEUTA			
MELILLA	42.6. "Offer of jobsearch possibilities" 42.8. "Offer of jobsearch for young people" 42.9. "Finding jobs for people who have been out of the labour market" 42.7. "Finding jobs for the long-term unemployed"	36 64 71 36	222,374 408,688 73,521 476,521

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	2. Job creation and entrepreneurship		
ANDALUSIA			
ARAGÓN			
ASTURIAS	- TECHNICAL SUPPORT IN CREATING REGIONAL EMPLOYMENT AND COMPANIES IN THE SOCIAL ECONOMY. - MEASURES SUPPORTING SELF-EMPLOYMENT. - SUBSIDIES SUPPORTING THE SOCIAL ECONOMY.		354,597
BALEARIC ISLANDS	- Installing computerized optic readers for contracts. - Promoting financial assistance for new companies working in new sources of employment. - Consolidating the network of guidance services for entrepreneurs, in particular in the social economy.	1,482 42,000 companies 31 workers 1,204 people	3,221,425 83,000 240,404.00 473,668.00
CANARY ISLANDS	ACTIONS PROMOTING NEW ACTIVITY WHICH CREATES EMPLOYMENT.	700	6,552,244.00
CANTABRIA	"SINGLE BUSINESS WINDOW", AGREEMENT WITH THE CHAMBER OF COMMERCE. REDUCTIONS IN SOCIAL SECURITY CONTRIBUTIONS. EMPRECAN business initiative. PRIVATE COMPANIES IN NEW SOURCES OF EMPLOYMENT.	298 40	95,441 1,502,530 210,708 781,315
CASTILLA LA MANCHA			
CASTILLA - LEÓN	Jobs in limited companies and public limited companies for people under the Youth Employment Plan and the Stable Employment Plan for people over 30. Promotion of self-employment in new sources of employment.	145 199	400,000 1,880,734
CATALONIA			
VALENCIA	- Non-recoverable financial assistance for employers to promote indefinite-term recruitment of the unemployed. - Non-recoverable financial assistance including loan interest reductions for unemployed people who set up as self-employed. - Support for the self-employed and sole traders who take on their first worker. - Integrated employment plans for young people. - Support for reorganizing the working day.	5,436 317 184 981 120	8,154,622.00 1,196,800.00 552,000.00 5,886,720.00 250,000.00
EXTREMADURA	Programme of subsidies for the indefinite-term recruitment of the unemployed and conversion of temporary contracts into indefinite-term ones. Programme of subsidies for unemployed people who set up as self-employed.	3,075 1,604	24,598,119 12,056,467
GALICIA	Technology-based employment initiatives.	166	1,500,000
MADRID	Entrepreneurship training and promotion seminars, mainly aimed at the long-term unemployed over 45 years old.	900	744,586

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	2. Job creation and entrepreneurship		
MURCIA			
NAVARRRE			
BASQUE COUNTRY			
LA RIOJA	* Support for the promotion of self-employment: the self-employed, general partnerships, joint ownerships, sole traders.	267 unemployed workers	800,000
CEUTA			
MELILLA			

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	3. Address change and promote adaptability and mobility in the labour market		
ANDALUSIA			
ARAGÓN	- Incentives to create employment by restructuring the working day and employing new workers instead of using overtime. - Agreements with employers' organizations and trade unions to implement a programme preventing risks at work.		60,000 6,000
ASTURIAS	- Ensuring that workers' skills are updated. - SUBSIDIES FOR TRAINING CONTRACTS.	4,000 1,113	1,500,000 2,089,625
BALEARIC ISLANDS	- Maximizing the synergy between support for temporary recruitment from programmes financed by regional funds and those financed by earmarked funds from the INEM. - Renewing the Employment, Social Cohesion and Productive Economy Pact. - Training actions for workers. - Implementing the Regional Work Health Plan.	141 workers Active population and companies in the region 6,692 Maintain the trend of a reduction in industrial accidents	3,099,753
CANARY ISLANDS	JOBSEARCH ACTIONS FOR YOUNG PEOPLE. ACTIONS UPDATING WORKERS' SKILLS LEVELS. TRAINING OF PORT WORKERS.	651 1,815 47	2,315,837.42 1,420,825.00 150,000.00
CANTABRIA	SOCIAL HARMONY AGREEMENTS WITH ECONOMIC AND SOCIAL PARTNERS AND THE GOVERNMENT OF CANTABRIA. SUPPORT FOR PART-TIME RECRUITMENT. SUPPORT FOR CONVERSION OF TEMPORARY CONTRACTS INTO INDEFINITE-TERM ONES. TRAINING OF PEOPLE IN THE LABOUR MARKET. -AGREEMENTS WITH THE SOCIAL PARTNERS ON HEALTH AND SAFETY AT WORK. -SUPPORT FOR COMPANIES IN THE FIELD OF PREVENTION. -FCC CONTINUING TRAINING AGREEMENT. - "ZERO ACCIDENT" PROJECTS. - "EQUALCAN" EQUAL INITIATIVE.	200 700 2,500	745,265 1,797,000 1,680,532 1,141,922
CASTILLA LA MANCHA			136,114
CASTILLA - LEÓN	Conversion of temporary contracts into indefinite-term ones. Youth employment plan and stable employment plan for the unemployed over the age of 30. Training for workers in SMEs.	1,529 2,000	4,547,611 1,831,367

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	3. Address change and promote adaptability and mobility in the labour market		
CATALONIA			
VALENCIA	- Continuing training programme.	8,860	7,229,900.00
EXTREMADURA	Occupational training through the development of the Conect@te and Trainer Training programmes.	1,500	1,500,000
GALICIA			
MADRID	Including obligatory 1-3 hour modules in all training programmes organized by the regional employment service.	-----	-----
MURCIA	SUBSIDIES FOR TRAINING PROJECTS AND TRAINING ACTIONS TO IMPROVE WORKERS' SKILLS.	3,914	1,774,137.96
NAVARRE	Training of workers in SMEs, analysis of SME training needs and plans. Training of workers in the prevention of work hazards.	26,966 1,008	5,851,502 209,986
BASQUE COUNTRY			
LA RIOJA	* Continuing training for workers.	3,688	1,943,647.87
CEUTA			
MELILLA			

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	4. Promote the development of human capital and lifelong learning		
ANDALUSIA			
ARAGÓN			
ASTURIAS			
BALEARIC ISLANDS			
CANARY ISLANDS			
CANTABRIA			
CASTILLA LA MANCHA			
CASTILLA Y LEÓN			
CATALONIA			
VALENCIA			
EXTREMADURA			
GALICIA			
MADRID	Implement programmes aimed specifically at the practical and theoretical training of technical auxiliaries in innovation. Organize courses for job specialization and promotion.	213 7,600	805,176 5,000,000
MURCIA			
NAVARRRE			
BASQUE COUNTRY			
LA RIOJA	Adult education centres, secondary education institutes and official language schools; basic education, Aula Mentor, "That's English", distance learning. Local authorities and public and private non-profit bodies: basic education, distance learning and Aula Mentor. Increasing the quality of teaching in Vocational Training by updating equipment, facilities and the curriculum, and promoting relations between companies and educational centres.	2,924 1,384 3,400	1,730,000 94,755 9,039,767
CEUTA			
MELILLA			

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	5. Increase labour supply and promote active ageing		
ANDALUSIA			
ARAGÓN			
ASTURIAS	Subsidies for indefinite-term recruitment. Subsidies for converting temporary employment into indefinite-term employment in the private sector. Subsidies for converting training contracts into indefinite-term contracts. Subsidy for part-time indefinite-term recruitment.	3,482	8,816,939
BALEARIC ISLANDS			
CANARY ISLANDS			
CANTABRIA			
CASTILLA LA MANCHA			
CASTILLA - LEÓN			
CATALONIA			
VALENCIA	- Integrated employment plan encouraging geographical mobility for unemployed agricultural workers.	75	172,500.00
EXTREMADURA			
GALICIA			
MADRID			
MURCIA			
NAVARRRE			
BASQUE COUNTRY			
LA RIOJA			
CEUTA			
MELILLA			

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
ANDALUSIA	6. Gender equality		
ARAGÓN	<p>Actions by the Aragón Institute for Women's Affairs.</p> <p>Promotion of stable and quality employment for women.</p> <p>Promotion of female self-employment.</p> <p>Promotion of employment in co-operatives and companies run mainly by women.</p> <p>Occupational training measures targeting women.</p>		<p>300,000</p> <p>1,200,000</p> <p>895,000</p> <p>670,000</p>
ASTURIAS	Subsidies awarded for the recruitment of women in trades and professions in which it is considered that they are under-represented:	400	600,000
	<ul style="list-style-type: none"> - Indefinite-term contracts. - Conversion of temporary employment into indefinite-term employment. - Subsidies for conversion of training contracts into indefinite-term contracts. - Training contracts. 	310	783,017
	Subsidies for the recruitment of women who are lone parents:		
	<ul style="list-style-type: none"> - Indefinite-term contracts. - Conversion of temporary employment into indefinite-term employment in the private sector. - Subsidies for the conversion of training contracts into indefinite-term contracts. - Subsidy for part-time indefinite-term recruitment. 	15	27,246
BALEARIC ISLANDS	Personal support measures facilitating access to training.	200	360,000
CANARY ISLANDS	<ul style="list-style-type: none"> - Financial assistance to companies for the in-company promotion of women. - Financial support for companies and workers to reduce the working day, facilitating the care for children or other dependents. 		
	ACTIONS ASSISTING THE REACTIVATION OF PEOPLE WHO HAVE BEEN OUT OF THE LABOUR MARKET.	254	2,061,553.63
CANTABRIA	-SUPPORT FOR THE RECRUITMENT OF WOMEN (jobs where they are under-represented, female entrepreneurs, equality plans, etc.)	200	985,670
	TRAINING OF ENTREPRENEURS AND FOR JOBS WITH A LOW LEVEL OF FEMALE EMPLOYMENT	165	294,100
	II EQUAL OPPORTUNITIES PLAN OF THE GOVERNMENT OF CANTABRIA	All the women in Cantabria are potential beneficiaries	2,645,108
	100 euro PAYMENT FOR CHILDREN UNDER THE AGE OF 3	16,400	15,000,000

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	6. Gender equality		
	Toddler care centres (5) Infant and teenage care centres (2) Crèches at work (6) Municipal nurseries (3) Financial assistance to pay for crèches Homes for the elderly Day centres for the elderly Residential homes for the disabled Day centres for the disabled	454 75 451 145 1,600 763	52,000 118,000 18,864,040 (Total attendance by dependent persons)
CASTILLA LA MANCHA			
CASTILLA - LEÓN	Promotion of self-employment for women in trades or professions where they are under-represented. Promotion of the recruitment of workers to substitute those taking leave to look after children.	34 162	483,992 600,000
CATALONIA			
VALENCIA	<ul style="list-style-type: none"> - Programme promoting the creation of micro-companies by women. - Integrated employment plan for women at risk of social exclusion. - Integrated employment plan to help women who have been inactive for three years return to the labour market. - Training and jobsearch workshops for WOMEN. The aim is to instruct unemployed women personally in how to improve their ability to find jobs, especially in sectors which involve new technologies, where the supply exceeds demand, and where women are under-represented. <p>ORDER of 5 May, 2003 on the award of grants for work experience in the European Union by which unemployed women receive training which allows them to take up managerial positions which traditionally have been reserved for men.</p>	150 76 65 258	570,000.00 380,000.00 388,000.00 842,400.00
EXTREMADURA			
GALICIA	Programme for reconciling work and family life.	400	1,200,000
MADRID	Assistance in all co-financed training courses for the payment of crèche and travel costs.		
MURCIA	SELF-EMPLOYMENT SUBSIDIES FOR TRAINING ACTIONS AND PROJECTS TARGETED AT WOMEN	700 243	2,100,000 273,476.63

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	6. Gender equality		
NAVARRE	<ul style="list-style-type: none"> Training of women to give them access to jobs. ICT training, mainly for women. Regulation of new sources of jobs (care services) and the reconciling of work and family life. 	264 84 500	223,125 300,500 901,518
BASQUE COUNTRY			
LA RIOJA	<ul style="list-style-type: none"> - Giving priority to women when giving financial assistance to private companies recruiting unemployed workers, by not demanding a minimum period of unemployment for women and increasing the amount of assistance offered. - Encouraging the promotion of working women. - Reconciling work and family life for working women with children under 3 years of age. - Assistance for the programme encouraging the right to take leave to care for children and the substitution of workers on leave. Non-recoverable financial assistance is offered to workers who take leave to care for children and for their substitution in the company. Priority is given for their substitution by groups with special difficulties and women. 	600 (516 women). 15 women who receive incentives for promotion 267 of whom 130 are women 150 workers who would benefit from assistance for leave and 150 companies which benefit from assistance for the temporary recruitment of workers substituting those on leave.	2,078,912.97 assistance for recruiting companies 30,000 assistance for companies promoting women 45,000 300,000
CEUTA			
MELILLA	45.17. "Promoting business activity among women" 45.16. "Improving the employability of women" 45.18. "Fighting horizontal and vertical segregation, as well as wage discrimination, and promoting the reconciling of work and family life"	5 18 79	83,929 59,168 85,289

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	7. Promote the integration of and combat the discrimination against people at a disadvantage in the labour market		
ANDALUSIA			
ARAGÓN	Recruitment of workers at risk of exclusion in job placement companies. Promotion of stable and quality employment. Promotion of employment in co-operatives and workers' partnerships. Support for employers facilitating housing for seasonal workers and immigrants. "Aragón Employment and Disability Guide", and a day seminar on Employment and Disability as part of the acts organized by the Aragón government for the European Year of People with Disabilities. Design and implementation of the Special Occupational Vocational Training Plan for the Disadvantaged (Immigrants and the socially excluded), involving the government and social partners. Actions helping employers to facilitate access to jobs for immigrants and their adjustment to production processes.		700,000 40,000 125,000 25,000 12,000 499,759.63 50,462.56
ASTURIAS	Training of people with disabilities. Training aimed at people at risk of social exclusion. Subsidies for the recruitment of people at risk of social exclusion: - Subsidies for indefinite-term recruitment. - Subsidies for converting temporary employment to indefinite-term employment in the private sector. - Subsidies for converting training contracts to indefinite-term contracts. - Subsidy for the indefinite-term part-time recruitment.	295 270 30	450,000 310,000 129,121
BALEARIC ISLANDS	- Restructuring of the school calendar at the ESO level and in tourist areas with the greatest dropout rates. - Promotion of social guarantee actions. - Consolidating the Balearic Guidance Service (SOIB), especially in terms of specific guidance services.	8,949	7,266,820.82
CANARY ISLANDS	ACTIONS INTEGRATING GROUPS AT RISK OF EXCLUSION FROM THE LABOUR MARKET.	654	5,298,605.42
CANTABRIA	SOCIAL GUARANTEE PROGRAMMES. PARTNERSHIP AGREEMENTS WITH SPECIALIZED BODIES (INTEGRATED JOBSEARCH PATHWAYS): FUNDIS, ONCE.	15 90	48,081 210,354
CASTILLA LA MANCHA			
CASTILLA - LEÓN	Subsidies to local bodies co-financed by the European Social Fund, for the recruitment of people with disabilities or the socially excluded or at risk of social exclusion.	381	1,249,733.29

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	7. Promote the integration of and combat the discrimination against people at a disadvantage in the labour market		
CATALONIA			
	<ul style="list-style-type: none"> - Integrated plan for people at risk of social exclusion. - Integrated employment plans for the long-term unemployed, those over 45, and the disabled. - Integrated employment plan for the geographical mobility of agricultural workers. - Support for the indefinite-term and temporary recruitment of the disabled. - Training and jobsearch workshops to find jobs for unemployed people from groups with specific difficulties in entering the labour market. These workshops combine basic training in specific areas with occupational vocational training for concrete jobs bearing in mind the psychological, social and professional characteristics of the participants and the needs of companies in the Valencia region. 	76 994 75 799	380,000.00 6,077,040.00 172,500.00 2,950,000.00
VALENCIA		1,590	8,110,500.00
EXTREMADURA			
GALICIA			
MADRID	Organization of training actions aimed specifically at people with greatest difficulties in finding jobs.	TO BE DETERMINED ACCORDING TO THE GROUP	TO BE DETERMINED INCLUDED IN THE SECTION ON OCCUPATIONAL TRAINING
MURCIA	JOBSEARCH ACTIONS FOR THE DISABLED. JOBSEARCH ACTIONS FOR GROUPS AT RISK OF SOCIAL EXCLUSION. SUBSIDIES FOR TRAINING PROJECTS AND ACTIONS FOR THE DISABLED.	156 667 263	986,000 1,310,491,37 356,353.70
NAVARRRE	Training and jobsearch actions for immigrants. Training for groups with difficulties in the labour market: the disabled, drug-dependents undergoing rehabilitation, and prison inmates.	1,731 352	765,497 145,017
BASQUE COUNTRY			
LA RIOJA			
CEUTA			
MELILLA	44.10. "Support for the disabled in the labour market" 44.11. "Integration of groups at risk of exclusion into the labour market"	14 96	3,000 462,252

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	8. Make work pay through incentives to make it more attractive		
ANDALUSIA			
ARAGÓN			
ASTURIAS			
BALEARIC ISLANDS			
CANARY ISLANDS			
CANTABRIA			
CASTILLA LA MANCHA			
CASTILLA - LEÓN			
CATALONIA			
VALENCIA			
EXTREMADURA			
GALICIA			
MADRID			
MURCIA			
NAVARRRE			
BASQUE COUNTRY			
LA RIOJA			
CEUTA			
MELILLA			

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	9. Transform undeclared work into regular employment		
ANDALUSIA			
ARAGÓN			
ASTURIAS			
BALEARIC ISLANDS			
CANARY ISLANDS			
CANTABRIA			
CASTILLA LA MANCHA			
CASTILLA - LEÓN			
CATALONIA			
VALENCIA			
EXTREMADURA			
GALICIA			
MADRID			
MURCIA			
NAVARRRE			
BASQUE COUNTRY			
LA RIOJA			
CEUTA			
MELILLA			

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	10. Combating regional differences in employment		
ANDALUSIA			
ARAGÓN	Promotion of self-employment. Promotion of stable and quality employment.		740,000 52,000
ASTURIAS			
BALEARIC ISLANDS			
CANARY ISLANDS			
CANTABRIA			
CASTILLA LA MANCHA			
CASTILLA - LEÓN	Subsidies included in the regional employment plan for local bodies. Assistance for local bodies, co-financed by the ESF, working in new sources of employment. Agricultural Employment Plan.	1,918 277 870	6,876,171.38 2,701,690.87 1,049,025
CATALONIA			
VALENCIA	- Training of employment and local development specialists - Support programme for market research and local employment promotion campaigns. - Promotion of territorial employment pacts.	35 	56,000.00 300,000.00 1,200,000.00
EXTREMADURA			
GALICIA	Employment initiatives Rural employment initiatives	175	1,000,000
MADRID	Collaboration agreements with the main aim of supporting local employment initiatives and local development by improving the qualifications of the labour force resident in the various municipalities in the region and their outlying areas.	4,718	4,440,001
MURCIA			
NAVARRRE			
BASQUE COUNTRY			
LA RIOJA			
CEUTA			
MELILLA			

AUTONOMOUS REGION	GUIDELINES AND MEASURES	ESTIMATED BENEFICIARIES	BUDGET (EUROS)
	Participation and management		
ANDALUSIA			
ARAGÓN			
ASTURIAS			
BALEARIC ISLANDS			
CANARY ISLANDS			
CANTABRIA			
CASTILLA LA MANCHA			
CASTILLA - LEÓN			
CATALONIA			
VALENCIA			
EXTREMADURA			
GALICIA			
MADRID			
MURCIA			
NAVARRE			
BASQUE COUNTRY			
LA RIOJA			
CEUTA			
MELILLA			

ANNEX V

ADDITIONAL FIGURES

GUIDELINE 1

JOBSEARCH ACTIONS IN 2002, ACCORDING TO THE LENGTH OF TIME UNEMPLOYED AND THE AGE OF THE PARTICIPANT

	TOTAL	< 25 years, under 6 months unemployed	> 25 years, under 12 months unemployed	Long-term unemployed
IMPROVING EMPLOYABILITY				
Occupational training	538,666	138,006	266,917	133,743
Employment-training programmes	93,033	40,307	17,683	35,043
Employment of social interest	229,842	20,795	167,927	41,120
Employment of the disabled	37,945	2,210	17,282	18,453
Career guidance and advice on self-employment	1,056,209	236,619	579,370	240,220
EMPLOYMENT PROMOTION				
Support for self-employment	35,535	2,558	19,459	13,518
Local development specialists	3,608	432	1,150	2,026
Subsidies for recruitment	50,054	3,186	17,063	29,805
TOTAL	2,044,892	444,113	1,086,851	513,928

Some people have taken part in various actions, so that the number of participants is 1,408,938. In addition to these actions, 697,950 unemployed people have entered the labour market using a form of contract which received public financing (reductions in social security contributions or subsidies: the former from central government, and the latter from central government and the autonomous regions). The number of jobsearch actions for unemployed people is slightly higher than that forecast in the NAP 2002, in particular in training and employment-training (the number of guidance actions is not comparable, since the methodology for calculating them has changed).

GUIDELINE 1**COST OF ACTIONS IN 2002**

ACTIONS	TOTAL (euros)	INEM	AUTONOMOUS REGIONS
<i>IMPROVING EMPLOYABILITY</i>			
Occupational training	857,538,043.29	679,735,770.00	177,802,273.29
Training-employment programmes	490,083,041.05	461,089,980.00	28,993,061.05
Employment of social interest	529,741,962.31	483,721,130.62	46,020,831.69
Employment of the disabled	128,009,101.27	104,959,803.21	23,049,298.06
Guidance for employment and advice on self-employment	107,193,678.89	73,880,315.24	33,313,363.65
<i>EMPLOYMENT PROMOTION</i>			
Support for self-employment	130,453,407.84	46,546,006.16	83,907,401.68
Local development specialists	90,686,590.85	78,777,209.67	11,909,381.18
Subsidies for recruitment	219,529,350.82	40,378,631.23	179,150,719.59
TOTAL	2,553,235,176.32	1,969,088,846.13	584,146,330.19

The total expenditure (2,553 million euros) is very similar to that forecast in the NAP 2002 (2,593 million euros), since not all the budget anticipated by the INEM has been spent. However, the autonomous regions have used more funds than initially expected for jobsearch measures with the unemployed.

GUIDELINE 2

ONGOING INVESTMENT PLAN*

	2002 (implemented) euros				2003 (budgeted) euros			
	CENTRAL ADMIN.	AUTON. ORGANS.	STATE-RUN COMPANIES	Total	CENTRAL ADMIN.	AUTON. ORGANS.	STATE-RUN COMPANIES	Total
Hydraulic and water quality work	700.92	233.22	512.85	1,446.99	933.49	811.84	1,308.26	3,053.59
Coastal areas	237.42			237.42	163.60			163.60
Waste plans	45.37			45.37	55.57			55.57
Forestry plans	65.75	46.42		112.17	84.46	48.67		133.13
Meteorology	20.27			20.27	29.38			29.38
TOTAL	1,069.73	279.64	512.85	1,862.22	1,266.50	860.51	1,308.26	3,435.27

* In some of these activities represented here more than 60% of the investment is spent on payroll (the average monthly wage is around 720 euros)

Source: Ministry of the Environment.

GUIDELINE 2

WORKERS BY SECTOR (*)						
PERIOD	TOTAL	AGRICULTURAL	NON-AGRICULTURAL			
			TOTAL	INDUSTRY	CONSTRUCTION	SERVICES
Numbers in thousands						
1997	13,259.5	1,070.3	12,189.2	2,686.7	1,300.2	8,202.5
1998	13,807.6	1,074.4	12,733.3	2,843.6	1,380.1	8,509.5
1999	14,568.0	1,039.6	13,528.4	2,944.0	1,567.4	9,016.9
2000	15,369.7	1,012.1	14,357.6	3,073.3	1,715.7	9,568.5
2001	15,945.6	1,019.1	14,926.4	3,167.6	1,850.2	9,908.6
2002	16,257.6	961.3	15,296.3	3,153.8	1,913.2	10,229.3
Change compared to the same period the previous year, in thousands						
1997	424.5	-4.0	428.4	97.0	72.6	258.8
1998	548.1	4.1	544.0	157.0	80.0	307.0
1999	760.4	-34.7	795.1	100.4	187.2	507.4
2000	801.7	-27.5	829.2	129.3	148.4	551.6
2001	575.8	7.0	568.8	94.2	134.5	340.1
2002	312.0	-57.9	369.9	-13.8	63.0	320.7
Change compared to the same period the previous year, as a percentage						
1997	3.3	-0.4	3.6	3.7	5.9	3.3
1998	4.1	0.4	4.5	5.8	6.1	3.7
1999	5.5	-3.2	6.2	3.5	13.6	6.0
2000	5.5	-2.6	6.1	4.4	9.5	6.1
2001	3.7	0.7	4.0	3.1	7.8	3.6
2002	2.0	-5.7	2.5	-0.4	3.4	3.2

(*) These data have been revised according to the new methodology in EPA-2002

SOURCE: INE, EPA

GUIDELINE 2
DATA FROM THE SOCIAL SECURITY NETWORK SYSTEM

	2002	2003
Number of company affiliate codings	1,100,410	1,154,742
% of total	91%	92,5%
Objective for 2003		94%
Number of workers affiliated	12,840,736	13,382,627
Number of changes in affiliation	3,019,940	3,243,796

NEW AFFILIATIONS IN 2003: SPECIAL AGRICULTURAL SCHEME
(Data as at May 2003)

Number of company affiliate codings	35,662
% of total	56.1%
Number of workers affiliated	218,456

GUIDELINE 6

JOBSEARCH ACTIONS FOR WOMEN IN 2002, ACCORDING TO LENGTH OF TIME UNEMPLOYED AND AGE

<u>NATIONAL TOTAL</u>	TOTAL	< 25 YEARS - 6 MONTHS	> 25 YEARS - 12 MONTHS	LONG-TERM UNEMPLOYED
	IMPROVEMENT IN EMPLOYABILITY			
Occupational training	306,951	69,470	153,810	83,671
Employment-training programmes	42,621	14,238	11,063	17,320
Employment of social interest	115,608	8,953	80,468	26,187
Employment of the disabled	15,457	1,168	7,066	7,223
Career guidance and advice on self-employment	678,027	138,968	368,021	171,038
	EMPLOYMENT PROMOTION			
Support for self-employment	16,062	1,156	8,672	6,234
Local development specialists	2,040	123	666	1,251
Subsidies for recruitment	22,208	1,366	6,788	14,054
TOTAL	1,198,974	235,442	636,554	326,978

GUIDELINE 10

REGIONAL INCENTIVES 2002				
AUTONOMOUS REGIONS	PAYMENTS (EUROS)	GENERATED INVESTMENT (EUROS)	JOB CREATED	JOB MAINTAINED
ARAGÓN	8,803,068.92	85,462,879.44	364	1,202
ASTURIAS	15,313,173.96	101,021,229.87	386	2,450
MURCIA	48,003,985.52	179,076,309.30	718	2,278
CASTILLA LA MANCHA	7,674,417.05	59,724,858.05	278	1,179
CANTABRIA	10,300,798.28	62,393,756.41	415	1,214
GALICIA	31,001,336.00	202,563,887.07	1,241	2,785
CANARY ISLANDS	33,300,224.03	220,932,782.80	1,291	1,379
CASTILLA LEÓN	26,664,672.26	193,801,833.05	914	5,248
ANDALUSIA	41,997,165.92	267,575,027.82	1,523	4,893
EXTREMADURA	9,606,858.97	79,333,050.71	329	500
VALENCIA	34,911,022.94	439,271,964.69	1,028	12,208
TOTAL	267,576,723.85	1,891,157,579.20	8,487	35,336

Source: Ministry of Economy

GUIDELINE 10
COMBATING REGIONAL DIFFERENCES IN EMPLOYMENT

	1997	1998	1999	2000	2001	2002	2003, Q1
Regional differences in employment and unemployment at NUTS 2 or NUTS 3 level (*)							
➤ Rate of regional variation of the employment rate (16 years and over)	0.10706	0.10453	0.10251	0.10477	0.09690	0.09291	0.08187
➤ Rate of regional variation of the unemployment rate	0.27196	0.29237	0.36884	0.44207	0.38218	0.35901	0.31836

(*) The regional variation rate = Standard deviation/national employment rate or national unemployment rate. This indicator aims to measure the regional differences with respect to the national average in employment and unemployment. The closer to the "0" value, the smaller the regional deviation compared to the average, and a greater territorial balance; the nearer to "1", the greater the regional deviation from the average, and the greater the territorial imbalance.

Source: INE, EPA.

ANNEX VI

TEXT OF THE GUIDELINES AND RECOMMENDATIONS FOR 2003

For this information, please go to the following web address:

http://europa.eu.int/comm/employment_social/employment_strategy/guidelines_en.htm

ANNEX VII

VIEWS OF THE SOCIAL PARTNERS

POSITION OF CCOO AND UGT REGARDING THE NATIONAL ACTION PLAN FOR EMPLOYMENT 2003 (July, 2003)

1. ASSESSMENT OF THE NEW GUIDELINES AND THE NEW WORKING METHOD

The National Action Plan for Employment (NAP) 2003 is based on an evaluation of the employment Guidelines five years into the implementation of the European Employment Strategy. In CCOO and UGT, we take a positive view of the following aspects at the start of this new stage:

a) The new working method and the new Guidelines maintain the objectives of the Lisbon Strategy and aim to facilitate its implementation by setting three clear overall objectives: full employment; increasing quality and productivity at work; and social cohesion and inclusion. In addition, the targets set for increasing the rate of overall and female employment by 2010 have been maintained, while new targets have been established on other issues.

Spain has to work hard on these three questions and particularly in terms of increasing the rate of female employment, which at present is 13 points below the European average, and 15 points below the initial goal of 57% by 2005.

b) From now on, the main focus should be on applying the Guidelines to achieve concrete results. This means that the Member States should establish their own quantifiable national objectives.

Thus the Spanish NAP 2003 should set concrete targets, particularly in terms of: employment rates; the availability of assistance and care services for children under the age of 3 and up to compulsory school age, as well as other dependent persons; a reduction in the rate of school failure; schooling of young people and continuing training of adults; and investment in R&D.

c) The new time-frame means that the measures outlined in the NAP can be accommodated in the national budget, ensuring adequate financial resources to implement the Guidelines.

The national budget for 2004 in Spain will have to take into account the finance necessary for the measures in the new NAP.

d) National parliaments have been urged to become more involved in discussion of the NAP. For their part, the social partners have been urged to participate more in its drafting and implementation, and as well as in successfully implementing the Guidelines and reporting on their most significant contributions in the areas in which they are involved. All this represents a higher degree of co-operation in the implementation of the European Employment Strategy.

Once more this year, UGT and CCOO insist on the need for a **stable, regular and appropriate working method** to allow participation and implication by trade unions and employers' organizations in the drafting, implementation and subsequent assessment of the NAP in each and every one of its Guidelines. The work should be organized systematically to ensure that there can be discussion with the most appropriate government officials in terms of their involvement in the different parts of the NAP.

2. OBJECTIVES OF THE NAP IN SPAIN

An improvement in labour market perspectives in terms of full employment and social cohesion is only possible if the NAP 2003 defines clearly the overall objectives, starting from Spain's structural deficits in employment. The Commission has made specific criticism of these both in its Recommendations for Spain and the Joint Report on Employment, which describes the challenges for employment policies in the various Member States, together with the priority actions that each State should implement to achieve the overall objectives of the employment Guidelines.

The NAP 2003 also has to define the efforts Spain will have to make to come close to the average objectives set in the European Employment Strategy for 2005 (the intermediate targets) and for 2010, bearing in mind the specific needs of the labour market and the general direction of economic policy. The most important principles are, however, the following: first, employment policy cannot be subordinated to economic policy; and secondly, demand policies based on productive investment and new sources of employment should be given precedence over supply policies, which have little effect on net job creation.

The objectives should be established according to the employment policy Guidelines, and take into account the specific weaknesses of the national economy, especially in terms of the assessment indicators which are detailed below. Given how far Spain is from reaching these objectives, the continuing effort made to reach at least the European average should be quantified.

- Overall rate of employment: 67% in 2005 and 70% in 2010.
- Rate of female employment: 57% in 2005 and 60% in 2010.
- Places in nurseries and schooling of children under the age of 3: by 2010 nursery services for at least 90% of children between the age of 3 and compulsory schooling age, and for at least 33% of children under 3 years of age.
- Schooling of young people and continuing training of adults by the year 2010: 85% as a minimum of young people of 22 should have completed secondary higher education.
- Failure at school: the dropout rate should not be above 10% in 2010.
- Spending on R&D should reach 3% of GDP by 2010.
- There should be a substantial reduction in earnings differences between men and women.
- There should be a substantial reduction in the number of work-related accidents and injuries.

In addition to this, the NAP should offer figures on the structural indicators established by the European Commission and all indicators adopted by the Commission in its Communication (2001) 313 final, measuring investment in quality of employment (some of them are included in the structural indicators and others as indicators in the employment Guidelines). They monitor the success of policy at a national level in terms of achieving the objectives for quality in work. These quality indicators have to be grouped together according to the 10 areas recognized by the Commission:

- Intrinsic job quality
- Qualifications, continuing training and career development
- Gender equality
- Health and safety at work
- Flexibility and security
- Inclusion and access to the labour market

- Organization of work and reconciling work and life
- Social dialogue and worker participation
- Diversity and non-discrimination
- Overall work performance

3. ASPECTS WHICH SHOULD BE GIVEN PRIORITY TREATMENT

3.1. REDUCE THE UNEQUAL EMPLOYMENT SITUATION OF WOMEN

Year after year, within the framework of the European Employment Strategy, the European Commission has noted in its recommendations to Spain that there is still much to do in terms of equal opportunities, with Spain being one of the EU countries in which women have most difficulties entering the labour market, and recommending that it adopt *“efficient measures to increase the overall rate of employment and reduce the differences in employment and unemployment between men and women”*.

And it is true that although progress has been made in Spain in this regard, statistics show that the policies have been insufficient to reduce enormous inequalities and discrimination which women have to face to enter the job market. In fact, the lack of adequate and sufficient social measures to cover family responsibilities and the lack of measures to reconcile work and care for the family result in a lack of fair and balanced distribution of these responsibilities between men and women. This represents a real barrier for women’s access to employment.

The overall differences in Spain compared to the average of the EU as a whole in terms of the three basic labour market indicators (activity, employment and unemployment) are basically the result of the disadvantaged position of women. Spanish women have an activity rate nearly 9 percentage points lower than the European average, an employment rate 13 points lower and an unemployment rate which is nearly double (7 points lower). On the other hand, the differences between Spanish men and their European counterparts in these indicators are substantially less: their activity rate is the same, their employment rate is 2 percentage points lower and the unemployment rate is only 1 point higher.

So there is no doubt that if Spain is to converge with the European average in the overall labour indicators, it has to successfully deal with the disadvantaged position of women in the labour market.

This is why UGT and CCOO consider that to integrate women fully, equally and permanently into the labour market, it is essential to ensure that EU objectives in female employment and employment are achieved; that specific targets are set at a national level for the two time-frames (2005 and 2010); and that the following measures are adopted:

- 1) To establish a law regulating equal opportunities between men and women at work, dealing with access to employment, training and career advancement, as a means of transposing the new Directive 2002/73/EC.
- 2) To implement measures facilitating stable access of women to employment and reducing gender inequalities:

- On the question of training, to promote education policies which give women access to jobs and industries in which they are under-represented; to apply a programme of occupational training according to the needs which have been identified, with an undertaking to employment; to implement complete jobsearch pathways which range from guidance, training and practice to job placement; to give priority to the following groups of women: young women; those aged between 35 and 45; women who have been unemployed for five years or more; unemployed women more than 45 years old, and rural women with special difficulties in finding a job.
- On the question of equal remuneration, to reduce wage differences, with information campaigns to encourage companies' compliance in equality of remuneration, and applying annual action plans by the Labour Inspectorate to identify, fight and prevent wage discrimination.
- To adopt measures to encourage the regularization of undeclared work, since a high proportion of those who work in the black economy under poor conditions are women.

3) To establish effective measures which promote the reconciling of working and family life and which guarantee compliance with the objectives set for 2010 in terms of facilitating nursery services for at least 90% of children between the age of 3 and compulsory schooling age, and at least 33% of children under the age of 3, bearing in mind social needs.

- To finalize a development programme for care services which will mean that dependent people in general (children, the elderly and the disabled) can be cared for using public funds.
- To establish the right to public infant education between the ages of 0 and 3, with the public authorities guaranteeing a minimum number of new places in infant schools in the near future; and to improve what is offered in the public sector.
- To match school timetables with working timetables and extend them in line with family needs.
- To institute measures promoting and favouring a balanced distribution of family tasks between male and female workers, offering incentives to men to use permits and leaves of absence.
- To develop labour legislation which encourages a reduction in working hours, making them more flexible and better distributed.

4) To implement measures facilitating the reactivation of women who have been away from work for a long time after taking leave for family responsibilities, by promoting access and non-discriminatory training in private companies and the public sector, through equal opportunity plans.

3.2. REDUCE THE HIGH NUMBER OF TEMPORARY CONTRACTS

The excessive rate of temporary employment represents one of the basic imbalances in the Spanish labour market. In 2001 the rate of temporary employment in Spain (31.7%) was 18 points above the EU average (13.4%).

a) Young people are particularly affected by this problem. Over 48% of the workers who have a temporary job are young people under the age of 30, and 65% of salaried workers under 25 years of age had a temporary contract in 2002. This lack of job security, together with a high rate of unemployment among the young (22%) means that their entry to stable employment in line with the education they have received is delayed, and as a result so is their career. This has negative consequences on their future pension rights, as well as making it more difficult for them to lead independent lives. In Spain only 20% of people under the age of 30 are independent of their families and the reasons can be seen in the instability of employment, as well as the difficulties in finding a home, given the exponential increases in house prices.

b) The high levels of temporary employment and successive use of temporary contracts makes training wage earners as a whole more difficult. Male and female salaried workers in many cases do not receive continuing training, and if they alternate successive short periods of employment and unemployment it is also hard for them to access training for the unemployed.

c) The high volume of temporary employment also leads to high levels of accidents at work: 66% of workers suffering accidents at work are employed on temporary contracts.

d) There is a link between the high rates of temporary employment and the low rates of part-time employment. Both forms of employment allow a more flexible management of labour. Given that Spanish companies prefer temporary contracts, their intensive (and in many cases improper) use leaves little room for indefinite-term part time contracts.

A significant reduction in the present rate of temporary employment would have positive effects on all the aspects mentioned above.

Since 1997, the year in which the social partners signed an agreement for stability in employment, the growth in temporary employment has slowed, and the proportion represented by temporary jobs out of total employment has fallen, although the situation is different between the public and private sectors. Whereas the private sector has seen a fall of 5.5 points, the public sector has seen an increase of 5.6 points.

CCOO and UGT consider that a concerted action on two fronts is necessary to have a significant impact on the rate of temporary employment:

- First, promoting the correct use of temporary recruitment, fixing limits which prevent the successive use of temporary contracts for the same worker, and establishing measures which combine information for companies with the control of fraud, by a co-ordinated effort between the labour authorities, the PES and the Labour Inspectorate. Also, establishing selected quantifiable goals for intervention, targeting the industries and companies with the highest levels of temporary employment, and the repeated use of temporary contracts with the same worker and in the same company.
- The control measures should include checking the correct use of social security reductions for indefinite-term recruitment, including monitoring the continuity of indefinite-term contracts receiving these incentives.

- Secondly, supporting the development of a productive economy capable of competing on added value, technological investment, innovation and training, rather than the model based on competition relying on low costs and insecure employment.

These are necessary conditions, and certainly more efficient than those used repeatedly until now, which are based exclusively on a reform of the rules of recruitment and dismissal.

In addition to the points above, the following measures are important:

- Given the relation between temporary employment and industrial accidents, priority should be given to setting objectives for the reduction of industrial accidents. This is why it is of fundamental importance that the proposals agreed in December 2002 as part of the Social Dialogue Round Table on the prevention of risks at work are fully developed. This involves a reform of the legal framework, reinforcing surveillance and control functions, co-ordination with employers in contracting and sub-contracting, updating the list of work-related illnesses, and the creation of the Tripartite Council of Friendly Societies.
- A set of rules has to be defined for contracting and sub-contracting which are more suitable for the common processes of outsourcing and sub-contracting.
- Stability and security in employment should be supported through positive actions which put a value on these conditions, by including stipulations in contracts offered by the public administrations for employment and services.

3.3. INCREASE THE LEVELS OF LABOUR PRODUCTIVITY

The objective established at the Lisbon Summit of converting the EU into “the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion,” continues to face two significant obstacles in Spain: first, there is a low take up of middle-level and vocational training (which in the case of vocational training is made worse by the high rate of job insecurity making the process of learning skills and continuing lifelong training more difficult) and a high rate of failure at school. Secondly, there is the low level of spending on R&D.

Spain spends 71% of the European average on education (according to data from the Bank of Spain) and the proportion of the population taking part in lifelong learning activities is nearly half that of the European average (4.7% compared to 8.5% in the EU, according to 2002 indicators from the European Commission). On the second point, Spanish spending on R&D is 0.9% of GDP, and represents 57% of the EU average, far from the 3% target set in the European Guidelines. Spending on information and communication technology is 4.4% of GDP, while in the EU as a whole it is 8%.

For these reasons, CCOO and UGT consider the following necessary:

- To increase education and vocational training levels for the population as a whole. This requires an increase in public spending on education and actions to:
 - o Progress in the implementation of the Vocational Training and Qualifications Act to increase educational levels and the proportion of adults in education and training, improve low skills levels and boost non-formal education. A

knowledge-based society can only be achieved by improving skills and making lifelong learning the norm.

- o Increase the number of young people who have completed higher secondary education, setting specific objectives for this.
 - o Increase the number of adults of working age who take part in continuing training actions, and to establish specific objectives for this.
- To increase investment in R&D and the information society; to increase access for the population as a whole to new information and communication technologies; to extend the use of these technologies in SMEs (according to the European Commission's table of indicators for 2002, the proportion of SMEs in Spain that innovate is 21.6%, compared to 44% for the rest of the countries of the EU); and to establish quantifiable objectives for Internet training and access in schools and homes, increasing the number of computers and connections to the Internet in companies.

3.4. IMPROVE THE PUBLIC EMPLOYMENT SERVICES

The process of devolving management of active policies to the autonomous regions is practically complete, except for a few specific areas. Many autonomous regions have set up their own public employment services or are in an advanced stage of negotiation on this question. However, the Basic Employment Act, which defines the role of the PES, has still not been changed, although meetings and consultations have been held with the autonomous regions and the social partners and various drafts of the new law are meeting with more and more enthusiasm.

The following measures are considered necessary by CCOO and UGT to improve the way the PES work:

- To pass a new Basic Employment Act harmonizing the present decentralized model of active employment policies and defining the co-operation mechanisms with the autonomous regions' PES; and in addition to this, to guarantee the new management model for employment policies which is proposed by the Guidelines, based on prevention and personalized attention for jobseekers.

The management of job placement is taking on a fundamental role in the new context of employment policies. A priority objective of the PES should be to increase their level of direct labour intermediation and to be proactive in seeking and managing job vacancies.

The new law should guarantee the public and free nature of the services and the equal opportunities of those who use them; the unity of the labour market and access for all in equal conditions to job vacancies; the free circulation of job offers and people looking for work; the integration of active policies and unemployment benefits; and the participation and representation of the social partners in the control bodies of the PES.

- To complete the implementation of the statistical monitoring system offering transparency of information on job offers and those looking for jobs (SISPE) in 2003.

- To improve the functioning of the PES by giving them the human and material resources necessary to increase their efficiency in intermediation and their quality of service for users.
- To compile a more precise classification of jobseekers and improve the design of career pathways, so that actions are better tailored to the needs of the unemployed. This will extract more value from public resources and allow easier monitoring of the success of programmes.

3.5. PROMOTE EQUAL TREATMENT AND THE SOCIAL AND LABOUR INTEGRATION OF SPECIFIC GROUPS

In Spain there are a large number of people who have difficulties in entering the labour market. They include those with a disability, immigrants, members of ethnic minorities, workers with low skills levels and young people who have dropped out of school early. All these groups should have equal opportunities in accessing employment, education, training, technologies, social services, health services and housing, so that they can enjoy the whole range of civil, political, social, economic and cultural rights.

In fact, social exclusion can involve varied groups and can have different effects on people when these people do not have access to the labour market, education, or housing, and are socially marginalized. What they have in common is that they do not have sufficient income to meet their minimum needs. It is estimated that 20% of the Spanish population has less than 50% of the average income.

Because of this, CCOO and UGT believe that we should fight in favour of equal treatment and the integration of people with disabilities and immigrants into the labour market. At the same time, we have to improve in the social inclusion of groups with the greatest difficulties in entering the labour market, and demand as a priority the series of measures outlined below, which can help to achieve our objectives for 2010: first, reducing the dropout rates in school in the EU (not more than 10%) and secondly, reducing the differences in unemployment between people with difficulties and the rest of society, and between EU and non-EU citizens.

a) In terms of **people with disabilities**:

- To specialize the PES in the problems of people with disabilities in order to improve their chances of finding employment.
- To introduce measures by public authorities to control the compliance with the legal quota of jobs reserved in the public administrations for the disabled and to enforce the action plan by the Labour Inspectorate to guarantee this quota in companies.
- To strengthen legislation in terms of access to ensure that people with disabilities have the same rights of access to all social and public facilities.
- To promote integrated and quality education, with staff specialized in the social integration of the disabled to offer support according to specific disabilities.
- To ensure that a percentage of public housing is accessible for people with disabilities.

b) In terms of **immigrant workers**

- To guarantee equal access to employment and training, encouraging the registration of non-EU workers in the PES; adapting the training on offer to the possible needs of such

workers; convalidating as far as possible the diplomas they have obtained abroad; and eliminating their higher levels of temporary and insecure employment.

- To eliminate pockets of undeclared work and establish co-ordinated actions between the labour administration and the Labour Inspectorate to regularize these situations, offering security to workers and thus contributing to the regularization of such work.
- To guarantee effective compliance with equal rights in access to education, at every level, for legally resident immigrants, and to compulsory education for those illegally resident, including access to grants and/or public and private assistance. Also, to guarantee equal access to social services and benefits including healthcare.

c) In terms of improving social inclusion:

- To promote social integration by guaranteeing a minimum income in situations of need: i.e. a minimum social wage, which should be treated as a right, for as long as the situation of need exists.
- To establish plans for individualized job placement with activation policies depending on the social needs of each beneficiary.
- To adopt measures which prevent social exclusion suffered by young people who abandon the school system prematurely, those who are homeless, or who do not receive sufficient support and face serious difficulties in finding a job.

ANNEX

THE CONTRIBUTION OF THE SOCIAL PARTNERS TO THE EUROPEAN EMPLOYMENT STRATEGY

1. JOINT CRITERIA FOR COLLECTIVE BARGAINING IN 2003

In January 2003, the trade unions UGT and CCOO, together with the employers' organizations CEOE and CEPYME, concluded the second successive Interconfederal Agreement for Collective Bargaining (ANC 2003). Its aim is to offer negotiators common criteria for dealing with the following questions in collective agreements at any level, whether state, regional, provincial or company: wage policy, employment and recruitment, internal flexibility, skills, equal treatment in employment, equal opportunities between men and women; health and safety at work. In addition, it includes some basic aspects of the European Framework Agreement on Teleworking concluded by CES and UNICE.

Employment stability: In order to promote greater employment stability, collective agreements will have to include the following points: promotion of indefinite-term employment; conversion of temporary contracts into fixed-term ones; and methods of preventing the unjustified use of successive temporary contracts with the same worker. The aim is to reduce the unjustified use of temporary employment. In addition to this, criteria have been established for the justified use of various forms of temporary contracts. Specifically, the correct use of part-time indefinite-term contracts is recommended as an alternative to temporary employment or overtime, as is the use of replacement contracts to deal with staff renewal and possible restructuring in companies.

Flexibility and security in employment: It is recommended that collective agreements include a package of measures to balance the needs of internal company flexibility with workers' security: job hierarchies should be based on groups of professional classifications; functional mobility should be linked to professional classification as an instrument for internal adaptation; the management of working time and the use of a flexible working day should bear in mind the reconciling of work and personal and family life; and continuing training should be developed to deal with the important needs of skills and flexibility. In addition to this, it is proposed the establishment of industrial monitoring observatories as institutions for analysis and dialogue which can respond to organizational and production changes and their consequences on employment. The work done by the Chemical Industry Observatory in its first two years is a good example of social dialogue within the sector.

In addition to this, the general assessments carried out by trade union and employers' organizations on the development of the Interconfederal Agreement for Collective Bargaining 2002 can be summed up as follows: wages have risen moderately, and the issues of employment and recruitment have become more important in collective agreements, with more weight being given to regulating the various forms of recruitment, while collective bargaining has become more flexible. There also seems to be growing concerns about job classification, the working day, and equal opportunities between men and women. On the other hand, there is less acceptance of the idea of creating stable instruments to improve the capacity for proactive management of change, such as the national industrial observatories for employment and competition.

2. TO PROMOTE EQUAL OPPORTUNITIES BETWEEN MEN AND WOMEN THROUGH COLLECTIVE BARGAINING

The Collective Bargaining Agreement 2002, concluded between the trade unions CCOO and UGT and the employers' organizations CEOE and CEPYME, includes a commitment to carry out a study to analyse the obstacles to equal opportunities between men and women and then to decide what measures could be used to promote equal opportunities.

The renewed 2003 agreement contains a specific chapter on equal opportunities between men and women.

The main problems for women in the labour market have been identified, and include: the high levels of work segregation by gender; the greater rate of temporary employment; and the lack of quality and accessible social services for the care of children and other dependents.

Given that the present scenario may change due to efforts in collective bargaining and social dialogue, and that progress can be made in correcting existing inequalities at work between men and women, a set of overall principles has been established, and specific clauses have been identified in various collective agreements which can be used by negotiators as examples of good practices. They deal with the following subjects:

- The adoption of declarative anti-discriminatory clauses.
- The content of the collective agreements should comply with the regulations in force, or improve on them.
- Positive action clauses should be included to promote access of women in equal conditions to industries and companies where they are under-represented.
- Systems of classification, promotion and training should be studied and set up, based on technical, objective and neutral criteria.
- The principle of equal treatment for work of equal value should be applied correctly, and any differences in retribution which may exist should be made good.
- Measures should be included which address the working day, holidays, and the training timetable, to make it easier to reconcile production requirements with personal or family needs.
- The application of the agreement should be assessed from the perspective of equal opportunities.

3. TRIPARTITE AGREEMENT TO REDUCE THE HIGH NUMBER OF INDUSTRIAL ACCIDENTS

The trade unions (CCOO and UGT) and the employers' organizations (CEOE and CEPYME), reached an agreement on this subject together with the Ministry of Labour in December 2002. Its present version involves a reform of some aspects of the legal framework on the prevention of risks at work, and the strengthening of the monitoring and control system, with the overall aim of reducing the high number of industrial accidents. The specific contents of the agreement are: to integrate prevention in the management system of firms; to establish new control instruments complying with the regulations relating to the prevention of risks at work; to co-ordinate company action in contracting and sub-contracting; to bring aspects related to work-related illnesses up to date; and to establish co-operation mechanisms with friendly societies.

4. TO IMPROVE THE PUBLIC EMPLOYMENT SERVICES

UGT and CCOO have drawn up a series of proposals for a new Employment Act, a law which we consider to be fundamental for creating the new model of devolved management of employment policies. We have also made observations on the successive drafts of the law presented by the government, although the law has not been presented to parliament yet.

We have also become involved in the organization of the PES in the various autonomous regions, 11 of which have passed into law the regulations relating to their PES. All the regional PES include the social partners in their ruling and management bodies, through collegiate organs of participation, control and collaboration.

5. TO PROMOTE TRAINING FOR WORKERS

The trade unions and employers' organizations believe that continuing training is an extremely useful instrument for developing skills. Continuing training also increases the adaptability of workers and companies, contributes to the maintenance and improvement of employment, and responds to the needs of both.

Based on this idea of training, since 1993 we have shared the management of the training of workers through the Foundation for Training and Employment (FORCEM), and in so doing, established criteria which should be maintained in training actions, defined priority groups, and matched training to skills. Through this system the number of workers being trained has risen considerably: from 1993 to 2001 more than 10 million workers have taken part in continuing training actions.

At present the management model of continuing training is being reviewed. CCOO and UGT recommend that, regardless of what the resulting model will be, continuing training should be based on framework legislation guaranteeing the basic principles of its application, particularly the participation of the social partners, their involvement in collective bargaining, and the role of workers' legal representation in the design of company training plans, etc.

POSITION OF CEOE-CEPYME ON THE NATIONAL ACTION PLAN FOR EMPLOYMENT 2003

I. INTRODUCTION

The government has submitted the draft National Action Plan for Employment 2003 (part of the co-ordinated employment strategy) to a cursory consultation process with the social partners.

The points made here are general and do not try to comment on each of the measures in detail. Rather, they analyse the plan as a whole and highlight those aspects which appear to be most noteworthy in the overall strategy, either because of their particular importance to employment, or because they are new. We have not repeated our opinions on employment policies expressed on previous occasions.

II. BACKGROUND AND GENERAL OPINIONS ON THE NATIONAL EMPLOYMENT POLICY

The economic slowdown which began in 2001 marked the end of a sustained phase of economic growth and job creation in Spain. This slowdown continued in 2002. However, the initial results for 2003 appear to point to a slight recovery, giving grounds for optimism for the future and that we have put this sluggish period behind us, **and that the slowdown has not interrupted our process of real convergence with the other EU countries in economic and job-creation terms.**

Although the overall level of unemployment continues to be high, the fall in long-term unemployment clearly reveals that its structural component has been mitigated somewhat. Overall, unemployment is now extremely diverse and concentrated in certain regions, sectors and jobs. At the same time, companies are facing increasing labour shortages which they are having difficulty in addressing. This, in turn, is restricting the possibilities for growth.

The situation is causing concern among companies, particularly given the demographic outlook and the economic and employment forecasts, which lead us to **believe that this labour shortage will become more general in the medium term.**

Given this scenario, employment policies have to boost those measures which **improve the balance between the supply and demand of labour.** Most importantly, action should be taken to: strengthen policies which promote the entry of women into the labour market; increase and adapt the skills levels of the active population; improve the employment intermediation and career guidance services; facilitate the geographical and functional mobility of human resources; and fully address the need for suitable immigration policies.

In addition to this, our labour market continues to differ from other countries in the EU on two characteristic points: a high rate of temporary contracts and the scarce use of part-time employment.

Spain maintains the highest rate of **temporary employment** in the European Union, at least in nominal terms, although the data for **periods of employment** offered by the Labour Force Survey (EPA) suggests that in practice, job stability in Spain is not so different from that in other European countries.

Temporary recruitment may be a useful means by which we in Spain tackle the challenge of workforce restructuring to provide the necessary flexibility. This need arises in other countries, as shown by the employment data, but is addressed using different mechanisms, including part-time employment or even dismissal.

Given this information, it is clear that an effort has to be made to increase the proportion of indefinite-term employment, as this returns positive results both from a business and a personal point of view. Recent experience has shown us that the incentives offered for indefinite-term recruitment following the 1997 agreements (making the termination of employment contracts more flexible and reducing social security contributions) have been successful; the more recent measures penalizing temporary recruitment (extra social security contributions and severance pay at the end of the contract) have had little effect.

In addition to this, budget policies of the last few years have meant that the large surpluses in the social security system have been used to maintain a balanced budget, which is not an objective of the social security system, where such surpluses should theoretically be used. As a result, **reductions in social contributions on work have not been adopted** as a way of reducing labour costs and creating incentives for work. This is despite the favourable financial conditions and the evidence supporting such a move. For example, a recent **Bank of Spain Report** (Working Document 0312: "Labour demand, flexible contracts and financial factors: new evidence in Spain") analyses the 1997 reform and concludes that a 5-point reduction in social security contributions would increase employment by 8%.

III. GENERAL ASSESSMENT OF THE PLAN

In our opinion, the simplification of the NAP resulting from the change in the Guidelines is a positive step. It means that we can concentrate on measures which are really decisive, and make sure that the actions are understood better and monitored more successfully.

Our considered opinion of the co-ordinated employment strategy is that it has been positive inasmuch as it has enabled a trans-national evaluation of employment policies and also grouped all the measures together under a single plan, thus giving them greater coherence. Despite this, **the NAPs continue to represent a mere accumulation of actions by various bodies** rather than a planned, coherent and co-ordinated strategy.

Apart from this, we also think that it is important to move towards a **more qualitative analysis** of the measures undertaken. The progress in this respect has been positive, but, as in previous years, we have to point out that there are still actions which are only monitored on a quantitative basis without any assessment of their efficiency or impact.

Finally, the financial treatment of employment policies and social security contributions excludes the implementation of a real policy of incentives for new employment through the reduction of tax burdens on work, despite this being an advisable and financially feasible measure.

IV. ASSESSMENT OF THE GUIDELINES

Guideline 1: Active and preventive measures for the employed and inactive

On the whole, the actions fostering employability continue to be viewed from a quantitative point of view, without assessing the extent of their efficiency in previous years. This year, however, we are pleased to note that a study to evaluate all the labour market insertion measures has been introduced.

We call on the government to carry out this form assessment across the board, so that the efficiency and impact of each measure can be fully gauged, and we may overcome the problem of lack of information that we highlighted in previous NAPs. To give a few examples: until now there has been no attempt to compare measures which share the same objective (e.g. the training and training-employment programmes); there are no data on the numbers of disabled workers in special employment centres who find ordinary jobs (which is the final goal of this programme); and there is no means of measuring the degree of satisfaction with and effects of the in-depth interviews held with jobseekers.

The fact that the NAP offers a renewed commitment to completing the SISPE project (which co-ordinates the computerized management systems of the public employment services) simply shows up the difficulties of co-ordinating the PES: It is striking that a task which should have been completed some time ago is being prolonged year after year.

Guideline 2: Job creation and entrepreneurship

The following comments relate to the description given of the present situation and the proposals made under this Guideline in the NAP 2003:

Administrative simplification

1. Spain continues to be one of the European Union countries in which the process of creating a company is most complicated, not only in terms of the number of procedures but also the number of days it takes. One of the reasons for this is that a variety of different administrations are involved in the process, and each establishes its own requirements.
2. Despite this, there has been progress, such as the creation of the Single Business Windows and the recent New Enterprise Limited Company Act. The latter tries to make significant improvements in all the administrative procedures and sets up a simple legal framework for entrepreneurs under company law, guaranteeing the separation of personal and business assets without diminishing legal certainty.

In terms of the single business windows, we repeat what we have said in previous years on the need to increase their efficiency by improving co-operation between the various bodies involved in their administration (chambers of commerce, provincial deputations, and the General Directorate for SMEs).

3. Again, it is important to stress once more that administrative simplification has wide-ranging implications which go far beyond company creation. For this reason, the renewal of the public

sector has to include structural reforms, and concepts of quality have to be included in its daily operation. If this is done, one day simplification may really be achieved.

4. One example which will illustrate this are the two electronic communication systems mentioned in the plan: the one used to register changes in the job situation of workers in the social security system (*RED*) and that for registering contracts with the public employment services (*Contrat@*). Despite our requests, the two systems have been set up without any link between them, so that the procedures necessary to process the same information (the recruitment of a worker) have been duplicated unnecessarily. The opportunity to use a single application for both procedures could have been taken, and there is no technical reason for not doing so.
5. In addition to this, the huge complexity in the field of labour contracts, made more confusing by the variety of contracts receiving reductions in social security contributions, means that it is difficult for employers to obtain a clear idea of the possibilities offered.

Financial assistance for company creation

1. The **financial assistance** on offer and detailed in the NAP has been available for many years: this includes the credit line from the Official Credit Institute, the refinancing of Mutual Guarantee Funds and the support for company creation and training financed by European funds (ERDF and ESF). Nevertheless, there is still room for improvement in all these initiatives. With respect to new technologies, the implementation of and access to the I+D+i Plan should be improved **to ensure that more companies can take advantage of these incentives** for innovation and development.
2. It is still **very difficult to evaluate the policies which have been implemented**, and this is not made easier by the many different programmes and overlapping responsibilities of the various public administrations and bodies they manage. As a result, actions which are contained in the same plan are described as different accomplishments.
3. This is why our reiterated appeal for **an effort towards rationalization and transparency** is so necessary, both in terms of the development and co-ordination of programmes, and in their presentation and evaluation. Such an effort is needed so that the effects of the programmes are not wasted in the jungle of the public administration, and appropriate observations can be made after proper analysis. At present, this is not possible.

As in previous years, we have to point to the need for regrouping programmes and presenting sections in an analogous way in terms of what has been projected and what has been achieved, including information corresponding to the previous year to check on the progress made. In addition to this, all the relevant information should be included so that a proper cost-benefit analysis can be made of the programmes.

4. Finally, we have to point out that within the “promotion and support of local development initiatives” section, we are concerned about the covert finance that this could represent for the budgets of local bodies and intermediary institutions running operational programmes for employment promotion. This makes transparency of information and correct evaluation particularly important.

Promotion of the spirit of enterprise

The NAP is surprisingly lacking in this respect. It only refers to an agreement between the Ministry of Education and the employers' organization CEOE, but apart from lacking any finance, this agreement is for collaboration in vocational training and does not include promotion of the spirit of enterprise.

The tax burden on work

What this section does need is positive action on the tax burden on work. The Spanish employers' organizations consider it essential to **progressively reduce the tax burden on work and non-wage labour costs**. This point is particularly important in terms of creating a favourable business environment in which entrepreneurship thrives.

1. Spain is still **one of the countries with the highest employers' tax burden on work**, despite the continuing high rate of unemployment and the positive effects which have resulted from the measures reducing employers' social security contributions. With sufficient experience to look back on, it is clear that the results of the programme reducing employers' social security contributions have been positive, as noted by the Bank of Spain report mentioned above, and that they have contributed significantly to the process of job creation and stability in recent years. This programme was one of the results of the agreements on employment stability reached with the social partners,
2. The success of these measures, combined with the excessive employers' tax burden in Spain and the high rates of unemployment and temporary employment compared to our closest trading partners, lead us once more to point to the **need to reduce these contributions gradually, in order to increase their effect on the factors of unemployment and temporary employment mentioned above**.
3. It is of **great concern to us, especially this year, that the budget surplus in the Spanish social security system** (which is the result of contributions from employers and workers) **is being used for items which have no relation to the end purpose for which they should be allocated**, to the detriment of employment.

Guideline 3: Address change and promote adaptability and mobility

1. As representatives of the Spanish employers' organizations we would like to **highlight the effort made in the last two years** by the social partners to improve the contents of collective bargaining and promote the use of concepts which promote the adaptability of companies and workers. The Interconfederal Agreements of 2002 and 2003 can be seen as common advisory tools which furnish negotiators with important guidelines. The joint comments by the social partners included in this year's NAP note the progress made in this respect.
2. The CEOE carries out a survey and review every year of the contents of agreements to identify the main trends and difficulties. The following are worth highlighting here: the need to improve the system of working time (using the annualised total of the working day); more use of systems categorizing workers into occupational groups (updating the occupational categories); and an increase in the variable components in remuneration.

3. The problems related to “adaptability” in the Spanish labour market are not limited to the contents of collective bargaining. It is necessary to **progress in line with the agreements reached by the social partners in 1997**, which represented an appropriate move towards formulas which could offer the ideal balance between flexibility and security. It seems clear now that one of the most obvious characteristics of the Spanish labour market, the high rate of temporary employment, is a result of the lack of such formulas. Action on one of aspect of this characteristic (the cost of indefinite-term contracts, which is among the highest in the European Union) has led to a reversal in the trend up to this year, and has achieved long-lasting reductions (above all in the private sector) in this rate, unlike what is happening at present in the European Union as a whole.
4. It is also important to insist on the need to analyse the causes of the reduced use of **part-time recruitment** after the 1998 and 2001 reforms. This type of contract is particularly useful for reconciling work and family life and addressing the production needs of companies.
5. From a business perspective, we cannot agree with the inclusion of questions related to what is called the **social responsibility** of companies in the Guideline concerned with adaptability. This question responds to other measures and does not fit with the contents of this Guideline. Nevertheless, the employers’ organizations have been looking closely at this issue for some time. It is important that we are consulted regarding initiatives in this field, especially given that actions linked to social responsibility occur in and are administered by the business world on a voluntary basis. This is why we are unhappy about the exclusion of such measures from the ad hoc working group created by the Ministry of Labour.

Guideline 4: Promote development of human capital and lifelong learning

The active population in Spain is characterized by some significant imbalances in terms of levels of qualifications. There seems to be a polarization between university graduates and people who have barely completed compulsory-level education. There is a lack of intermediate levels, and skills and qualifications reveal a mismatch with the demands of the labour market.

In addition, the **dropout rate from school is particularly worrying**, and no specific measures aimed at tackling this problem appear to be in the offing.

The **Qualifications and Vocational Training Act**, passed last year, was a major milestone in progress towards lifelong learning, and significant steps are being taken in its development. However, there are certain doubts related to the haste with which some of the definitions in the Catalogue of Qualifications are being made, and uncertainty regarding the regulations which bring the system into effect. These problems cast doubt on whether the law’s ambitious objectives will be achieved. The NAP clearly shows a lack of co-ordination and a persistent duplication of effort when it talks about the Catalogue of Qualifications and the new Occupational Aptitude Certificates. In addition, the recent Royal Decree dealing with the award of Vocational Training Qualifications leaves the door open for the educational authorities to implement systems validating non-formal learning in a way which will not be co-ordinated with similar systems which the labour authorities will also probably introduce.

Nevertheless, the implementation of the new model of subsidy for **continuing training** is positive in some respects. In particular, we look on as positive the **possibility of a direct deduction** from social security contributions for training (“training tax”) by companies which invest these funds directly in training for their workers. However, we reject some other aspects of the new

regulations, such as the **break with the tripartitism**, which has influenced these issues since the proclamation of the Spanish Constitution. There is also some doubt about the future development of the new model, in particular in terms of the territorial application of continuing training.

Guideline 5: Promote active ageing

1. We stress the need for a more determined approach to guaranteeing the viability of a social protection system in the face of the challenges resulting from demographic changes. This is a matter which is pending, although some limited steps have been taken since the **Toledo Pact** of 1996.
2. The progress made following the commitment between some of the social partners and the government in 2001 is important. It allows us **to tackle the effects of an ageing population better** through measures such as flexible retirement (implemented with the Royal Decree 16/2001 on measures establishing a system of gradual and flexible retirement), although it must be said that the commitment to reduce employers' social security contributions for workers of 58 and 59 years of age has not been followed through on. We hope that in the medium term there will be an improvement in the rates of activity and continuing employment for older workers as a result of these measures being applied.

Guideline 6: Gender equality

1. CEOE and CEPYME consider it essential to understand the special situation of groups with most difficulties in integrating into the labour market.
2. Major efforts have been made in the Spanish labour market to integrate these groups, and these efforts should be acknowledged. These efforts have been reflected in changes in activity rates and employment for these groups. A substantial part of these advances is the result of various **agreements signed by the social partners**, among which the most important is the Employment Stability Agreement signed in 1997 and the Interconfederal Agreements on Collective Bargaining of 2002 and 2003 between the employers' organizations and the trade unions.

The first of these agreements gave rise to a new employment-promotion contract for groups with special difficulties. The use of the contract was broadened last year by the government (extending the range of groups involved), and it continues to be very effective in terms of stability and employment for these groups.

The 2002 and 2003 agreements include a tacit commitment to promote equal opportunities and continue to eliminate occupational and employment-related gender discrimination. A specific **monitoring committee** has been set up to study the implementation of the commitment made, and a joint review of the results of this committee, drawn up by the social partners, has been included in the NAP.

3. However, as we pointed out in the observations made last year, the employers' organizations still insist on the need to **boost equal opportunity policies in an integrated manner, in particular bearing in mind the measures needed in the field of education and training**.

In the last two years, in line with the horizontal approach to actions on this core point (which we consider to be appropriate), we rate as very positive some of the measures referring to the

plans for nurseries and crèches, the creation of support services for families and dependent workers, vocational training programmes, and guidance programmes for women with unshared family responsibilities. The objectives included in the NAP this year (new credits for co-financing more childcare facilities for under-3-year-olds, and tax allowances) could be considered valuable, although **we have to underline the need to be more specific on the results and scope of some of these measures.**

This is why, given the difference which still exists between Spain and some other EU countries, it is necessary to establish clearer concrete objectives and work towards an integrated and co-ordinated approach with the autonomous regions, increasing the budget allocation for care services for children and other dependents. These are points we already made in our comments on the NAP 2002.

Guideline 7: Promote the integration of and combat the discrimination against people at a disadvantage in the labour market

1. The integration of marginalized groups is a **challenge we have accepted and share in the business world**. We insist on the importance of maintaining an active and integrated approach based on an understanding of the various elements which create obstacles to social and labour integration. Experience shows that partial or simplistic approaches, far from improving the situation, have produced the opposite effect.
2. For this reason, we welcome the advances made along these lines in the II National Action Plan for Social Inclusion 2002-2005.
3. However, we also consider that the mere use of employment legislation to promote integration will not serve to guarantee effective integration; indeed, at times it has the opposite effect if not accompanied by policies which create sufficient incentives for recruitment. Thus, with regard to the integration of people with disabilities, we recommend that a truly ambitious **programme of assistance and subsidies** be implemented to help companies make any necessary adjustments to the working environment for such people. This programme should be set up in parallel to the incorporation of the 2000 Directive on discrimination in employment into Spanish regulations.
4. We should also like to point out that many of the measures proposed in the field of integration of people with disabilities, such as those in the agreement with CERMI, would be more effective if they had been designed with input from the employers' organizations, who were not asked for their contributions, even though this is an issue affecting the employment of these groups.

PARTICIPATION AND MANAGEMENT

In the NAP 2002, the social partners proposed an improvement in the procedures for drawing up and monitoring the NAP.

The first contribution we were asked for this year, at the beginning of July, was to offer our ideas for possible approaches or measures which could be included under certain priorities, especially those where the role of the social partners was most important. This left us initially with a positive impression, and we provided a contribution from which the position of the employers' organizations in this section of the NAP is an extract.

The final process of participation and consultation, however, has reversed these initial positive impressions: we have only received two drafts, one in July and the other (final) in September, immediately prior to the only two consultation meetings which have taken place.

Although we have to admit that many of the most important measures contained in the NAP have been the object of specific consultation throughout the year, consultation on the NAP as a whole has been far from efficient, as we have not had sufficient time either to suggest improvements or to make final observations.

We hope that next year the system of participation by the social partners will improve. The improvement should be in terms of the clarification of many of the measures proposed and the better explanation of some of them using additional information. This would be very useful when it comes to evaluating key questions and would allow us to convey these proposals more effectively to companies and employers' organizations.

**KINGDOM OF SPAIN
NATIONAL ACTION PLAN FOR EMPLOYMENT
2003**

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**ADDITIONAL MATERIAL
SUBMITTED BY CCOO AND UGT
ON 30 SEPTEMBER,
AFTER FORMAL APPROVAL OF THE PLAN.**

1. ASSESSMENT OF THE KINGDOM OF SPAIN NATIONAL ACTION PLAN 2003

The National Action Plan for Employment (NAP) has now been passed by the Spanish Cabinet. In CCOO and UGT, we consider that the NAP is not an adequate response to the problems and shortages besetting employment and the labour market in Spain and that it does not answer the challenges set by the European Commission's new Guidelines for the 2003 NAPs. The Guidelines focus on three overall objectives: full employment, improving the quality and productivity in work, and strengthening social cohesion and inclusion.

In order to respond to these challenges, the Spanish NAP 2003 should have defined its own set of quantifiable goals in order to tackle the problem areas that the UGT and CCOO consider priorities. These priorities, because of the ground Spain has to make up in reaching the EU average for each, are: to reduce women's inequality in the labour market; to cut the high rates of temporary employment, particularly among the young; to increase productivity levels by increasing investment in training, innovation and technological development; and to promote equal treatment and social and labour integration for certain groups, particularly immigrant workers. Additionally, indicators have to be established to measure the effectiveness of actions for unemployed jobseekers.

The strategies jointly presented by CCOO and UGT to tackle these problems have not been taken into account in the document drawn up by the government. In fact, as in previous years, the NAP which has been approved is the sum of measures and programmes developed within the existing budget, without any extra finance specifically for the task.

Over the last six years, the European Guidelines have been applied and implemented via concrete measures in the NAPs. Despite this, Spain has still not reached the goals set by the European Commission in 1997 for preventing long-term unemployment. The jobsearch measures offered in 2002 to young people who were unemployed for less than six months and to adults who had been unemployed for less than 12 months reached only 66% of these two groups, while the Guidelines stipulate that they should reach 100% of both groups. On average, each of the people helped participated in 1.4 actions (mainly career guidance). This rate is in fact slightly below that for the previous year and shows that there is still a long way to go to develop real jobsearch pathways.

As these data show, it is essential to improve the public employment services, both structurally and operationally. This issue will no doubt be dealt with in the new Employment Bill, at present on its way through parliament, but the crucial fact is that more staff are needed to offer the necessary personal attention.

In terms of the progress Spain has to make in technology, innovation and R&D, the NAP does not analyse the impact of the measures included in previous plans and the extent to which objectives set were reached. The EU has proposed a considerable quantitative and qualitative leap in investment. The percentage of GDP which Spain sets aside for R&D is barely 50% of the EU average, and productivity has been far below other European countries for years. Given the sizeable gap separating Spain from the other EU countries, our approach has to be considerably improved upon in order to reach the investment target, which is equivalent to 3% of GDP by 2010, as agreed at the Barcelona Summit. The government's proposals, however, are far below those of the majority of EU countries and condemn us to remain lagging behind in this respect. We need a commitment to involve the business sector in technological research and development and to strengthen our system as a whole, especially the functioning of the public sector and its links with companies and industries.

The NAP does not include any new measures to reduce the high rates of temporary employment. Those already established consist of reducing employers' social security contributions for indefinite-term recruitment of certain groups of workers. The measure included by the government in Guideline 3 with reference to Law 45/2002 should certainly not be categorized as a measure to reduce fraud and temporary employment. *It allows the body administering unemployment benefits to take court action* if a worker claiming unemployment benefit had received benefits resulting from the termination of various temporary contracts with the same company within the previous four years. The administrative body can *ask for the employer to be declared responsible for the payment of the benefits*. This measure affects the unemployment benefits which have been unjustifiably paid, but has no direct consequences on workers and their job stability. In fact, since it was introduced in May 2002, no data have been offered on its effectiveness.

In terms of increasing the rate of women finding jobs and promoting the reconciling of work and family life, we consider that the measures relating to tax credits do not go far enough, since they do not affect all female workers: they leave out unemployed women and women who have very short-term jobs. The NAP does not increase the number of places in infant schools, which would have been the single most effective horizontal measure, helping all women, regardless of whether they are in or out of work. It would also be line with the European objective of nursery services for at least 90% of children between the age of 3 years and compulsory schooling age by 2010, and 33% for children under the age of 3 years.

The UGT and CCOO would like to express our dissatisfaction with the barely token level of participation offered to the social partners in the preparation of the NAP 2003. Our input was limited to the last draft of the final document, and we were offered no prior information on the progress of the plan or on the evaluation of the measures contained in NAP 2002. We proposed the

establishment of a working procedure to monitor the processes of drafting, implementation and monitoring of each year's NAP on a stable and regular basis. This was not accepted, as we state clearly in our introductory considerations to the Guidelines.

2. PROPOSALS TO THE GOVERNMENT FROM CCOO AND UGT RELATING TO THE DRAWING UP OF THE NAP 2003 (July 2003)

This section may be found in the following document:

KINGDOM OF SPAIN NATIONAL ACTION PLAN FOR EMPLOYMENT 2003 (ANNEX VII)

Approved by the Spanish Cabinet on 19 September.

3. CONTRIBUTION OF THE SOCIAL PARTNERS TO THE EUROPEAN EMPLOYMENT STRATEGY

1. Common criteria for collective bargaining in 2003

In January 2003, the trade unions UGT and CCOO, together with the employers' organizations CEOE and CEPYME, signed the Interconfederal Agreement for Collective Bargaining (ANC) for the second year in succession. The ANC 2003 transfers the common criteria for negotiation mentioned in Guideline 3 to the negotiators of collective agreements, whatever their level (national, regional, provincial, or company). It also includes the basic aspects of the European Framework Agreement on Teleworking, signed by the CES, UNICE, UEAPME and CEEP.

The ANC 2003 recommends that collective agreements include a range of measures to balance the need for flexibility with that of workers' job security, such as those related to occupational structures: functional mobility should be linked to professional classification; the management of working time and the use of a flexible working day should bear in mind the reconciling of work and personal and family life; and continuing training should be developed to improve skills and adaptability. In order to promote greater employment stability, the ANC stipulates that collective agreements should include the promotion of indefinite-term recruitment and establishes criteria for the correct use of the various forms of temporary contracts.

2. To promote equal opportunities between men and women through collective bargaining

As mentioned in Guideline 6, during the period in which ANC 2002 was in force and while the ANC 2003 was being discussed, CEOE, CEPYME, CCOO and UGT carried out a study to analyse the factors which create obstacles to equal opportunities between men and women, evaluate the effectiveness of collective bargaining in promoting equality, and to draw up a list of good practices which could be sent to the negotiators.

3. Proposals of the round table for social dialogue related to prevention of risks at work

In December 2002, the Tripartite Round Table for social dialogue on risks at work accepted a wide range of proposals relating to risk prevention. They included: measures to reform the legal framework for prevention; proposals on prevention relating to social protection; reinforcement of the function of surveillance and control of the Labour and Social Security Inspectorate; priority action plans for companies with high rates of accidents; a new information system relating to industrial accidents; and criteria to incorporate prevention into the day-to-day operations of companies.

4. Improving the performance of the PES

The social partners have offered a number of proposals at the consultation stages of the new Employment Bill. This law is considered a basic tool for regulating the new model of devolved powers in employment policies.

5. Promoting the training of workers

Since 1993, the social partners have shared the management of workers' training through the Foundation for Training and Employment, which, in its latest phase has taken on a tripartite character. Since 1993, the social partners have been key players in the design and implementation of continuing training policies. At the moment, the present system is being revised, and the governments of the autonomous regions will join the managing bodies of continuing training. We believe that the participation of the autonomous administrations should not be allowed to threaten the tripartite character of decision-making on training and employment policies. Indeed, this is a prospect we are concerned about.