

KINGDOM OF SPAIN

NATIONAL ACTION PLAN FOR EMPLOYMENT 2000

April 2000

CONTENTS

	Page
1.BACKGROUND TO THE LAUNCH OF THE SPANISH NATIONAL ACTION PLAN FOR EMPLOYMENT 2000	3
1.1. The current macroeconomic context; employment and the labour market	3
1.2. The general employment strategy and its main objectives	6
1.3. An overview of policies and of the main results in each Pillar; an evaluation of the measures contained in the 1999 Plan	6
PILLAR I	6
PILLAR II	11
PILLAR III	13
PILLAR IV	14
2. NEW POLICIES FOR NAP 2000	15
2.1. Measures which have been undertaken or are planned in accordance with the recommendations of the Social and Economic Council	15
2.2. Measures adopted or anticipated for compliance with the new objectives introduced in the Employment Guidelines for 2000.	18
PILLAR I	18
PILLAR II	24
PILLAR III	27
PILLAR IV	29
3. ASSESSMENT OF THE CONTRIBUTION OF THE SOCIAL PARTNERS TO THE IMPLEMENTATION OF THE EMPLOYMENT GUIDELINES	30
4. ASSESSMENT OF THE CONTRIBUTION OF THE EUROPEAN SOCIAL FUND	32
APPENDICES	
I. Statistical information relating to progress in each Guideline	
II. Examples of Best Practice	
III. Responses to the NAP 2000	
IV. Programme for the promotion of stable employment for 2000; the percentage of allowances on social security contributions	

1. BACKGROUND TO THE LAUNCH OF THE SPANISH NATIONAL ACTION PLAN FOR EMPLOYMENT 2000

1.1. THE CURRENT MACROECONOMIC CONTEXT; EMPLOYMENT AND THE LABOUR MARKET

The current macroeconomic context

The launch of the Spanish National Action Plan for Employment 2000 (NAP 2000) comes in year three of the European Employment Strategy and two years after Spain's entry into the Euro. The success of these strategies has resulted in greater economic stability and budgetary restraint, allowing an increase in active employment policies, as well as underpinning soundly based economic growth and an increase in employment.

During 1999, the Spanish economy maintained a high rate of growth, creating significant employment without generating economic imbalances. This situation was assisted by moderate wage increases resulting from negotiations on the part of the social partners. GDP growth reached 3.7% as an annual average, as a result of steadily increasing domestic demand and a high rate of gross formation of fixed capital. Inflation generally continued on a downward trend, although at times it was affected by external economic factors.

At the same time, there was a marked reduction in the budget deficit to 1.1% of GDP, well under the initial objective of 1.6%. The strategy for fiscal consolidation in 1999 was accompanied by a concerted effort to liberalise and increase the flexibility of the markets for goods, services and factors of production, together with a policy of fostering competition aimed at encouraging balanced growth. The increasing emphasis put on fiscal consolidation will lead to a budget surplus in the years 2002 and 2003 and reduce national debt in relation to GDP, which in turn will contribute decisively to stability and job creation.

The NAP 2000 is being launched at a very favourable time for the Spanish economy. Participation in the EMU project, together with advances in fiscal consolidation and structural reforms, has resulted in an improvement in the performance of the economy, leading to the longest continuous period of job creation in recent history, in which over 2,200,000 new salaried jobs were created in the period 1994-1999.

The macroeconomic forecasts for the coming few years contained in the Stability Programme 1999-2003 estimate that GDP growth for the year 2000 will be 3.7%, and an average of 3.3% for the period 2001-2003. This high rate will contribute to the compliance with the objective of real convergence with the rest of the Euro Zone countries. The estimate for the increase in employment for 2000 is 2.7%, and an average of 2.2% for the period 2001-2003.

Table 1. Forecasts for the Stability Programme 1999-2003

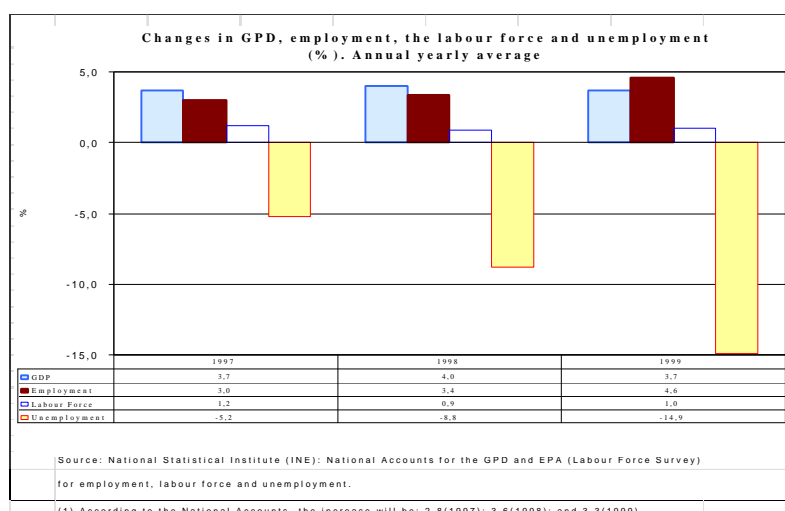
	Annual growth rates (%)	
	2.000	2001-2003
GDP	3,7	3,3
Prices (private consumption deflator)	2,0	1,9
Employment (equivalent to full time)	2,7	2,2

Employment and the labour market

Spanish labour market indicators continued to show positive trends in 1999. They reflected an increase in activity and employment and a fall in unemployment that has continued since the fourth quarter of 1994.

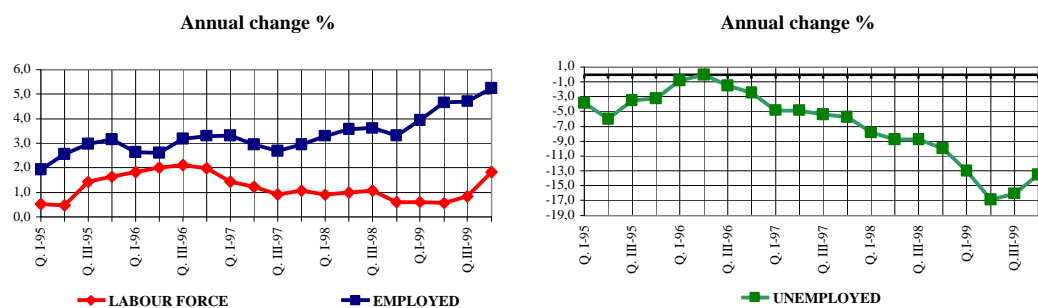
At the end of 1999, the population of those aged 16 years or over (of working age) totalled 32,695,900. This is an increase of 151,000 on the figure for 1998 (0.5%). The total labour force was 16,523,000 (up 1%), of whom 9,892,900 were men (60.2%) and 6,668,000 women. For the first time ever, the number of employed was over 14 million, and the number of unemployed was 2,562,000 (an unemployment rate of 15.4%, the lowest since 1981).

Figure 1.



The changes observed in the labour market in 1999 resulted in the following variations in the size of the labour force, employment and unemployment: the overall activity rate in the labour market increased in 1999 by 0.9 points to 63.5% (61.9% in 1997). The female rate increased 1.2 points to 49.9% (48.0% in 1997) and the male rate increased 0.7 points to 77.4% (76.0% in 1997). In relation to the rates of employment in 1999, there was an increase of 2.5 points in the overall rate, which translates into an increase of 2.5 points for men (68.7%) and 2.6 points for women (38.3%). The rate of employment increased significantly among young people, by 3.3 points to 32.1%, while among adults the increase was of 2.1 points to 59.2%. The rate of unemployment fell by nearly 3 points to 15.9% (20.8% in 1997), although the female rate, at 23.1% (28.3% in 1997), is still double the male rate, at 11.2%; and the youth unemployment rate (29.6%) is much higher than the adult rate (13.4%).

Figure 2.



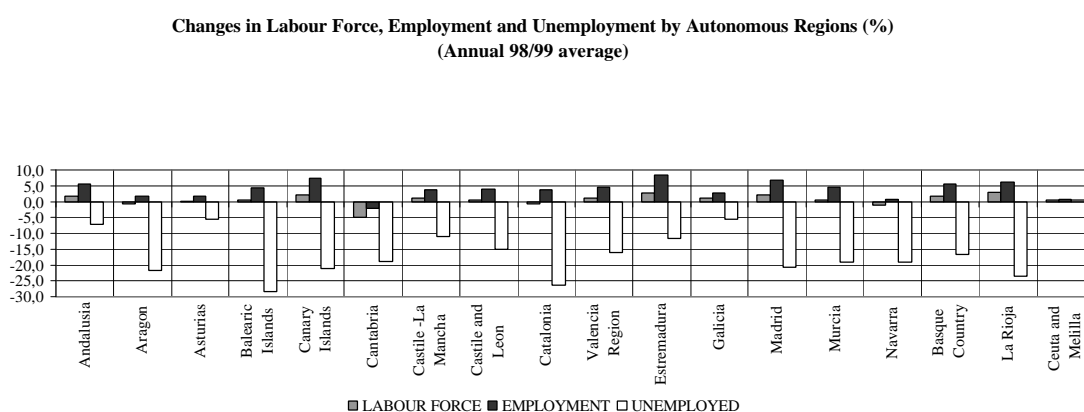
Source: INE, EPA

Recently long-term unemployment has fallen sharply; by 20.2% in 1999 and 29.3% between 1997 and 1999. As a proportion of total unemployment, long-term unemployment fell from 54.7% in 1997 to 49.8% in 1999. The rate of long-term unemployment fell from 11.4% in 1997 to 7.9% in 1999.

The strong employment figures for this period, together with the balanced budget achieved in the social security system, has allowed the creation of a pension reserve fund. This is a response to the challenge posed by the ageing population to the sustainability of the present system of social protection.

Despite good overall labour market figures for 1999, some problems still remain. These are reflected in the low rates of activity compared with the European Union average, differences in the rates of employment between men and women and also between autonomous regions. An example of this is the widely disparate unemployment rates of Andalusia (26.8%) and Navarra and the Balearic Islands, where it is just over 7%.

Figure 3.



Source: INE, EPA

The aforementioned factors form the basis for the National Action Plan for Employment 2000. Its main strategy continues to be the tackling the persistent problems of the Spanish labour market.

Other data relevant to the current situation in the labour market

For the population aged between 16 and 64 years, the activity rate is 63.5% and the rate of employment 53.3% (compared with 62.6% and 50.8% respectively in 1998).

The activity rate of 1999 shows how both among men and women, there has been an increase in the oldest age groups (55 years of age and above), which in the case of women is true for the 25-54 age group as well, while the rates among young people in general have fallen, particularly in the case of men. The overall activity rate is increasing for women and falling for men.

The new jobs created in 1999 have been mainly permanent (528,000 compared with 268,000 temporary) and full-time (722,000 compared with 73,000 part-time), though the rate of temporary work among salaried workers continues to be high, at 32.6%, practically the same as that for the year before (32.5%).

The increase in employment has varied greatly according to region. The rates of employment present significant regional differences: while in the Balearic Islands it is over 50%, in Asturias it is under 35%.

The number of people paying in to the social security system increased by 762,032 (5.52%), to a new all-time high of 14,578,326.

1.2. THE GENERAL EMPLOYMENT STRATEGY AND ITS MAIN OBJECTIVES

Employment creation is the primary objective of the Spanish government's economic policy in the medium term. The strategy for achieving this is outlined in the Employment Action Plan and the Stability Programme, together with the Report on the Programmes of Structural Reforms in the markets for goods, services and capital.

From 1996 a number of reforms were undertaken in all the spheres which influence the labour market and employment policies, as part of a process of social dialogue. This process resulted in agreements on stability in employment, collective bargaining, vocational training and lifelong learning. These reforms have also had their impact on the public employment services, which have been decentralised and brought closer to the job seeker to improve efficiency.

The reforms have had a dual objective. First, a number of labour market policies have been designed specifically to support employment through the reduction of non-wage labour costs. The aim is to create stable employment, including part-time jobs, benefiting socially disadvantaged groups, and to reduce unemployment among these groups. All these initiatives have received increased funding. Secondly, policies related to strategic initiatives to boost the productive capacity of the workforce have been formulated. These include Plans such as the INFOXXI initiative for the development of the Information Society (IS) and the National Research, Development and Innovation Plan (I+D+I) to help develop the entrepreneurial spirit. To this end, the State budget included increased expenditure plans for active employment policies with laws passed to foster stability in employment: the Laws for the Reconciling of Family and Working life; a change in the Law which regulates Temporary Employment Agencies, to clarify the rights, including wage rights, of workers employed by such companies; the Law on Cooperatives, which aims to facilitate the establishment of companies in the social economy; and the Law on the Rights of Foreigners in Spain and their Social Integration.

All these measures have been implemented against the background of dialogue and participation between the social partners and the whole of society, through NGOs and sectoral organisations and all levels of the public administration. The administrations of the autonomous regions play a crucial part in the development of employment policies because, according to the Spanish Constitution, they are responsible for their management. The process of decentralisation has advanced in recent years, leading to a devolved management structure and additional policy measures and financial resources.

1.3 AN OVERVIEW OF POLICIES AND OF THE MAIN RESULTS IN EACH PILLAR; AN EVALUATION OF THE MEASURES CONTAINED IN THE 1999 PLAN.

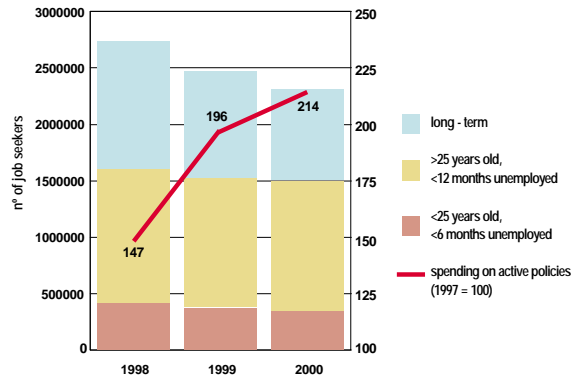
PILLAR I : Improving employability

The approval of the Employment Strategy in Luxembourg represents a greater challenge for Spain than for other countries, because Spain has to achieve the same objectives in terms of employment, but starting from higher rates of unemployment. However, in this period, the target unemployed population has fallen, whilst the resources available have increased. Thus, between February 1998 and February 2000, the number of unemployed job seekers¹ (DENOS) fell by 15.5%. But this reduction has not been the same for all categories of the unemployed. In particular, it has fallen by 28.7% among those who are considered long-term unemployed in the Guidelines (those unemployed for more than 6 or 12 months, according to their age). Conversely, the number of adults unemployed for less than 12 months has fallen more modestly, by 2.5%. This is because the number of people who enter the labour market as unemployed has not fallen (people continue to join the labour force), but the number of jobs being found has increased, so that there are fewer long-term unemployed.

¹ 'Unemployed job seekers' are those registered with the public employment services as ready and able to work. They benefit from employment actions contained in Guidelines 1-3. This definition is slightly broader than that of 'registered

Figure 4

JOB SEEKERS AND SPENDING ON ACTIVE POLICIES



One of the reasons for the greater numbers leaving the lists of unemployed is that the measures taken to ensure this have been intensified, as will be analysed throughout this document. Spending by the National Employment Institute (INEM) on active employment policies has increased by 114% in three years. This has come about through an increase in budget and an adjustment of the balance of investment between passive and active policies. Spending on active policies has increased from 19% of the total budget allocated to labour market regeneration in 1997 to 37% in 2000. Other administrations, such as those of the autonomous regions, have also contributed part of their budgets following their incorporation into the Employment Plans. Consequently, it has been possible to improve the number, quality and intensity of the actions offered to the unemployed and as a result, the employability of those job seekers who have been served.

Budget for active policies (millions of pesetas)	1.997	1.998	1.999	2.000	
				PTAS.	EUROS
INEM	372.616	558.538	747.329	774.599	4.655,4
Autonomous regions		67.830	62.231	83.657	502,8

Employability measures

During 1999 there were 1,825,851 job placements of unemployed people, grouped as shown in the accompanying tables. In all, 1,074,207 people took part in these (within each job placement programme, one person can be involved in more than one placement; on average, each unemployed person served has had 1.7 job placement actions during the year).

The numbers of unemployed people who have received job placement actions according to the time unemployed can be seen from the following table:

Unemployed who have received job placement actions, according to how long unemployed			
SHORT TERM UNEMPLOYED		LONG TERM	TOTAL
YOUNG PEOPLE	ADULTS		
225.972	519.722	328.513	1.074.207

From the table it can be seen that adult long term unemployed have benefited from more job placement actions than younger unemployed people.

The number of placement actions forecast has been exceeded by 18%. The total of unemployed people who have been served has been close to that initially forecast, but the number of actions per person was higher than

expected. The actions were organised in such a way that women benefited from 59%, thus maintaining the commitment to maintain the proportion of women served at the minimum of 56.14% represented by female unemployment. Details can be seen in the following table:

Table 2 Job placement actions carried out, according to length of time unemployed, age and gender of the beneficiary

TOTAL NAP 1999	< 25 YEARS < 6 MONTHS		> 25 YEARS < 12 MONTHS		LONG-TERM UNEMPLOYED		TOTAL		
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	TOTAL
TRAINING	96,730	85.157	73.607	106.943	56.104	89.809	226.441	281.909	508.350
- Professional Training	56,080	61.207	72.038	105.371	51.867	87.239	179.985	253.817	433.802
- Employment Training	40,650	23.950	1.569	1.572	4.237	2.570	46.456	28.092	74.548
EMPLOYMENT	18,722	11.401	124.172	92.055	32.670	35.184	175.564	138.640	314.204
- Local Employment Initiatives	77	119	311	240	281	279	669	638	1.307
- Support for self-employment	1.259	1.062	5.211	5.265	5.789	5.178	12.259	11.505	23.764
- Employment for the Disabled (2)	3.289	2.137	4.688	3.047	9.076	5.899	17.053	11.083	28.136
- Employment of Social Interest	14,097	8.083	113.962	83.503	17.524	23.828	145.583	115.414	260.997
CAREERS GUIDANCE	77,011	113.927	152.917	279.443	105.127	272.596	335.055	665.966	1.001.021
Specialists for local development	239	204	357	579	353	544	949	1.327	2.276
T O T A L	192,702	210.689	351.053	479.020	194.254	398.133	738.009	1.087.842	1.825.851

Additionally, 578,527 unemployed people entered the labour market through a form of contract that received public financing (tax allowances or subsidies).

Budgetary resources 1999

Table 3 Cost of actions in 1999

ACTIONS	GENERAL STATE ADMINISTRATION	AUTONOMOUS REGIONS	TOTAL		AVERAGE COST	
			PESETAS	EUROS	PESETAS	EUROS
TRAINING	146.775.382.150	32.378.317.954	179.153.700.104	1.076.735.423	352.422	2.118,10
Professional Training	88.356.582.150	27.641.321.470	115.997.903.620	697.161.442	267.398	1.607
Employment Training	58.418.800.000	4.736.996.484	63.155.796.484	379.573.981	847.183	5.092
EMPLOYMENT	101.713.496.908	17.798.281.990	119.511.778.898	718.280.257	380.364	2.286,03
Local Employment Initiatives	845.340.000	187.927.889	1.033.267.889	6.210.065	790.565	4.751
Support for self-employment	7.246.000.000	8.296.260.720	15.542.260.720	93.410.868	654.025	3.931
Employment for the disabled	22.576.847.408	1.634.734.150	24.211.581.558	145.514.536	860.520	5.172
Employment of Social Interest	71.045.309.500	7.679.359.231	78.724.668.731	473.144.788	301.631	1.813
CAREERS GUIDANCE	9.368.000.000	1.218.943.842	10.586.943.842	63.628.814	10.576	63,56
SPECIALIST FOR LOCAL DEVELOPMENT	5.252.456.200	718.517.926	5.970.974.126	35.886.277	2.623.451	15.767,26
T O T A L	263.109.335.258	52.114.061.712	315.223.396.970	1.894.530.772	172.645	1.037,62

Provisional budget data for actual spending (point 4 co-financed by European Social Fund).

For 1999 as a whole, it is useful to emphasise the following details regarding active employment policies shown by category in the previous tables:

Active policies are managed in partnership with the autonomous regions, with whom a Management Agreement is being developed. Its parameters are also used for developing the programme of Information Systems for Public Employment Services (SISPE), which attempts to establish common management criteria for labour mediation and the real-time digital transfer of data between the different public services involved.

The planning of measures for the NAP 2000 has taken into consideration the results of the programme of in-depth interviews begun in 1998. This sought to define the services most required by job seekers. Advice and professional orientation was found to be the priority (73%) followed by job training (23%).

The Personal Tutorial programme was started in 1999. It assigns each job seeker to an advisor, who is a specialist in vocational counselling, to help the job seeker in his or her professional search programme by offering advice on job search strategies and training programmes. As of March 2000 there had been more than 238,000 beneficiaries of this initiative.

A programme of Employment Workshops was also launched. This offers a mix of training and work experience on projects of social benefit to those over 25 years of age. In 1999 a total of 172 such workshops were started up, with 4,213 people taking part, 43% of those being unemployed people of over 40 years of age and 56% being women.

The Emergency Plan launched in 100 municipalities has resulted in the creation of experimental job placement plans aimed at specific groups and designed according to their needs. 1999 saw the implementation of the Plan in 25 municipalities. 3,900 unemployed people have benefited and 5,000 million pesetas has been invested (30 million euros).

PROFESSIONAL TRAINING

The Second National Professional Training Plan has been developed to improve professional training and extend it to those groups which are most in need of improved skills. The Plan will eventually guarantee lifelong training.

Professional training 1999: number of participants and expenditure			
	Participants	pesetas (millions)	euros (millions)
Initial professional training	567.739	256.000	1.538
Vocational training	433.802 (*)	115.997	697
Continuous training (for employed)	2.180.860 (*)	105.809	636

(*) Provisional figure

The following initiatives have been taken, regarding training as a whole:

- ✓ The Institute of Qualifications was created in 1999. As part of its work, in collaboration with the social partners and autonomous regions, the following measures are being prepared:
 - ◆ an integrated system of job information and counselling for students and the labour force in general.
 - ◆ a framework for the future National System of Qualifications as an instrument to integrate the different types of professional training.
 - ◆ indicators to allow the monitoring and evaluation of the quality of professional training.

Specifically, in the field of initial training, the most important aspect to highlight is the process by which the responsibility for the management of education has been transferred to all the autonomous regions. In addition, the following should be mentioned:

- ✓ A greater number of trainees have taken part in the programmes of initial professional training (up 27.6% on 1999). There has been an increase of 14% in the social guarantee programmes targeted at young people who have not completed compulsory education (up to 16 years of age) designed to promote practical knowledge of the labour market amongst young people up to the age of 21.

- ✓ A programme of training for the transition to life in the labour market has been designed for young people with special educational needs. Within the Leonardo Programme, the new pilot project "ALBA" aims to improve the employability of women.
- ✓ As part of the application of the current norm by which training is offered in all work centres, 106,800 individuals have carried out a practical training module in companies. In order to increase the number of participants in the future, a framework cooperation agreement has been signed between the Ministry of Education and Culture and the Higher Council of the Chambers of Commerce, Industry and Navigation.
- ✓ Vocational counselling and information has been boosted by incorporating a job counselling and information module into all the formative stages of initial professional training .
- ✓ The training of teaching staff has been boosted, with 7,873 teachers of professional training taking part in refresher courses.

Training measures for the labour force:

- ✓ Training of employed workers has increased by 15%. Additionally, disadvantaged groups, such as women, the elderly and unqualified workers, are given priority for in-company continuous training programmes.
- ✓ In relation to the training of the unemployed, there have been 16% fewer individuals trained than the number originally estimated. However, 10% of these people have been moved to mixed employment-training programmes such as Training workshops, Trade Learning Centres and Employment Workshops (that offer longer term work experience). Overall this has meant an improvement in the quality and duration of such programmes.
- ✓ A new project in the experimental phase aims to adapt the National Vocational Training Centres to the European Model of Quality Management, based on self-evaluation of objectives and management requirements.

Disabled and other disadvantaged groups

In 1999 legislative measures and adjustments to active employment policies were introduced to facilitate the effective incorporation of the disabled into the labour market, as well as that of the unemployed who suffer from social exclusion. In addition, a number of initiatives were undertaken to promote the effective integration of immigrants into the Spanish labour market. Organizations representing these groups and specialised non-governmental organizations have been encouraged to participate and manage the programmes.

Measures are being developed for the disabled, mainly in partnership with the Spanish Confederation of Representatives of the Disabled (CERMI), as agreed under the National Action Plan 1999. Actions which help with the recruitment of workers and ensure the maintenance of existing jobs are set out below:

Disabled people - categories of work	number of beneficiaries
Workers in special employment centres	28.136
Permanent contracts	9.848
Temporary contracts	4.504

Some of the most important initiatives undertaken in partnership with organizations in the sector are the actions detailed in the Appendix I and those carried out together with the Spanish National Organization for the Blind (ONCE). In these, the INEM cooperates with ONCE's placement agency, which specialises in helping the disabled in the labour market. Additionally, within its own employment and training plan ONCE has helped fill 8,002 job vacancies and trained 21,208 people.

A system of lump-sum payments of unemployment benefit for disabled people who set up as self-employed has been established. This is an extension of a programme already in force which capitalises benefits for unemployed people who set up a cooperative or who join one which already exists.

During 1999, as part of the integration of groups who are at risk of exclusion, a law was passed to extend active employment policies and other measures of integration to groups such as former drug addicts and other convicted criminals as a complement to their rehabilitation programmes.

- **Immigrants**

A Forum for the Social Integration of Immigrants has been set up as a consultative body in which the organisations in the sector take part.

In 1999, among the actions undertaken by the NGOs to integrate ethnic minorities, the Association of Gypsies developed 23 training and job finding projects for 2,600 young people without qualifications, financed with 7,805 million pesetas, some of which came from the European Social Fund, and a further 1,480 million pesetas for training, counselling and employment for 74,000 people in this group.

Beneficiaries of immigrant aid programmes

Programmes	Cost (ptas.)	Cost (euros)	Beneficiaries
Shelter	1.269.540.000	7.630.089	25.000
Support and legal defence network	180.000.000	1.081.822	30.000
Social and labour integration	200.000.000	1.202.024	20.000
TOTAL	1.649.540.000	9.913.935	75.000

PILLAR II: Developing the spirit of entrepreneurship

The measures undertaken in 1999 in this area have boosted the number of companies registered in the social security system (1,071,700). Between January 1999 and January 2000 there was a net increase of 49,000 companies, representing an annual rate of growth of 4.8%.

Support for small and medium-sized enterprises (SMEs)

Measures have concentrated on support for SMEs, their financing and the reduction of red tape. The following represent the main measures carried out, the rest being in Appendix I.

Approval of the Law of Risk-Capital Bodies aimed at companies with ordinary funding problems. The Law regulates the risk capital bodies, risk capital funds and companies managing risk capital bodies. These measures include professional advice to companies taking part and temporary equity participation in non-financial unlisted companies.

A Plan to simplify regulations and to improve the competitiveness of SMEs has been launched, as well as the system of "single windows" or "one-stop-shops", which will be extended to all Spanish provinces in the year 2000. In addition, a system of Reciprocal Guarantee Companies has been introduced:

ICO-SME credit line	400,000 million ptas. (2,404 million euros). It is estimated that 33,384 companies have benefited
Shared loans	1,245 million ptas. (7.5 million de euros) 104 new jobs
Loan title guarantees	300,000 million ptas. (1803 million euros)
Reciprocal Guarantee Companies	33.446 million ptas. (201 million euros)

Self-employment, the social economy and the local economy²

²32.184 cooperatives and work societies, providing employment for 336.400 people, were registered at the end of 1999. The number employed in such companies has risen 25.4% since

In 1999 the new Law on Cooperatives was passed. It is aimed at boosting the presence of this type of company in the market and supporting their survival by giving them a greater autonomy of management, making their economic situation more flexible and introducing measures aimed at increasing their financial stability. As an employment-boosting measure, the workers in cooperatives receive all the incentives to permanent contracts granted to workers in companies. Social Initiative Cooperatives also come under the regulation.

In addition, the new regulation on local employment initiatives ("1+E") has been approved. Companies designated as "1+E" may receive assistance of various kinds: financial support; support in their management functions; and technical assistance for taking on specialists and other workers. Priority is given to those projects which target gaps in the local market and those which develop new sources of employment.

Table 4. Self-employment

Self employment	Beneficiaries/Cost
Plan for Boosting Self-Employment	800 self-employed/320 million ptas. (1.92 million euros)
Plan for Helping Female Entrepreneurs	740 women/300 million ptas. (1.8 million euros)
SME-information services	20,000 consultations

The Information Society (IS)

The government's strategic initiative for the development of the information society, (*INFOXXI- "The Information Society for all"*) was approved on 23 December, 1999. It is a package of programmes and measures designed to encourage the adoption and development of information technology throughout the whole of society. The public administrations will work to ensure that this strategy leads to a more cohesive society.

The INFOXXI initiative lays particular stress on the intensive use of new technologies in education and training as basic tools to prevent "info-marginalisation", or exclusion from the information society, and to help people achieve more suitable qualifications which lead to work in the new economy.

INFOXXI will function along seven main lines: an emphasis on education and training; job creation; an increase in innovation; an increase in the efficiency of the public administrations and of companies; social cohesion; an improvement in people's quality of life; and the influence of Spain abroad.

The key aspects for the creation of employment in the information society, and on which measures will be taken will be based, are the following:

Beginning at school, future generations will be given the skills to face the challenges of the rapid development of information and communication technologies; workers will be given continuous training to take advantage of the employment opportunities offered by these new technologies; and measures will be taken to tap the potential of the information society as an engine of innovation.

The Electronic Data Transfer System (RED) has been set up to improve the digital connection between the administrations and the administered. Companies employing a total of 8,800,000 workers between them already take advantage of this system which deals with a large part of the social security system's paperwork.

Innovation and Quality

A number of R&D projects in the areas of technologies and applications for the information society have been approved, as well as in the exploding information industries.

A Plan for developing information technology in the hotel, catering and tourism sector and support for SMEs has been developed.

R&D in new technology projects	10,518 mill. ptas. (63.2 mill. euros)
Support for quality in service sector SMEs	180 SMEs/350 mill. ptas (2.1 mill. euros)
Support for innovation in SMEs	7,952 projects/29,363 mill. ptas (176.4 mill. euros)

- **Environmental measures**

The environmental improvement of rural areas designated as valuable in terms of woodland, ecology or tourism. The aim is to prevent depopulation. 60% of the investment is set aside for paying labour, and more than 16 million paid days of work have been generated in this way.

Investment	208.591 mill. ptas. (1.253,7 mill. euros)
------------	---

In the mixed employment/training programmes (Training Workshops, Trade Learning Centres and Employment Workshops) priority has been given to those linked directly or indirectly to environmental care and improvement. Some 35,204 trainees have taken part in environmental projects.

Preparatory work has been undertaken on the development of basic environmental principles which may be applied across the board to all training programmes.

Reduction of non-wage labour costs

The income tax reform which came in force this year has stimulated demand and had a positive effect on employment.

Allowances in social security contributions for certain types of contracts cost 285,765 million pesetas in 1999 (1,717 million euros), and stimulated the recruitment of permanent staff. There were 1,218,264 permanent contracts signed during the year, the highest yearly total ever.

- **PILLAR III: Encouraging the adaptability of employees and businesses**

The measures developed relating to this Pillar are the result of collective bargaining. The negotiations include different aspects of the policies which have been included in previous National Employment Action Plans. The regulation of working hours is included in the Regional Employment Agreements which were included in the National Employment Action Plan for 1999 and remain in force.

Measures have concentrated on the promotion of the part-time permanent working model developed as part of the reform at the end of 1998 and in the improvement of continuous training.

Trend in permanent part-time recruitment (no. of contracts)	1998 147,410	1999 261,287
---	------------------------	------------------------

In order to improve the effectiveness of collective negotiation, the duration of collective agreements has been regulated through a law which modifies the Workers' Statute.

A law has been passed modifying the legislation governing temporary employment agencies. The new law guarantees workers with this kind of company a greater degree of legal support in their relations with the company, especially in terms of wage rights.

A law for the defence of competition has been passed to ensure that markets and the efforts made at liberalisation safeguard the interests of the worker.

Measures have been taken to support R&D programmes which contribute to the modernisation of companies and develop the restructuring of labour.

The continuous training measures which have been carried out and are detailed in Pillar I also encourage the adaptability of workers to change. The system of continuous training is the result of social dialogue and is managed directly by the social partners.

The Social and Economic Council has drawn up a report called "Geographical Mobility" at the request of the Ministry of Labour with the aim of designing a plan for geographical mobility.

A framework cooperation agreement has been signed by the Ministry of Labour, local authorities and the social partners to assist in organizing the geographical mobility of temporary workers in the agricultural sector.

PILLAR IV: Strengthening equal opportunities policies for men and women

The improvement in the performance of the Spanish labour market in 1999 was mainly due to the increase in female employment. The number of employed women increased by 416,000 during the year. This represents a rise of 8.7% or 60% of all the new jobs generated during the year.

The rate of employment for the whole of the female population between 16 and 64 years of age increased from 36.3% at the end of 1998 to 38.5% in 1999. The improving employment outlook has attracted women to the labour market, resulting in an increase of the activity rate for those within this age group from 49.2% to 50%. However, although the rate of female unemployment fell by 3.6 points, there is still a considerable difference from that of men, since there has been only a negligible increase in the male activity rate. Consequently, new male employment has resulted in a fall in overall unemployment.

The increase in female employment is partly the result of the greater emphasis on active policies. During 1999, 629,706 unemployed women benefited from job placement actions, representing 59% of all those taking part.

Unemployed women who have undertaken job search programmes, according to the length of time they were unemployed (included in Table 2)			
SHORT-TERM		LONG-TERM	TOTAL
YOUNG WOMEN	ADULTS		
118.242	288.064	223.400	629.706

Some of these unemployed women have taken part in more than one placement action. As a result, the total number of job placement actions was 1,077,225, a breakdown of which can be seen in the following table:

Table 5. JOB PLACEMENT ACTIONS FOR UNEMPLOYED WOMEN		
	WOMEN	%
TRAINING	281.909	55,46
EMPLOYMENT	128.023	40,75
CAREER GUIDANCE AND PROMOTION		66,5
TOTAL NAP 1999	667.293	59,00

The total number of substitution contracts for maternity leave was 29,627, of which 81.7% were for women.

Together with the development across the board of equal opportunities for men and women in all the measures of the Employment Plan, the most important reform was the approval of the Law Reconciling Family and Professional Life for working people in 1999, with the following modifications:

- ✓ The length of time and circumstances for which maternity leave and leave for care of family members is granted have been extended, and the legal position of biological and adoptive parents has been made equal.
- ✓ A contribution-based benefit called "Risk During Pregnancy" has been introduced to apply to work deemed to represent a risk to pregnant women.

✓ There has been an extension to the existing programme which exempts contracts substituting workers on paternity or maternity leave from social security payments ("Zero cost").

✓ The Community regulations on parental leave have been incorporated.

Other measures taken in 1999 are the following (see Appendix I for more details):

✓ The use of statistics on women's work has been refined in order to target job placement actions for job seekers more efficiently.

✓ In the programme boosting new permanent contracts, the reduction in social security contributions when the worker is a women is five percentage points higher than when it is a man.

✓ Educational programmes which include care of minors have been increased by 42%. These are infant education, social integration and social-cultural initiatives.

✓ Non-compulsory modules of vocational and labour advice have been incorporated into the system of secondary education for adults.

2. NEW POLICIES FOR NAP 2000

Although they will be clarified point-by-point in the following sections, some of the main lines of action are:

To maintain the increase in active policies; to modernise the public employment services and improve the system of professional training; to develop the information society; to continue the support for SMEs; to promote equal opportunities, to develop the reconciling of family and working life; and to eliminate discrimination.

These goals will be achieved through the promotion of social dialogue, the collaboration between public administrations, social participation and a new framework of European co-financing.

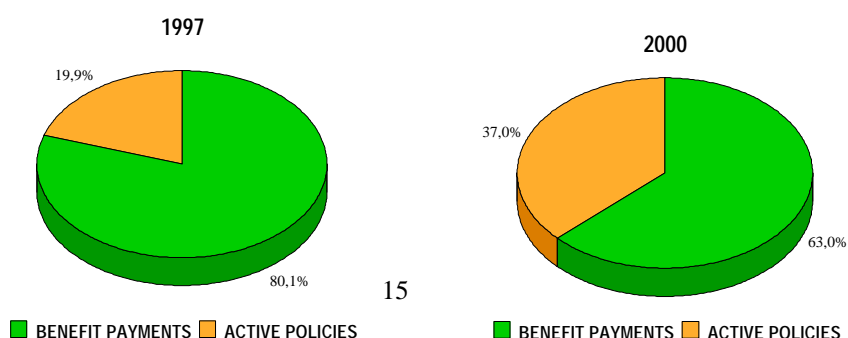
2.1 MEASURES WHICH HAVE BEEN UNDERTAKEN OR ARE PLANNED IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE COUNCIL

1) *To continue with and extend the preventative policies begun in 1998 in order to discover the needs of the unemployed, increase the number and efficiency of the individualised job search measures, and to reduce significantly the flow of young people and adults onto the lists of long-term unemployed.*

In 1998, coinciding with the first National Employment Action Plan, the budget for active policies of the National Employment Institute (INEM) increased by 47% compared to the previous year. Since then, it has continued to grow, both for this organisation and for the autonomous regions. The increase has been made possible largely thanks to a redistribution of the funds between passive and active policies, which can be seen from figure 5. In order to facilitate this redistribution, there has been a change in the legislation relating to the financing of employment policies, which has guaranteed that growth in employment leads to more generous funding for active programmes.

Figure 5

CHANGES BETWEEN THE FINAL SPENDING BUDGET OF THE NATIONAL EMPLOYMENT INSTITUTE (INEM) IN 1997 AND INITIAL BUDGET FOR 2000



An increasing number of job-seeking actions for the unemployed have been funded: from 593,361 in 1997 to 1,372,188 in 2000. The autonomous regions will finance a further 236,872 such actions in the year 2000. The increase in funds has allowed an increase in both the duration and the number of actions which the same individual can receive within his or her job seeking programme. New types of measures have also been developed which are more adapted to the changing needs of job seekers. These are explained in more detail in other parts of this document but include Employment Workshops, a programme of employment-training for unemployed adults; the Active Job-seeker's Income, a programme which combines income support with job-seeking activity for the long-term unemployed over 45 years of age; and the I+E local development programme.

Together with the favourable progress of the labour market, these measures provide the basis for a forecast reduction of 21% in the flow of entry into long-term unemployment in the year 2000, on top of a significant reduction in 1999 (as outlined in the information referred to in Pillar I).

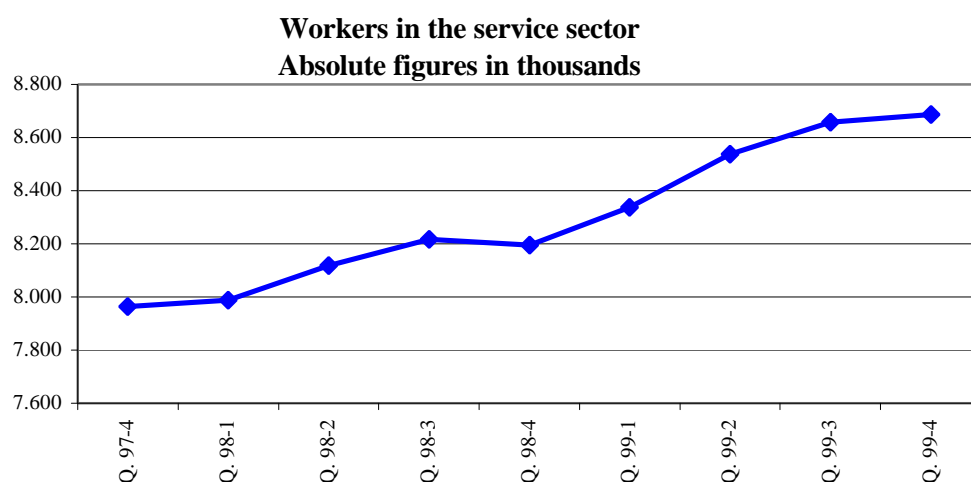
2) To adopt and apply coherent strategies containing, among others, legal and fiscal measures aimed at reducing the administrative burden for companies, in order to stimulate entrepreneurship and exploit the potential for more stable job creation in the service sector.

In order to reduce the administrative burden on companies and stimulate the spirit of entrepreneurship, the year 2000 will see the setting up of the Plan for the Simplification of Rules to Increase Competitiveness in Small and Medium-Sized Enterprises. The initiatives being developed for SMEs, also taking place locally, include "single windows" or "one-stop-shops" which already exist in four provinces and which are going to be set up in the remaining Spanish provinces with the help of the chambers of commerce and industry. The public employment services will offer companies the possibility of doing some of the administrative paperwork through the Internet, such as the registering of contracts and the search for workers. Furthermore, companies will be able to post job offers, select the best candidates, and arrange interviews as part of this scheme.

The income tax reform, which was part of the strategy to reduce the personal tax burden, has led to a reduction in total wage/salary deductions thus supporting wage restraint. It has had a further positive effect: on the creation of work in 1999, which according to initial estimates was around 50,000 jobs. Very favourable tax treatment has been introduced for the disabled who are made redundant and go on to present ideas for self-employment. Additionally, the unemployment contributions for permanent contracts have been reduced by 25%. Finally, tax measures stimulating private initiative in the social service sector for the elderly and others will be revised.

The NAP 2000 also includes measures designed to promote the growth of employment in the service sector, such as the INFOXXI initiative for the development of information and communication technologies and their use by companies. This policy of support for companies in the service sector has been rewarded by the recent growth of employment in this sector: of the 612,000 new jobs created in 1999 (according to the labour force survey EPA), 426,000 are in the service sector. Between the end of 1997 and 1999, 723,000 new jobs in the service sector have been created out of the total of 1,127,000 in the economy as a whole.

Figure 6.



Source: INE.EPA

3) To intensify the efforts to integrate an equal opportunities policy for men and women in employment policy, and, going beyond the preparatory measures already announced, to bring the rate of female unemployment closer to the European Union average.

The NAP 2000 has as a priority, to a greater extent than previous plans, the promotion of equal opportunities for men and women. This recognises the existing imbalance in the labour market, in which women suffer discrimination in the form of a higher rate of unemployment, lower rate of employment and lower wages. Equality of opportunity goes across the board in the NAP 2000, particularly with reference to the application of the Law Reconciling Family and Working Life, the boosting of training in new technologies, and the support for business projects developed by women.

To further this goal, there will be a plan of crèches and local services developed with the autonomous regions to help the entry of women into the labour market. In addition, the employment-boosting programme approved in 2000 includes an extra allowance in employers' contributions for the permanent employment of women in jobs in which they are not widely represented. The participation of women in measures in the three first Pillars of the NAP 2000 has been in proportion to their relative weight in unemployment (above 50%) and this year this policy will be continued.

• 4) To continue the efforts to improve the system of statistical control, so that in 2000 precise labour market indicators that reflect standard methods and definitions will be in use. This is particularly important in the present context of the decentralisation of active labour market policies.

A system to monitor the numbers of those joining, leaving and staying on the list of unemployed, according to the definitions laid down in the project of European indicators, has already been started. The new System of Information of the Public Employment Service (SISPE), which is at present at the development stage, is designed to ensure that the date on which job a placement programme is begun by each unemployed person is logged into the computer system in real time by the particular administrator of the particular action, thus allowing multiple points of information entry. From a wider perspective, it will mean that the form in which the information is gathered is in line with guidelines or indicators approved at a European level, despite Spain having a decentralised management model. The SISPE is a project in which the national and regional employment services work in partnership, and it will go into service in the first half of 2001. It will contribute to the improved application of the Management Agreement adopted in 1998 in which the autonomous regions and central administration agreed to cooperate in the drawing up of the Employment Action Plans. During the year 2000, as part of this project, all the autonomous regions will be assisted in the development of a regional data processing system which will allow them access to all the information about their region, which at present is held by the INEM.

2.2. MEASURES ADOPTED OR ANTICIPATED FOR COMPLIANCE WITH THE NEW OBJECTIVES INTRODUCED IN THE EMPLOYMENT GUIDELINES FOR 2000

PILLAR I : Improving employability

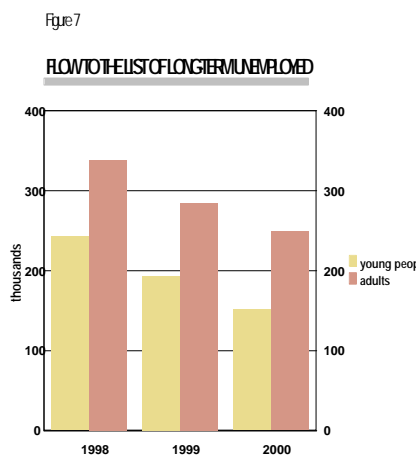
Guidelines 1 and 2

Table 6. DENOS 2000. Analysis of the problems and objectives for the year 2000

	Total	%	Change on 1999
Young < 6 months unemployed	321,750	14.7%	-8.0%
Young > 6 months unemployed	123,753	5.7%	-24.8%
Adults < 12 months unemployed	1,113,283	50.8%	1.0%
Adults > 12 months unemployed	631,304	28.8%	-12.4%
TOTAL	2,190,090	100.0%	-6.3%

The population group at which the first three guidelines are aimed, i.e. those who are registered as job seekers and are unemployed, has fallen in Spain to a greater extent than anticipated in the previous Employment Action Plan. Nevertheless, as an average this figure was 2,338,682 during 1999. For 2000 it is expected that the average will be 2,190,090, with the figures broken down as in Table 6³ above.

It is estimated that over the course of the year 2000, some 151,961 young people will complete 6 months of unemployment and that 248,482 adults will reach 12 months of unemployment.⁴ This figures are illustrated in Table 7 below.



³ The forecast reduction of 6% is lower than the unemployed total because the proportionate number of unemployed people being registered in Job Centres is

⁴ Following advice from the Indicator Group, the methodology used to record these flows is different from that used in 1999, which explains the difference in the two figures. Using the 1999 methodology however, the reduction is 21%, compared with the corresponding figure in the last National Action

During the period October 1999-March 2000, 7% of young males who had become unemployed six months previously had not found a job. The figure for young people as a whole is 15%. Among adults, 7% of men who had become unemployed a year previously were still unemployed, while the figure for women was 10%.

Guidelines 1 and 2 mean that job finding measures must be found for the unemployed before they reach the limit of six or twelve months, according to the group, but without forgetting other unemployed groups, including the long-term unemployed. Although the number of long-term unemployed has fallen faster than that of other groups, it continues to represent 34.5% of all job seekers (see table). Given the volume of long-term unemployment and the social problem it represents, the fight against it is an absolute priority. Therefore, specific programmes have been developed, apart from those detailed in the accompanying tables. These measures are described in guidelines 3 and 4. During the year 2000, actions will be provided for an estimated 1,100,000 job seekers, broken down into the following groups:

25 years, < 6 months unemployed	>25years < 12 months unemployed	Long-term unemployed	Disabled
236.000	530.000	285.000	49.000

A single person may require various actions within a job search, details of which are contained in the following table:

Table 7. Job placement actions for 2000

ACTIONS	TOTAL	< 25 years, less than 6 months unemployed	> 25 years, less than 12 months unemployed	Long-term unemployed (1)
INCREASING EMPLOYABILITY				
Training for unemployed people	482,056	110,131	236,244	135,681
Training-Employment programmes	69,976	53,822	8,653	7,501
Employment of social benefit	293,655	31,921	220,764	40,970
Employment of the disabled (2)	33,909			
Career guidance(3)	550,310	125,966	231,573	192,771
BOOSTING EMPLOYMENT				
Support for self-employment	29,424	5,411	18,663	5,350
Specialists for local development	3,955	282	3,075	598
Subsidies for employment contracts (4)	71,878	14,905	40,339	16,634
T O T A L	1,535,163	342,438	759,311	399,505

(1) This includes young people under 25 who have been registered as unemployed continuously for 6 months and older people over 25 unemployed for over 12 months, respectively.

(2) The breakdown according to age is not available for the disabled, so that the columns with missing data cannot give an accurate total.

(3) The career guidance action is a form of personalised tutoring which in the majority of cases is the first action undertaken after a diagnostic interview into the job seeker's needs. After this, the job seeker will complete his or her placement programme with another of the actions set out in the table.

(4) Contracts receiving allowances, which are in Guideline 14, are not included in the table.

The distribution of planned actions means that young people who have been unemployed for less than six months receive 22% of the total. In this case, actions are mainly training and vocational counselling. Adults who have been unemployed for less than 12 months will mainly receive, on a roughly equal basis, training, counselling and employment measures. Both groups together receive 74% of the measures, in keeping with the preventive emphasis of these guidelines. Again, the measures will be organised in such a way as to ensure the participation of women in a ratio equivalent to their proportion in the unemployed total (61.1%).

Budget

The budget commitment to finance the measures has increased by 19%, from 351,301 million pesetas in 1999 to 417,866 million (2,511.4 million euros) in the year 2000.

As a result, for the year 2000 the forecast number of job seeking measures will be practically the same, although the budget has increased substantially. Accordingly, the measures will have, in general, a higher average cost, although they will general be of a longer duration and of higher quality. thus increasing the employability of those who take part more substantially.

Table 8. Forecast spending for 2000

ACTIONS	INEM (1)	REGIONS (1)	TOTAL	
			Pesetas	Euros
IMPROVING EMPLOYABILITY				
Training of unemployed	110,325,138,285	29,270,856,907	139,595,995,192	838,988,829
Training-employment programmes	68,028,560,130	2,999,052,490	71,027,612,620	426.884.549
Employment of social benefit	88,329,728,000	7,108,147,000	95,437,875,000	573,593,181
Employment of disabled	25,158,653,900	1,475,000,000	26,633,653,900	160,071,484
Career guidance	13,447,755,000	1,526,857,946	14,974,612,946	89,999,236
BOOSTING EMPLOYMENT				
Self employment	11,587,090,000	6,365,017,190	17,952,107,190	107,894,337
Specialists for local development	12,138,690,110	1,647,000,000	13,785,690,110	82,853,666
Allowances for recruitment	12,100,050,000	26,358,269,000	38,458,319,000	231,139,152
TOTAL	341,115,665,425	76,750,200,533	417,865,865,958	2,511,424,434

(1) The budget for continuous training is not included here, but in the relevant Guideline.

The following additional lines of action within these guidelines should be highlighted:

The process of modernisation of the public employment services in collaboration with the social agents and the autonomous regions via the following initiatives:

- ✓ The SISPE Project, which will establish the common criteria for the management of employment intermediation, and computer integration of data in real time between the different public services responsible. The project will advance gradually during the year 2000 in partnership with the autonomous regions.
- ✓ The widespread use of new technologies by the public employment services:
 - Establishment in 2000 of a service which will enable companies to connect with the computer system of the public employment service to submit job offers, select the most suitable candidates, and arrange interviews with them with a view to selection.
 - Provide a "bulletin board" on the INEM homepage with job offers and candidate profiles which companies and job seekers can access from their own PCs.

Promotion of the SPE-Social Media Partnership in employment programmes. From these programmes, the public employment services will gain a higher profile in the media as job vacancies, together with the objectives of

employment policies, are advertised more broadly. This is designed to help the man in the street to gain a better understanding of the labour market.

Although most of the finance for the measures contained in these two guidelines come from the INEM, the autonomous regions will see their contribution increase compared with the previous year. The management of such measures will be carried out increasingly by the autonomous regions. Also taking part in carrying out the measures are the local corporations, the social partners and other collaborating organisations, including those in the Third Sector.

Guidelines 3 and 4

The number of job seekers who have been unemployed for longer than laid down in guidelines 1 and 2 will in the year 2000 be on average 34% lower than the benchmark number, taken as a reference for the first Action Plan, in December 1997. This reduction has been greater than that for job seekers as a whole (21%). Nevertheless, it continues to be a serious problem, particularly for the unemployed of over 45 years of age, for whom finding a job is more difficult than for younger people. For this reason, 49% of the job seekers of this age group have been unemployed for over a year, compared with 31% for the 25 to 45 age group, and 15% for the under 25 age group. In the year 2000 measures specially designed for older people will be implemented:

A strengthening of the programme of selective employment, to help the readapting and job placement of people who have a permanent incapacity, whether total or partial, and who at present receive benefits.

A restructuring of the tax and benefits system:

- ✓ As a complement to unemployment protection for those with no other form of income, it is necessary to offer this group measures which improve their employability. For this reason, and in line with the strategy of prevention, the public employment services will aim to target at least 25% of the active policy actions detailed in the first three Guidelines at people in receipt of unemployment benefit.
- ✓ Active Job Seeker's Benefit will be developed. Combined with active and passive employment measures, it provides both job placement and unemployment aid for the 90,000 long-term unemployed job seekers over 45 years of age with family responsibilities who are no longer entitled to unemployment benefit. The programme combines two elements: first, the signing of a "commitment to work", linked to a job seeking schedule with personal counselling and an introduction to programmes of employment training; and secondly, an income as complementary financial assistance for taking part in the measures described. A study on job placement is also planned with a budget of 50,000 million pesetas.

Support measures for the maintenance of older people in the labour market:

Within the framework of the Agreements originating in the Toledo Pact on the organisation of the system of pensions, older people will be encouraged to remain in the labour market.

Guidelines 5, 6, 7 and 8

In the year 2000, professional training will continue to be developed along the lines outlined in the Second National Programme for Professional Training, which will be in force until the year 2002. With the cooperation of the social partners, it has the following objectives:

To develop a flexible and responsive system strengthening the link between training and employers.

To guarantee the provision of a training system promoting the widespread use of in-company training for individuals.

To develop the system of continuous training in companies to ensure that the knowledge of workers is up to date. The main beneficiaries of this measure will be workers with the greatest chance of exclusion from the labour market (older people, women and workers with few qualifications). The management of this system will be shared between the social partners and the central administration.

To continue the design of an integrated system of professional training, which can be easily understood by company directors and workers. The system should offer individuals information on the options available for career advancement in terms of training courses they can take whether employed or not.

To establish responsive and non-bureaucratic instruments which ensure the permanent renewal of training and qualification systems in line with the changing requirements of the labour market.

In addition, the following specific actions will be developed within the framework of the NAP 2000:

Table 9. FORECAST BUDGET FOR THE YEAR 2000 AND N° OF BENEFICIARIES IN THE PROFESSIONAL TRAINING PROGRAMME			
SUB-SYSTEMS OF THE NATIONAL PROFESSIONAL TRAINING PROGRAMME	TRAINEES	FORECAST BUDGET 2000 (millions of pesetas)	FORECAST BUDGET 2000 (millions of euros)
Initial professional training	483,317	270,533	1625.9
Employment training	482,056	139,596	839.0
Continuous training	2,748,217	124,426	747.8

In the area of initial professional training, the following points should be highlighted:

- ✓ In partnership with the autonomous regions, tests will be organised to obtain diplomas of Formative Cycles of Professional Training, as stipulated under the present legislation.
- ✓ A number of Distance Professional Training Cycles will be designed, both at middle level and at higher level, in partnership with organisations representing the types of employment most in demand in the labour market. The aim is to reach people living in rural areas or those who want to study using distance learning methods for their own professional and personal needs.
- ✓ There will be an increase in the provision of Social Guarantee Programmes and other training programmes aimed at the most vulnerable groups who are at the greatest risk of exclusion: i.e. immigrants, the disabled, older workers and women.

In the area of occupational training of employed workers, the following should be emphasised:

- ✓ Professional occupational training: Considering as a whole actions to be carried out in training programmes and training in employment (Training Workshops, Trade Learning Centres and Employment Workshops. For details, see Table 7), there will be a total of 552,032 actions, an increase of 9% on the figure for 1999, despite the fact that the number of beneficiaries is falling because of the improvement in the employment figures. Within these programmes, the proportion represented by training and employment will increase from 6% in the year 1999 to 13% in the year 2000.
- ✓ A module on new information and communication technologies will be incorporated into the training programmes for the unemployed in order to help them become more computer literate. A total of 135,000 people will benefit from this measure through the training or training-employment programmes.

Regarding the training of active workers; in the year 2000, there will be a considerable increase (27%) in the number of participants, compared with the year before with a similar increase in public funds. Of the total number of participants, a greater proportion of women and older workers than in 1999 will benefit from measures of this nature.

Lastly, in relation to the quality of the system of professional training, the European Model of Quality Management (EFQM) will be introduced in 6 of the 28 National Professional Training Centres, as a first step towards establishing it in all the training centres.

The bodies which will play a direct part in carrying out these guidelines are the Ministry of Labour, the Ministry of Education and Culture, the autonomous regions, the social partners, FORCEM and the Institute for Youth.

Guideline 9

Actions and measures supporting the disabled, immigrants and other groups prone to exclusion will be developed in partnership with the administrations involved, the social partners, the representative organisations in the sector and non-governmental organisations.

The disabled

Under the Programme for Promoting Employment for Disabled Workers for the year 2000, lower social security payments will be paid by companies for recruiting workers from this group. The programme will mean the recruitment of around 16,000 workers and cost over 7,000 million pesetas (42.1 million euros).

Disabled people who lose their job and choose to become self-employed will receive favourable tax treatment. (The transfer of their unemployment benefit rights to self-employment).

Alternative measures to the one which obliges companies to make up at least 2% of their workforce with disabled people will be introduced. Companies which do not comply with this 2% minimum will have to make contributions to organisations which provide employment and training for disabled people, or source goods or services from Special Employment Centres. These will use the extra funds they receive for measures which promote effective job opportunities for the disabled in the labour market.

The management of active policies will be structured to give preference to the disabled in employment and training programmes by gearing the facilities and the teaching staff to the special needs of disabled people.

Ten units specialising in the labour market for disabled workers will be introduced (counselling, help and information) with the help of the SPE. With the help of the different agents who work to support employment in the labour market, the public employment services will intensify cooperation with private non-profit employment agencies for disabled workers.

The training and employment plan for the years 2000-2006 developed by the ONCE Foundation with public support will train 40,000 people and create 20,000 jobs.

A partnership with associations in the sector will offer new opportunities for training and employment to the disabled within the information society (teleworking, automatization of industrial processes, and the use of new technologies).

Immigrants and emigrants

The legal position of immigrants in Spain has been regulated by a new law since the beginning of the year. The Law oversees the integration of immigrants into Spanish society and the labour market, and outlaws all kinds of discrimination. It extends and clarifies the rights of immigrants to those services to improve their integration (education, health, work, etc.). As an initial development measure affecting the labour market, the legal situation of immigrants already living in Spain and often working in the black economy is being formalised.

Public dialogue in terms of a Forum for the social integration of immigrants will be encouraged. Measures will be taken to increase public awareness and prevent discrimination, to achieve better conditions of work, and to strengthen the equal opportunities policy.

A Plan will be designed and implemented to help immigrants and improve their employability through actions of occupational professional training and labour counselling adapted to their situation.

A support programme for mainland migrant workers will be introduced for some 12,000 people.

Other support programmes for immigration and the return of Spanish emigrants are being developed with a budget of 480 million pesetas. This money will pay for specific actions of counselling and training.

Table 10. Beneficiaries of immigrant support programmes

Programmes	cost in pesetas	cost in euros	beneficiaries
Shelter	2,887.5 million	17.4 million	21.600
Network of support and legal defense	258,9 million	1.5 million	32.400
Social and labour integration	1,207.3 million	7.3 million	27.000
TOTAL	4,353.7 million	26.2 million	81.000

Other disadvantaged groups

The year 2000 saw the approval of the first Programme supporting the employment of workers who are in a position of social exclusion or at risk of exclusion. This Programme provides help to the following groups: those who receive income support; young people at risk of social exclusion; people with drug problems who are being rehabilitated; and inmates of open prisons and former prisoners. Companies which employ such workers will be granted a 65% reduction in their social security contributions. It is estimated that 6,000 contracts will benefit from this measure, at a cost of 450 million pesetas (2.7 million euros).

During the present year support will be maintained for the social integration services, fundamentally by the local and regional administrations. Additionally, it is worth noting the value of the cooperation between the public administration and non-government bodies which fight against poverty and help vulnerable groups (examples included in the Appendices are the Red Cross, Cáritas and the Association of Gypsies).

PILLAR II: Developing entrepreneurship

The actions relating to this Pillar will be developed with the collaboration and direct participation of the Ministries of Economy and Finance, Industry and Energy, Defence, Labour and Social Affairs, as well as the autonomous regions, organisations of the social economy, local bodies, chambers of commerce, financial bodies and the Spanish Federation of Municipalities and Provinces.

Guideline 10

Support for SMEs

The aim is to make relations between the central administration and companies more harmonious through the use of new technologies, whilst at the same time reducing paperwork and making it easier for SMEs to gain access to financing.

The Plan for Increasing Responsiveness and Simplifying Regulations for the Competitiveness of SMEs will be developed. This will establish a simpler administrative framework for smaller companies, and extend the introduction of the "single window" to all the provinces. Additionally, quality systems for SMEs will be introduced, together with advice on innovation in the processes of management and organisation.

The Programme for Promoting Work for the year 2000 sets out the allowances available to self-employed individuals who take on workers in disadvantaged groups with a permanent contract as their first employee. This first employee can be a young person of under 30 years of age, a long-term unemployed person, one older than 45 or an unemployed woman.

- A new market for technology companies has been launched on the Madrid stock exchange.

• **Table 11. Measures taken to help the financing of SMEs:**

	Investment	euros
ICO-SME credit line	550,000 million pesetas (250,000 for asset titles)	3,305.6 million.
State guarantees for bonds issued by funds	300,000 million pesetas.	1,803 million
Refinancing of the Reciprocal Guarantee System	230,000 million pesetas	1,382.3 million
Loan participations for financing innovative projects	1,300 million pesetas	7.8 million

Guideline 11

Self-employment

The objective here is to promote training for self-employment and the support of different groups, through measures such as the Plan for Craft Workers or the Plan Supporting Female Entrepreneurs. The main actions in this section are the following:

A comprehensive Plan to help the self-employed identify and sell in new markets and to improve competitiveness. Additionally, a new Craft Workers Plan will benefit 4,300 people and has a budget of 116 million pesetas (0.7 million euros).

The Plan to support female entrepreneurs will continue in the year 2000. Under this, female entrepreneurs will receive advice to help them improve the competitiveness of their businesses. This Plan has a budget of 300 million pesetas and will benefit 720 such women.

Guideline 12

Local employment and the social economy

The beneficiaries of this measure are companies and cooperatives in the social economy. The new Cooperative Companies Law in its first year on the statute book will generate employment at a local level and in new areas of work. The public employment services will work with the social agents to provide a comprehensive service at both regional and local levels.

○ A boost will be given to local development via improved technical and economic support to young companies. This will lead to the establishment of 2,500 companies. This year 10,000 million pesetas (60.1 million euros) will be set aside for the scheme. Projects receiving priority will be those which involve new sources of employment and in particular in care services, crèches and care of the elderly.

○ A National Plan for coordinated local attention for elderly dependent people and people affected by a serious disability is being developed.

○ Courses on the creation of companies in the social economy and self-employment will be set up. The employment of job seekers by companies in the social economy will be encouraged, as will the establishment of cooperatives and social initiative labour societies to employ those people who may be socially excluded. The central government budget for these measures for this year is 2,548 million pesetas (15.3 million euros).

Guideline 13

The initiative for the development of the information society, which was approved at the end of 1999, will be implemented this year, using funds detailed in the table for the medium term, 2000-2003; and long-term, the year 2004 onwards.

INFOXXI Initiative: the information society for all	
Financing	420.000 million ptas. 2000-2002, of which 137.000 for the year 2000 (823,38 million euros)

The main measures of INFOXXI in relation to employment are the following:

1) As part of the job creation line, the following three programmes will be carried out:

- ✓ A programme to fight against labour marginalization and to combat unemployment by improving computer literacy. This will be developed in conjunction with the commitment in Guideline 8 relating to the supply of computer equipment to all teaching centres before the end of the year 2001.
- ✓ A programme for access to employment in the information and communication technology sector, leading to the improved employability of human resources.
- ✓ A programme of distance work to include as a priority the emphasis on telework by the disabled.

2) A Plan for the consolidation and competitiveness of SMEs for the period 2000-2006, to help SMEs embrace the information society. This will have an effect on such fields as quality, process innovation, design and the use of e-commerce.

3) To increase activity and employment in service companies in general and in services related to industry:

- ✓ Measures within the programmes "IS, the engine of Innovation" and "A New Industrial Infrastructure based on IT".

4) Other measures:

- ✓ The provision of financial assistance to equip 4,000 houses and clubs for the elderly with computer equipment, creating computer workshops with internet access.
- ✓ The increase of tele-assistance and tele-medicine services aimed at dependent people, and the tele-training of experts in the field of the disabled, elderly and immigrants.
- ✓ The creation of a portal for the disabled on the internet. Encouragement of the use of information and communication technology in education and the training of the disabled.

Measures relating to research, development and technological innovation. Changes in industrial policy.

The aim is to replace the policy of subsidies with one which encourages greater financial discipline among companies, as well as the development of venture capital markets. The underlying aim is to promote private investment in R&D.

The National Plan for Scientific Research and Development and Innovation Technology (I+D+I) 2000-2003 has as its objective the definition of a general strategy which includes all public measures in the area of R&D. It proposes the financing of measures in five areas: the strengthening of human resources; R&D projects; technological innovation; the provision of scientific and technical equipment and special measures in the area of international scientific cooperation; and scientific and technological promotion in society at large.

The financial instruments for the I+D+I measures include subsidies, loans and joint investment funds. The Plan includes tax incentives which aim to stimulate the I+D+I measures in productive sectors. General tax allowances of up to 30% are included as well as additional allowances for expenses relating to research personnel, acquisition of advanced technology, and spending on engineering of production processes.

In addition, the programme supporting technological innovation is centred on two basic pillars:

An increase in the use of new technology in companies; investment in the sectors and markets which are growing rapidly; an intensification in the creation and development of technology companies.

The objectives of the Ministry of Defence's R&D directive include increasing the specialisation of Spanish industry in certain technological sectors. This is calculated to increase employment and extend the use of information and communication technologies in the Armed Forces.

Tourism and commerce

A Plan for Quality in Tourism was approved in December 1999. The Plan has the general objective of improving quality in the tourism sector. It has a budget of 3,852.5 million pesetas (23.15 million euros). Measures relating to training form an important part of this initiative.

Within the development of the tourist sector it is worth highlighting the Programme of Holidays for the Elderly, which as well as improving the quality of life of elderly people, also helps keep them active in the economy and safeguards employment.

The Framework Plan for the Modernisation of Domestic Trade is designed to improve the competitiveness of retail companies, and to increase or at least maintain existing employment levels in the sector. The plan has a budget of 1,500 million pesetas (9.0 million euros) for the year 2000 for grants to small retail businesses and trade associations.

Environmental measures

Investments in infrastructure and specific actions involving the improvement of the environment centre on: hydraulic projects, water quality, coastal areas, waste disposal and forests. 318,766 million pesetas will be invested in such projects by the Ministry of the Environment. (1915,9 mill. euros).

Guideline 14

Reducing the tax burden on work

A reduction of 0.25 points in the unemployment benefit contributions of businesses and workers on permanent contracts has been introduced. This covers both full time and part-time work, and includes both new contracts and those which are already in force.

A programme of deductions in social security contributions for contracts which are begun in the year 2000 is also in force (see the Appendices for the percentages which are deducted in each case). As in previous years, permanent contracts continue to receive allowances. Deductions have been increased for groups with the greatest difficulties (the unemployed in the agricultural sector, people at risk of social exclusion, women, older people and long-term unemployed) and the self-employed. The total value of the allowances (285,159 million pesetas or 1,713.84 million euros) is equivalent to an average reduction of 1.2 points in contribution payments.

The effect of the income tax reform on the creation of employment is set out in section 2.1 of this document, on the recommendations of the Council.

PILLAR III: Promoting the adaptability of workers and companies

The aim here is to enhance the process of collective bargaining to improve the results achieved, particularly those in aspects related to the modernisation of labour organisation and its adaptability, as well as those related to the recruitment and retention of employees. In this sense, changes can already be seen in the content of collective agreements, with more clauses related to the ordering and structure of wages, types of contracts offered, ordering of working hours, functional mobility or professional training. The Interconfederal Agreement on

Collective Negotiation also offers new possibilities for modernising and rationalising the structure of collective negotiations and increasing their scope. The bodies collaborating in this Pillar are the social partners, the Ministries of Labour, Education and Culture, the autonomous regions, the National Institute of Public Administration, FORCEM and the Spanish Federation of Municipalities and Provinces.

Guideline 15

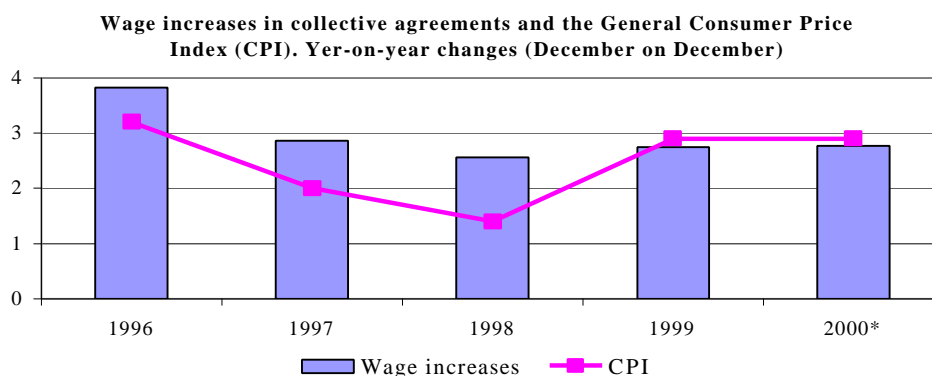
The following items should be noted in order to broaden and develop the content of collective bargaining:

- ✓ The creation of employment through partial retirement (replacement contracts).
- ✓ The development of different forms of contracts, specifying the circumstances in which temporary contracts may be used, in order to make the criteria for their use more objective.
- ✓ The development of the possibilities allowed by the law on the Agreement regulating part-time work, with amendments to make its use more attractive.
- ✓ The annual calculation of work time and its distribution.
- ✓ A reduction in overtime and paid breaks.
- ✓ A rethink of the system of wages, in particular relating to incentives linked to productivity or company results.
- ✓ The development of functional mobility through professional classification by group.
- ✓ Plans for in-company training and training leave.
- ✓ The conditions and effects on work of implementing new technologies.
- ✓ Eliminating discrimination and promoting equality.

The model of collective negotiation in the Interconfederal Agreement will be applied to maintain the development in the functioning of collective bargaining and its adaptability to changing circumstances. The Agreement is based on the distribution of issues between different levels, so that on a national sectoral level the aspects of general ordering of wage structure or time of work are dealt with; at lower levels issues more directly related to the economic situation and organisation of companies are discussed.

As indicated in the Employment Action Plan 1999, most autonomous regions have their own employment plans agreed with the social partners, which deal with questions relating to the reordering of work time, and others which are the subject of collective bargaining.

Figure 8.



* Data for 2000, up to 28 February for the increase in collective agreements and January for the CPI.

Source: Ministry of Labour and Social Affairs. INE.

Guideline 16

In collaboration with the social partners, the relevant public bodies will implement measures to monitor the movement of workers migrations and promote their mobility. This information will be used to reduce rigidities in the labour market and counter the imbalances between job offers and availability of suitable candidates which exist at present in certain geographical areas and production sectors. This is particularly true in construction, agriculture and hotel and catering. At present only 9% of workers work in provinces which are not those where they usually live. The report on geographical mobility drawn up by the Social and Economic Council will be used to stimulate social dialogue in this area.

The movement of workers within the country will be helped by the creation of a suitable support system. This will provide help for moving expenses and make housing available along with places in nurseries and hostels. The budget for this will be 300 million pesetas (1.8 million euros).

The organisation and management of job offers and job seekers will be improved through the establishment of channels of communication and cooperation between the public administrations and business and trade union organisations. Some collaboration currently assists and informs on the movement of workers from their places of origin, and has already been formalised in cooperation agreements such as the one signed between the trade unions and the Spanish Federation of Municipalities and Provinces, which helps organise domestic migration for seasonal agricultural work.

Active policies for the unemployed will be geared to production cycles, matching them to job offers at the same time as prioritising projects for employment subsidies aimed at creating infrastructures for the housing of workers away from home.

Administrative procedures will be studied in order to simplify them, guaranteeing flexible systems which allow the on-the-spot recruitment of workers without disregarding legal guarantees or workers' rights.

Information and counselling campaigns about labour law, social assistance and safety and hygiene at work will be organised for businesses and the unemployed.

Guideline 17

The system of continuous training in Spain is a participative model managed directly by the social partners. From the time it was set up, beginning with the first Agreements on Continuous Training, demand has grown significantly, as have the resources available. Since it ends on 31 December 2000, it will have to be renegotiated this year.

PILLAR IV: Strengthening the equal opportunities policy for men and women

The aim of the measures in this area is to make sure that the equal opportunities policy is applied across the whole NAP 2000, and, most importantly, specific actions are designed to offer women access to the labour market on an equal basis with men. This measure is being adopted in all public administrations. An example of this is the greater proportion of women in the newly professional armed forces (see Appendix I).

In addition, particular attention will be paid to aspects related to the reconciling of family and working life and the establishment of positive training measures in the workplace for people returning to the labour market. Bodies supporting this Pillar are the Ministries of Labour, Education and Culture, Defence, and Industry and Energy, as well as the autonomous regions, local corporations, the Institute for Women on both a state and a regional level, and the social partners.

Guideline 18

Active policy measures will be divided between men and women at least proportionally to the weight of each in the unemployment total.

A plan will be designed to distribute funds which have been allocated by the different public administrations aimed at the integration of women into the labour market, and in particular, the recruitment of women.

Guideline 19

The Programme for Employment Promotion 2000 makes one of its priorities the support for the recruitment of women: a) permanent contracts for women will receive an allowance five points greater than those for men, or ten points in the case of women who are long-term unemployed, or unemployed women over the age of 45; b) stable contracts for women will receive allowances in employment in which there is a lower rate of women, regardless of the time which they have been unemployed. (Up to the year 1999, only the recruitment of long-term unemployed women could benefit from discounts of this type.)

As additional measures, 903 million pesetas will be set aside for the following: a) boosting the measures to support female entrepreneurs, through financial assistance and counselling and training in partnership with the chambers of commerce and the General Institute for the Creation and Development of Businesses; b) promoting training in new technologies to aid the professional diversification of women.

Guideline 20

The table in Appendix I.4 includes the total budget for the measures contained in this Guideline, which is 17,441 million pesetas (104.81 million euros) for the year 2000. These measures are in areas such as the family, the elderly, the disabled and the balancing of family and working life. The principal aim here is to make it easier for women to enter the labour market. The main measures in this regard are:

The application and development of the Law Reconciling Family and Working Life, with particular attention being paid to parental leave and enforcement of the law.

A plan for crèches using public funds will be promoted with the cooperation of the local corporations and autonomous regions, in order to generate female employment and help more women into the labour market.

The creation of support services for families and workers with elderly dependents will be assisted (home help, day centres, night centres). This will be done in partnership with the local corporations and will be financed with public funds.

Guideline 21

The table in Appendix I.2 includes the total budget for the measures for the year 2000, amounting to 484 million pesetas (2.91 million euros), for the training and counselling of the unemployed for re-entry into the labour market in rural and urban locations.

To make it possible for workers who are on career breaks or parental leave to receive training in order not to lose their professional capabilities and to allow them to return to work when they end their period of inactivity. In the year 2000 these people are included in the permanent company training plans, subsidised with public funds, on an equal basis to people who are working.

To continue with professional training and counselling programmes for women with lone parent responsibilities.

To design and develop personalised job-finding schedules for women who are the victims of domestic violence, are long-term unemployed, or have special difficulties.

3. THE ASSESSMENT OF THE CONTRIBUTION OF THE SOCIAL PARTNERS TO THE IMPLEMENTATION OF THE EMPLOYMENT GUIDELINES

The contribution of the social partners to the implementation of the employment guidelines has been decisive, as can be seen both in the present NAP and in those for the years 1998 and 1999.

The implementation of the European Employment Strategy, and in general, the design and approval of social and labour market policies has been possible in Spain thanks to social dialogue. One result of the climate of cooperation and commitment between the social partners is a number of important Agreements on labour regulation, social protection and professional training.

The different Agreements reached have had a beneficial effect, both in terms of reinforcing social dialogue as the most suitable procedure for the analysis and reform of the different areas of social policy, and by the efficiency and overall success of the majority of the measures and regulations approved as a consequence of what was agreed. The clearest examples of this are the creation of quality employment and the financial turnaround of the social security system.

Practically all the issues set out in the Guidelines have been addressed in these last few years in the context of social dialogue. Thus, the Agreements on Stability in Work (1997) favour flexibility, safety and the reduction of recruitment costs for women, young people, the elderly and the disabled. The measures promoting stable employment contained in the agreements have been converted into the annual Stable Employment Promotion Programme. (The Agreements and their development were selected as Best European Practice in the joint report for 1998.)

The adaptability of companies and self-regulation of labour relations have also been promoted by the Agreements on Extrajudicial Resolution of Conflicts (1996) and Collective Negotiation and Temporary Legislative Cover (1997). To promote more flexible and adaptable contractual models, the government and trade unions reached an agreement on part-time work and the promotion of employment stability which incorporated the criteria of flexibility and improvement of social protection in part-time contracts. This was achieved without the support of employers' organisations, however.

In relation to professional training, the Second National Professional Training Programme, approved in 1998 and in force until 2002, contained the main strategy and parameters for training programmes for companies, the educational system and unemployed and employed workers. In particular, the Second National Agreement on Continuous Training consolidated a flexible model in which the management of training schemes is undertaken by the social partners themselves.

Furthermore, the Agreement on the consolidation and rationalisation of the social security system reached between the government and the trade unions safeguards important mechanisms of social protection, including pensions, and has led to the establishment of a reserve fund for the future needs of the system, made possible by the growth in employment.

Other agreements have centred on employment and social protection in the agricultural sector, the prevention of risks at work or the functioning of the public employment services. At a regional level there has also been a number of Agreements which have brought together the social partners and authorities from the autonomous regions.

The commitment demonstrated by the social partners to the creation of employment and development of the guidelines has been complemented by their participation in the design and implementation of past NAPs and all the resulting regulations. Of particular importance have been the results of collective negotiation.

However, their participation does not represent agreement with or acceptance of all the measures and programmes which are included here. In fact, the NAPs for 1998 and 1999 did not have the approval of the trade unions.

The social partners have included their proposals for the year 2000. These are included in Appendix III. Although the trade unions' evaluation of the employment guidelines has been positive, they have called for a greater effort and coherence in the following aspects: active policies (job-search schedules); public measures of job creation (provision of care services and reductions in working time); a reduction in the proportion of temporary work and turnover in work; an improvement in unemployment protection; measures against job losses and to improve pensions; a reform of basic employment law; and greater drive for equal opportunities (men and women, as well as the disabled and immigrants).

For their part, the employers' organisations suggest measures in the following areas: a modification of the model of part-time contract; an improvement in the coordination of the public employment services; active policies (indicators, quality, monitoring); training (languages and computer use); the financing of social protection (a reduction in contributions); the linking of active and passive employment policies; and equality of opportunities. The new political agenda (after this year's general elections) will continue the policy of giving priority to the generation of employment and the fight against unemployment. Social dialogue and the participation of the social partners are considered the ideal mechanisms for undertaking employment reform and for the renewal of Agreements which will characterise employment policies in the next few years.

4. ASSESSMENT OF THE CONTRIBUTION OF THE EUROPEAN SOCIAL FUND

Financial forecasts of the actions of the European Social Fund in relation to the European Strategy for employment for the years 1998 and 1999:

The projected spending in the ambit of the European Social Fund for the year 1998 as part of the European Strategy for Employment was 447,772 million pesetas (2,690.86 million euros), including committed and actual spending, of which the structural fund, the European Social Fund, supplied around 278,061 million pesetas (1,771.18 million euros), representing more than 62% of the total.

In 1999, the budget was 470,000 million pesetas (2,874.76 million euros), of which 291,000 million pesetas (1,748.95 million euros) were from the European Social Fund, again representing over 62% of the total.

For the two-year period 1998-1999 the funds allocated and used within the ambit of the European Social Fund were over 917,073 million pesetas (5,511.72 million euros), of which 568,706 million pesetas (3,417.99 million euros) equate to investment of this structural fund, equivalent to 62% of the total.

The measures financed are as follows:

- ✓ More than 60% are related to work training measures such as support for recruitment of employees, support for self-employment, combined training and employment programmes such as Training Workshops in addition to other advice measures designed to combat youth unemployment and long-term unemployment, and facilitate the entry into the labour market of women and those most at risk of social exclusion. These measures are developed primarily by the Ministry of Labour and Social Affairs (the INEM, the Institute for Women, the National Institute of Migrations and Social Services, the Social Maritime Institute) complemented by the Ministry of Justice, the Ministry of Industry and Energy, the Ministry of Economy and Finance, the Ministry of Agriculture, Fisheries and Food and the autonomous regions.
- ✓ Over 25% are measures aimed mainly at young people to improve their employability through regulated professional training.
- ✓ The remaining measures financed in 1998 were those of continuous training, run by the INEM and the autonomous regions.

The above demonstrates clearly the crucial importance of the European Social Fund resources to the Employment Action Plans. Without this finance it would be difficult to maintain the levels of investment required to support present and future active employment policies.

The Employment Action Plans for 1998 and 1999 were formulated alongside an existing programme of measures of many years' duration, financed by the European Social Fund, which came to an end in 1999. For this reason, in the control and evaluation of the Employment Action Plan 1998 and the forecasts for the year 1999, the measures budgeted in the Plan and financed by the European Social Fund have been clearly defined. The results allow an evaluation of the efficiency in the use of resources and the performance of the state in co-financing active employment policies with its own budgetary resources.

Table 12. FINANCIAL FORECASTS OF THE ACTIONS OF THE EUROPEAN SOCIAL FUND

ACTIONS OF THE ESF	ESF AID MIL. PESETAS		ESF AID MIL. EUROS	
	EXECUTED 1998	FORECAST 1999	EXECUTED 1998	FORECAST 1999
- Pillar I (Fighting unemployment), Pillar II (Promoting the social economy), Pillar IV (Equal opportunities)				
PROFESSIONAL-EMPLOYMENT TRAINING	63.530,8	68.925,8	381,8	414,2
COMINED TRAINING-EMPLOYMENT PROGRAMMES	18.253,1	9.613,4	109,7	57,8
AID FOR EMPLOYMENT	82.056,1	80.354,1	493,2	482,9
GUIDANCE AND COUNSELLING ACTIONS	10.737,3	12.667,8	64,5	76,1
<u>TOTAL</u>	<u>174.577,3</u>	<u>171.561,1</u>	<u>1.049,2</u>	<u>1.031,0</u>
- Pillar I (Developing permanent training)				
TRAINING OF EMPLOYED PEOPLE	32.236,4	39.856,9	193,7	239,5
PREVENTIATIVE AND SUPPORT ACTIONS	1.208,0	1.303,4	7,3	7,8
<u>TOTAL</u>	<u>33.444,5</u>	<u>41.160,2</u>	<u>201,0</u>	<u>247,3</u>
- Pillar I (Improving the efficiency of school systems and making young people more adaptable)				
PROFESSIONAL TRAINING-EDUCATION	63.706,5	65.135,0	382,9	391,5
CAREER ADVICE AND COUNSELLING ACTIONS	590,1	746,8	3,5	4,5
SOCIAL GUARANTEE PROGRAMME	5.742,2	12.042,0	34,5	72,4
<u>TOTAL</u>	<u>70.038,7</u>	<u>77.923,8</u>	<u>420,9</u>	<u>468,4</u>
T O T A L	278.060,5	290.645,1	1.671,2	1.746,7

1. Programme for the promotion of stable employment for 2000: the Percentage of Allowances on Social Security Contributions

FULL TIME INITIAL PERMANENT CONTRACTS	Contracts entered into from 17-5-99 to 31-12-99		Employment p
	Amount	Duration	Amount
YOUNG PEOPLE UNDER 30 YEARS OF AGE	35% or 40% (Women) 25% or 30% (Women)	12 months 12 months	20% or 25% (W
LONG-TERM UNEMPLOYED	40% or 45% (Women) 30% or 35% (Women)	12 months 12 months	50% or 60% (W 45% or 55% (W
OVER 45 YEARS OF AGE	45% or 50% (Women) 40% or 45% (Women)	12 months The rest of the contract	50% or 60% (W 45% or 55% (W
WOMEN HIRED FOR JOBS WITH A LOWER RATE OF FEMALE EMPLOYMENT	LONG-TERM UNEMPLOYED 45% 40%	12 months 12 months	If they are long- ployed or over 4 60% 55%
			The rest: 35% 30%
RECRUITMENT OF THE DISABLED	70% < 45 Years 90% > 45 Years 650.000 Pts. subsidy	For all the contract	70% < 45 Years 90% > 45 Years 650.000 Pts. subsidy

INITIAL PERMANENT CONTRACTS	Contracts entered into from 17-5-99 to 31-12-99		Employment P
	Amount	Duration	Amount
PEOPLE RECEIVING SUBSIDY AS TEMPORARY AGRICULTURAL WORKERS (OVER 45 OR LONG-TERM UNEMPLOYED)	No special treatment		90% 85%
1st EMPLOYEE OF A SELF-EMPLOYED PERSON, EITHER UNDER 30, OVER 45, LONG-TERM UNEMPLOYED OR A WOMAN IN A JOB IN WHICH WOMEN ARE UNDER-REPRESENTED	No special treatment		Over 45 years c term unemploye 60% 55% <hr/> UNDER 30 YE/ 35% 30%

TRANSFORMATION OF TEMPORARY CONTRACTS INTO PERMANENT CONTRACTS	Full-time contracts from 17-5-99 to 31-12-99 or part-time from 1-1-99 to 31-12-99		Employment P
	Amount	Duration	Amount

TRAINING AND REPLACEMENT CONTRACTS	25%	24 months	20%
OTHERS	25%	24 months	-

PART-TIME CONTRACTS	The same allowances as for full-time contracts, except that allowances for wo		
---------------------	---	--	--

RECRUITEMENTS TO COVER WORKERS ON MATERNITY LEAVE	Full-time contracts from 17-5-99 to 31-12-99 or part-time from 1-1-99 to 31-12-99		Employment P
	Amount	Duration	Amount
	100%	The same as substitution contract	100%
TEMPORARY RECRUITMENT OF DISABLED WORKERS	Full-time contracts from 17-5-99 to 31-12-99 or part-time from 1-1-99 a 31-12-99		Employment P
	Amount	Duration	Amount
	From 75% to 100%	3 years	From 75% to 100%
RECRUITMENT OF PEOPLE WHO ARE IN SOCIAL EXCLUSION	NO SPECIAL TREATMENT		65%

APPENDIX II

Example of Best Practice

Optima Programme

Optima Programme

Promoting body: The Institute for Women (part of the Ministry of Labour and Social Affairs).

Objective: To provide support for companies by measures which make it easier to recruit and promote women and to foster social development favourable to equal opportunities, turning the companies taking part in the Plan into model organisations. The main goals of the Programme are as follows:

To include companies of all sizes, in all sectors and geographical locations.

To set up support mechanisms.

To spread and exchange information on the Programme and to create feedback loops.

To award quality badges to companies which apply "Positive Action Plans".

To establish mechanisms guaranteeing the continuity of the measures undertaken.

To publicise the experience gained from the Programme at a national level and within the European Union.

The development of the programme: The Programme was begun in 1995 and has had two stages:

Between 1995 and 1997, it was part of the Community Initiative Employment and Development of Human Resources, under the name "NOW".

Between 1998 and 2000 it has been known as OPTIMA.

The Secretariat for Women of the CCOO trade union collaborated on its promotion at the second stage.

Methodology: It helps companies to detect sex discrimination in the workplace and to design Positive Action Plans to eliminate it. On being accepted into the Programme by the Institute for Women, the company commits itself to taking part in institutional campaigns in the media together with the other participating businesses.

Services offered by the Programme: Analysis of workforces and design of the Positive Action Plans for companies which request them, as well as the necessary specialised technical assistance. All of this is provided free of charge.

Results of the Programme:

The number of member companies incorporated in the Programme is at present 43.

The number of people affected is 50,762, of whom 35% are women.

22% of the companies involved are multinationals, 46% are national and 32% are regional.

The number of companies awarded a badge of "Participating Equal Opportunities Body" is 14.

Institutional campaigns were carried out in 1997 and 1999, with very positive results; the number of applications for information increased considerably.

At the end of 1999 an evaluation of the Programme was made, and the results justify its continuation.

IIError! Unknown switch

1. Responses to the Spanish National Action Plan for Employment 2000 from:

- 1.1 Employers' organisations
- 1.2 Trade union organisations

1.1 Employers' organisations: CEOE and CEPYME

The Government sent the draft of the National Employment Action Plan 2000 to the social partners. The Plan is part of the co-ordinated employment strategy which was introduced by the **Treaty of the Union** on its reform in 1997.

Outstanding progress made in employment

Before a more detailed assessment of the Plan, we would like to highlight the headway made in employment in Spain in 1999.

The unemployment rate in Spain fell from 18.8% in 1998 to 15.8% in 1999. Over 600,000 net jobs were created in that period, according to data from the Labour Force Survey. These figures continue the trend of falling unemployment in the last few years, and it is worth noting that in 1994 the unemployment rate in Spain was 24%. This means that the rate of employment growth has been greater than in nearly all the other European Union countries.

To this extent, aside from the concrete measures introduced by the Plan, we welcome the fact that it continues to reflect a macroeconomic policy based on stability. This policy has led to sustained growth in labour activity and employment, thanks to such factors as the control of inflation and the public deficit, wage moderation, liberalisation of markets, and productive social dialogue.

This does not prevent us as business organisations, or the Spanish society in general, from maintaining a justifiable concern regarding the phenomenon of unemployment. It continues at much higher levels in Spain than in other European Union countries, despite the efforts which have gone in to combating it, and the success which has resulted.

This is why we agree with the Community institutions on the need to maintain, as a priority, the solution of the unemployment problem, using a co-ordinated employment strategy, which includes more coherent and quality-based actions, along the main lines laid down in the recent Lisbon Summit.

As with previous Employment Action Plans, this one brings together a very diverse package of measures grouped into four pillars which set out the guidelines for employment in the year 2000. Many of these measures are a continuation or a development of those established in previous years, while others have been reintroduced according to the demands of new guidelines and new employment needs.

The opinions set out below are general in character and do not attempt to consider the details of each of the measures in the Plan. Rather, the aim is to examine it as a whole and as a feature of the overall strategy of which it forms a part.

The effects of the reform of the year 1997 have continued to provide results

In 1997, CEOE, CEPYME and the trade unions signed the Agreements for Stability in Employment and Collective Negotiation. Their main aim was to boost stable employment within the more competitive scenario resulting from Economic and Monetary Union.

One of the key elements in the Agreements was the new model of permanent contracts targeted at those groups which were particularly affected by unemployment. The new contract included a lower severance payment than the normal permanent contract.

For its part, the Government reduced the social security contributions for employers using the new contract. Within a few months the agreements began to show very positive effects. The trend of previous years for recruiting on a temporary basis tailed off and the number of permanent contracts increased to three times that of previous years.

Unlike the trend of previous years, the rate of temporary recruitment has begun to fall, despite a period of economic expansion. In the private sector (which was the ambit of the Agreements) the rate has fallen by nearly 5 points from the time the Agreements were signed (from 39.3% in 1997 to 35.9% at the end of 1999).

The period of the Agreements ends next year (2001) and it is the responsibility of the social partners to continue the process which has been started. **Whatever the outcome, given the positive results which have been obtained so far, it appears sensible to continue along the lines which have contributed to success.**

In this respect, the government should make a more determined effort and bear in mind that it is not the penalisation of temporary contracts which has contributed towards a radical change in favour of stable employment. Indeed, Spain is one of the few European Union countries which will not have to change its domestic regulations in order to transfer the Directive which regulates the framework of fixed-term contracts. (This Directive is the result of an Agreement between the social partners at a European Union level).

New employment-boosting frameworks: part-time contracts

One of the challenges which has not been addressed adequately by the present Employment Action Plan is the creation of stable employment through new models which can help promote recruitment and which aim to find a more reasonable measure of flexibility, as recommended by the Council.

The figures from 1999 show clearly the failure of the new model of part-time contract, which is too complex and rigid. The proportion of part-time workers continues to be far below the European Union average and remains at around 8%, despite the recent tendency in other countries for the proportion to rise.

The business organisations consider this kind of contract ideal to reconcile the productive needs of companies with the professional and family life of workers, and a better use should be made of it.

In any case, the results from the year 1999 show that it is unproductive to look for solutions without regard for the interest of companies. The difference from the results of the 1997 Agreements is clear.

Progress in collective negotiation

In relation to Pillar III, which refers to increasing the adaptability of companies and workers, the employers' organisations would like to point to the changes in the contents of collective negotiation. **The effort to renew the content of collective agreements has been maintained**, above all in aspects such as job descriptions, payment systems or treatment of working time.

On the last point, it is important to highlight the progress which has been made regarding the introduction of flexible elements which make working time more adaptable to the needs of the company and the workers. It is increasingly common for collective agreements to introduce clauses referring exclusively to annual working time, for agreements to distribute and regulate working time or for more flexible overtime arrangements.

Another point is that the creation of incentives to reduce the working day in order to create jobs has had practically no effect in the labour market, and very few companies have used them. Despite this, it is worrying that many such incentive systems are springing up in the autonomous regions. This process could lead to a segmentation of the labour market.

In any case, problems related to working time should be treated from a standpoint which respects the collective autonomy of negotiating parties and should be linked to improvements in a company's productivity and competitiveness. **Any position which is based on laws forcing a reduction of the working day are counter-productive in terms of employment**, and have also been shown to be inefficient.

Improvement in the co-ordination of public employment services

Among the elements contained in the Plan is one referring to the modernisation of the public employment services. The process by which a large part of the present responsibilities of the National Employment Institute (INEM) has been transferred to regional bodies can serve to improve the mechanisms balancing supply and demand in the labour market, given the increasingly specific needs of geographical areas.

For this reason, we agree with the recommendations of guideline 12 for the year 2000 which points to the need to take full advantage of the possibilities offered by the public employment services to identify local employment opportunities and improve the mechanisms of local labour markets.

However, if the system in general is to work as well as possible (i.e. the active employment policies), it is essential that the process by which public employment services are transferred to the autonomous regions includes a specific definition of stable mechanisms of **collaboration and co-operation**.

It does not appear that the mechanisms which have been set up so far (such as "SISPE" or the "Public Employment Services Information System") **in the National Employment Plan are sufficient in this sense, and it is very worrying that a lack of co-operation could obstruct coherent and efficient action.** There has been increasing decentralisation not only in the administrations of autonomous regions, but other bodies, some of them recent arrivals, such as NGOs, SIPES, non-profit employment agencies, and local bodies. Geographical mobility, which is increasingly necessary in the Spanish labour market, could be seriously hampered by this situation.

The objective of the employers' organisations within this new scenario should be therefore to promote a series of measures which are inter-connected and **which guarantee that the different actions taken will be complementary and as efficient as possible, without unnecessary duplication**, as well as respecting the principle of the **unity of the labour market** and improving geographical mobility. The central administration cannot wash its hands of its responsibility as overall co-ordinator of the system.

It is significant in this respect that an initial reference to the need to re-examine the relationship between the public employment services and other agents in the labour market has not been included in the final draft.

A further development of indicators of quality, effort and results for the monitoring and evaluation of employment policy

A co-ordinated employment strategy can be a very useful instrument, in particular in its capacity to combine efforts and to create a system capable of comparing and monitoring employment policies, and thus finding and using the best practices, where these can be ascertained.

Thus neither unification nor even harmonisation are the "raison d'être" of employment policies. A process of integration cannot ignore the particularities of different models of social development, which are intimately linked to the peculiarities of the societies, cultures and institutions in which they occur. The problem of unemployment is clearly linked to circumstances which are not only part of a particular state or region, but also of increasingly precise geographical areas.

Moreover, the advances made in the field of a co-ordinated employment strategy should be on the basis not of artificially quantified objectives, but of indicators which really measure the rate of effort, quality and above all, the impact of the actions carried out.

For this reason, in order to achieve the objectives set out in the first, second and third guidelines for this year, and for previous years, a greater emphasis should be placed on the improvement of these indices.

The Plan does not specify any **indicators and mechanisms of monitoring and evaluation**, particularly referring to the **quality and impact** of the actions proposed, **apart from some merely quantitative objectives**.

Furthermore, despite the efforts which have been made, there is no clear evaluation of actions carried out in previous plans (in particular, of in-depth interviews, voluntary commitments to work and job-placement schedules), in terms of their quality and impact, in order to measure their efficiency, as recommended by the European Commission to the government this year.

Advance in permanent quality control mechanisms and continuous improvement in actions and proposals

Apart from the establishment of monitoring and evaluation measures, it is necessary to have permanent quality control instruments and above all, instruments which work on the premise of **continuous improvement**, and can

make the necessary corrections as these are needed so that new actions and policies may achieve their objectives.

In this sense, it appears at times, rather than on an integrated plan of action, the Plan is based on "trial and error". Actions are tried, and, after a while, if they do not produce the results hoped for they are rejected, and others put in their place, without giving the opportunity for a gradual process of advance by "step-by-step progression".

Although it has to be acknowledged that there are some references to quality (the EFQM model for Training Centres, the Plan of Quality of Tourism, etc.), the general approach in the draft does not appear sufficient, **since there is no guarantee of the mechanisms the employers' organisations have mentioned of permanent quality control and continuous improvement of actions and proposals.**

Training systems: special reference to linguistic and computer abilities

In relation to the Employment Action Plan 1998, the CEOE and CEPYME reflected on the integration of the three training systems and the need to develop a training system which is geared more towards demand. These considerations continue to be valid, but a special mention should be made of the new actions which are planned relating to the new aspects introduced by the guidelines this year on the transition from school to the labour market.

Guideline 8 emphasises the need to ease the transition from school to the labour market through adequate training systems which enable the acquisition of computer skills by students and teachers. The recent Lisbon Summit has also singled out the development of new skills related to technology in the context of constant innovation as a priority. The business organisations cannot but praise this new perspective and recommendation for employment policies.

However, despite the effort which has undoubtedly been made to introduce more and more varied actions related to **the information society**, the Plan lacks something which would go beyond the adoption of a "computer literacy" strategy: that is, **a better definition of other, more varied training actions**, which reflects the changes brought by new technologies to jobs in all sectors.

In addition, as part of the actions intended to facilitate the transition from school to the labour market, a greater effort should be made **to improve the development of linguistic abilities** in the Spanish labour market. This is a particularly important objective for our country, given the low language level of our labour force in relation to that of other European Union countries (Eurobarometer 1999).

Thus, as a complementary measure to the actions planned as an application of guideline 8, an additional across-the-board strategy to promote **linguistic ability** should be developed, particularly in English. Such abilities are essential in the present context of internationalisation.

Social protection systems

The references within the Plan to the development of Spain's system of social protection also merit a special mention.

The Spanish social security system has made a significant effort in the last decade, an effort which even exceeded the country's economic possibilities, to protect and improve the provision of health services, to insure against employment problems, or to provide for old age.

Companies and workers have supported this effort by financing the majority of the cost of the social security system by way of social security payments.

Despite the universal nature of some benefits such as health and social services, and the incorporation of new universal non-contributory benefits, the social security system has been sustained largely through payments by companies and workers.

From 1989 transfers from the state increased, but these have been notably insufficient to cover the spending on universal non-contributory benefits which continue to be partially paid for by social benefit payments.

The employers are the main financiers of the system. With total payments for the year 2000 of 9,5 billion pesetas, employers contribute more than 6,5 billion, which represents nearly 69% of the total and is not a one-off figure.

This large sum is by far the biggest single contribution to the state and social security budget, far higher than total income tax or VAT revenues.

The money paid by companies to the social security system finances more than half of the budget of the system, which is not the case in other countries. In fact, in all, employers contribute nearly 30% of the finance for social spending.

CEOE and CEPYME are in favour of a gradual general reduction in employers' social security contributions, in line with the recommendations of the Guidelines for 1999 and in the broad direction of economic policy. Although there was a symbolic advance introduced in the 1999 state budget, a reduction of 0.25 points in unemployment benefit contributions, we consider that **a more resolute effort should be made** on this point given the high level of unemployment.

The employers' organisations also consider it necessary and reasonable to carry out the provisions of the Toledo Pact and define new objectives for the next few years, bearing in mind the economic and demographic forecasts, as we consider that these stipulations offer sufficient criteria to lay the groundwork for an appropriate implementation of the model of social security defined in article 41 of the Spanish Constitution.

To achieve this, what is needed is a rational and professional debate which marks the start of a temporary programme to deal with such matters as: the end of the process of separating the sources of finance for the social security system; the application of the principles of financial solidarity and a single financing source in its financial and economic management; the creation of reserves; and more flexible and innovative formulas in the matter of complementary welfare provisions.

The link between passive and active policies: towards a more ambitious mechanism

In addition, as part of the unemployment protection system, and in line with the third guideline, the employer's organisations believe that there should be more and better active policy measures which stimulate individuals' search for employment.

The Employment Action Plan which has been presented lacks any specific measures related to **a greater link between active and passive policies** in the whole of the unemployment protection system, **apart from the one initiative of active job-search benefit.**

Such measures should be an essential element in the development of the plan, in order to increase the link between the benefit policies and the improvement of the employability of those receiving the benefits, in particular in rural areas.

Equal opportunities policy

In the last few years, as a result of economic and educational development, a greater effort has been made to incorporate new groups into the labour market. Both the CEOE and CEPYME consider it essential to bear in mind the particular situation of groups under-represented in the labour market, and this objective is particularly important within the context of a need to increase the rate of employment in Spain and Europe.

Accordingly, in the business organisations we have insisted that the promotion of equal opportunities policies should imply the whole of employment policy, bearing in mind in particular the measures which should be implemented in the field of education and training. The Government cannot escape its responsibility by handing it to business, since the latter is increasingly involved in a constantly changing market situation, which demands the ability to change constantly to respond to the challenges of strong competition.

In this sense it seems appropriate to give equal opportunities measures a horizontal focus. **Some of the measures in the Employment Action Plan 2000 are noteworthy**, such as: the promotion of a plan for crèches; the creation of family support services for workers with elderly dependants; and programmes of professional training and career guidance for women with lone parent responsibilities. **These measures merit praise**, though there should have been more precise estimates of their cost.

Considerations relating to the structure and content of the National Action Plan for Employment 2000

Although a number of changes were introduced between the first and last versions, it would have been a good idea for the Plan to have a **greater clarity in terms of explanation and a greater coherence** between its different parts. What is lacking is a structure such as that of last year's Plan, which, for each of the actions included clear and systematic explanations of the concrete measures taken, the actors involved, the budgetary resources and indicators to be used for measuring performance.

In the same way, it is clear that there has been a greater effort to incorporate into the document extremely varied measures which are planned by different bodies and institutions and which can potentially contribute to improving the capacity to create employment. However, there is again a problem of clarity, and the content of the Employment Plan would improve substantially if there was a **more detailed reference to some of the measures**, so that a more specific judgement could be made of them.

Appropriate degree of consultation with the social partners

Lastly, the employers' organisations wish to emphasise that **the level of consultation prior to the definitive drawing up of the Employment Plan was considered satisfactory**. Whatever our level of acceptance of the opinions and proposals in the plan, we have been invited to meet on a number of occasions during the first four months of the year to make our views clear.

However, what is lacking is a mechanism allowing a more continuous monitoring of some of the actions in the plan in particular. This would have allowed more detailed data to be available by which to judge them.

In the same way, it goes against the recommendations and the spirit of the co-ordinated employment strategy that there are still initiatives in the business organisations that have been left out completely. In particular, the employers' organisations were not consulted on the creation of a working group on recruitment, whose brief is to study the rate of turnover in the labour market. This fact would say little about the spirit of dialogue of the present government, were it not that it goes against the general spirit maintained throughout last year.

1.2 Trade union organisations

Introduction

Policies which use the public budget and public guidelines should always take employment and the improvement of access to jobs for the unemployed as a reference. In other words, economic policy has to be guided towards job creation, and the resources available for active employment policies have to be increased through greater State funding, in order to reduce the employment problems in Spain. These problems are the following:

A high rate of unemployment, especially among women and young people (the highest in the EU) and a very high rate of long-term unemployment, combined with the lowest activity rates and employment rates in the European Union.

An excessive rate of temporary employment, which leads to a high turnover of temporary workers.

A low level of unemployment protection, which leaves over half the unemployed without benefit. This is particularly serious in view of the inadequate active employment policies.

The National Employment Action Plans of 1998 and 1999 did not sufficiently come to terms with these serious problems in the Spanish labour market, and represented hardly any changes to the employment policies which

the government had already been operating before the Luxembourg Summit. They also did not provide sufficient financial resources to ensure quality job creation. These reasons, together with the lack of participation of the social partners in all the phases of the process (its working out, development and monitoring) and at all levels (national, regional and local) were good reasons for not backing a Plan which also left out the best proposals made to the government by the UGT and CCOO trade unions.

In the light of this past scenario, we believe that this year's Employment plan should not just be another bureaucratic measure of formal compliance with guidelines which have been laid down by the Commission. It must provide indicators allowing a quantitative and qualitative monitoring of the process; it must be allocated a real and sufficient budget; and it must include the participation of the social partners.

For these reasons, the CCOO and UGT consider that the National Employment Action Plan for the year 2000 which has just been put forward by the Spanish government should lay down real overall objectives, and as far as possible these should be quantifiable, directed at increasing the levels of employment and reducing the high rates of unemployment. These objectives can be summed up in the following six:

- ➔ To resolve the problem of unemployment by measures which increase employment creation, and not only by measures which improve the capacity of individuals to find work. This should be done by establishing complete schedules of actions adapted to the needs and characteristics of the unemployed person, and by reinforcing the actions which link training and employment. In other words, to improve and increase the possibilities of finding a job, with the final goal being to reduce unemployment in the groups which are most affected: women and young people (long-term unemployed).
- ➔ To reform the Basic Employment Law by establishing a National Employment System, which will include both the State employment service and those of the autonomous regions. This would guarantee a co-ordinated unity in the labour market, equal opportunities, free movement of workers and other fundamental rights in the field of employment, with the participation of the social partners.
- ➔ To promote and develop intensive job creation measures by public bodies, by meeting those social needs which are not satisfied by the market and by boosting the modernising of the reorganisation of working time through its restructuring and reduction.
- ➔ To resolve the problem of the high rate of precarious employment through legal, economic and administrative measures reducing the rate of temporary work and preventing the abuse of temporary contracts by their successive use or turnover of workers. This activity leads to a gradual degradation of working conditions and higher levels of accidents at work.
- ➔ To improve unemployment protection by a reform of the entitlement to unemployment benefit. This would use income from benefit payments and an increase in State spending on active measures. The aim is to guarantee that more unemployed people have an income which allows them to look for work and increase their employability.
- ➔ To guarantee equality of opportunities between men and women and improve the ability of the least favoured groups, such as people with disabilities and immigrants, to enter the labour market.

1. Measures aimed at unemployed people

Women, young people and those over the age of 45 are the groups most affected by unemployment. Within these groups, the long-term unemployed are those who have the biggest difficulties in finding work. The NAP should, therefore, pay particular attention to these groups, and above all to the long-term unemployed.

Although initially in 1999 it was scheduled that only 11% of the training-plus-employment actions should be for the long-term unemployed, in practice this percentage increased to 35%. Nevertheless, this increase has been insufficient. It should not be forgotten that the percentage represented by the long-term unemployed among the unemployed registered job seekers (DENOS) is, at 35%, significantly lower than that estimated by the EPA labour force survey (50%).

It seems reasonable that the proportion of actions aimed at the long-term unemployed should be greater than the percentage represented by this group among the unemployed registered job seekers (DENOS). This should be so for three reasons:

Because the labour force survey EPA is the harmonised medium used by the European Union for measuring compliance with employment objectives, while the DENOS figure is only used for administrative purposes, and its usefulness is, in the last resort, measured against the estimates offered by the EPA.

Because whereas registered unemployment has been falling considerably since 1997 (to a large extent as a result of the economic bonanza in the EU), the number of people who leave the list because of not renewing their registration or for other reasons (not going to interviews, etc.) - in other words, those who leave the list for administrative reasons and not because they have found work - has remained at practically the same overall level, and in the particular case of women has actually increased. This is a clear sign of the lack of motivation and confidence towards the public employment service.

Because the greater difficulties which the long-term unemployed have in finding a job mean that each person has to be offered more job-seeking schedules.

The increase in actions aimed at the long-term unemployed should be concentrated in those programmes which are best adapted to their needs, as in the case of training-plus-employment programmes. In fact, the percentage of actions which the long-term unemployed received in 1999 was actually below their proportion in the register of unemployed job seekers.

At the same time, the UGT and CCOO propose that the NAP 2000 should be governed by the following guidelines and measures:

An improvement in the efficiency of the INEM programmes through a greater definition of the groups at which they are aimed and a greater connection between these definitions and the actions which job seekers receive.

The present division into young people, adults and long-term unemployed is still too schematic. Using it as a base, a more specific classification must be developed to determine with greater precision the action best suited to the needs of each group. This would enable public funds to be spent more efficiently and improve the possibilities of monitoring future programmes and the NAP in general.

For example, a distinction could be made within the group of long-term unemployed between young people, adults and those over the age of 45; or within the group of young people and adults, among those who have more or less difficulty in finding work.

At the same time, it seems reasonable to pay more attention to some groups rather than others, according to the way that they are affected by unemployment. For the CCOO and UGT, the priority groups when it comes to

allocating actions under the NAP, are young people with greatest difficulty in finding a job, the long-term unemployed and women.

As to the actions themselves, these should not be the same for all the groups, since their effect varies. A session of professional counselling or active job search can be reasonable for those who want to enter the labour market of the first time, but is not effective for those who are over 45 years of age and have been unemployed for over 1 year. It seems reasonable that the groups who find it easiest to find work should receive the shortest and least "complex" actions (advice), and that as age increases and/or the ability to find work decreases, the actions should be combined (into schedules) and have a mixed character (training and employment).

This more precise definition of groups and actions should be accompanied by a better division of responsibilities between the different agents who implement the policies. The responsibilities should be related to each other to ensure the effectiveness of the personalised schedules, and also their relation to finding a job. At the same time, the division of responsibilities should be co-ordinated according to the characteristics and management capacity of each agent, in order to prevent overlaps. Thus each action or programme should be assigned to a type of agent according to a series of criteria and the particularities of the agent, and their co-ordination and collaboration should be encouraged.

The Plan has to be the instrument which orders and co-ordinates the division of tasks between the central administration, the autonomous regions and the other collaborating bodies. The policy up to now has mainly been one of "everyone does everything". This has been shown to be clearly inefficient, superfluous and wasteful of public resources.

Instead, the local corporations, for example, should centre their actions (in collaboration with the central administration) on the development of employment programmes or initiatives (local employment initiatives, school-workshops, employment workshops...). The municipal authorities should leave simpler actions (information and advice) to other collaborating bodies and concentrate on these types of programmes, for which they are obviously the best qualified agent.

As well ordering and dividing tasks between the different agents, the actions themselves have to be integrated. The training, professional training and mixed employment and training actions (or at least a certain number of them) should be linked to employment actions operated by the local corporations, associations of municipalities, or other area bodies, through local employment pacts or other type of agreements.

The mixed employment-plus-training programmes should increase their share of actions (in 1999 they represented 5% of the total) and be concentrated to a greater extent on the long-term unemployed. That is to say, the NAP 2000 should break with the tendency started in the previous plan, under which the training and training-plus-employment actions (which are the ones which give the best job-finding results) were reduced in favour of advice and promotion of self-employment, which are more nebulous in character.

Another of the key elements which the NAP 2000 should concentrate on is increasing the number of professional job schedules (understood as a package of actions received by the same person). Unlike offering a simple sum of the total number of actions, the design of such schedules is a clear indicator of co-ordination and management, and as such, of a plan which is able to make a real impact on the unemployment problem.

In practice, it appears that there are very few professional schedules, since there are 1,500,000 actions programmed for a total of 1,100,000 job seekers, which works out at 1.5 actions per job seeker. Most unemployed people do not receive a series of scheduled actions, but simply one isolated action.

The non-labour practice by trainees in the FIP plan should be carefully controlled, and the administration should take responsibility for ensuring that the regulations are adhered to, so that this kind of practice is not used as a alternative to creating real employment.

In particular, the following should be clearly specified: the duration of job practices (which should be short), their training content, and the presence of a trainer to supervise them. This information should be regulated by collective negotiation. As well as this, the administration should provide data to the social agents on where and in what sectors these non-labour practices are being conducted.

Nevertheless, this measure should not sideline the fundamental function of the INEM in this section: this is the promotion of training and practice contracts, which still represent a very small proportion of temporary contracts.

Professional training should be aimed at those professions where a lack of skilled labour has been detected. This measure would be in harmony with the conclusions and recommendations of the report on geographical mobility which has been drawn up by the CES for the government. The CES points to the lack of qualified personnel in some jobs, as a result of the breakdown of the traditional processes of progressive training at work, which is the outcome of decentralisation of production and an increase in temporary labour.

In order to put this measure into practice there has to be a flexible system of sounding out the labour market, capable of identifying the short and medium term needs of workers, and match them with the level of qualifications wanted by the companies.

For this it is necessary to make the National Qualifications System operative so that the training should be a cumulative and worthwhile system capable of being assessed by workers and companies.

A system of monitoring and evaluating the National Employment Action Plan which is really capable of detecting the efficiency of each of the measures and the incidence they have on the employment of job seekers.

2. Public measures aimed at job creation

2.1 Development of community and home services

In Spain 89 people out of every 1,000 work in community services, while in the EU there are 113 people working in this sector for every 1,000. To reach the European level would mean creating a million jobs, which shows how important this sector is as a source of employment. As well as this, the development of these services (child care, care of the elderly, the sick and the disabled, support for the young, etc.) would free the women who traditionally do these jobs in the family and allow them to join the labour market.

This employment deficit in community services represents one of the biggest sources of employment for the Spanish economy. The proposal of the National Employment Action Plan presented by the government for the year 2000 includes a number of measures related to social services offered to the community, but these have been left disjointed among the different pillars, do not form a coherent plan and lack precise figures and a budget allocation.

For these reasons, the UGT and CCOO propose:

To look at the problem of community services not only from the perspective of employment but also as a development of the welfare state through public services. In this sense, the public administration should make sufficient funds available to promote the creation of employment from new sources and satisfy those needs and social demands which have not been met (crèches, places in old people's homes, home help, day centres, etc.).

The public employment service should set up community services and advise job seekers of the possibility of employment in the sector.

To promote and develop a home care development programme, with the combined aim of combating the problems in the Spanish labour market (inactivity and unemployment) and concentrating on the group which suffers most, that is to say women.

That the central administration should design a strategic programme with different phases and areas of action, defining the demand and promoting universal access to these services on the one hand, and promoting a quality supply of such services on the other. The programme should conclude with the launch of one or various home services which can serve as a reference. It should be the job of the local corporations to put this into practice, adapting it to the sociological reality of each municipality. The central administration should also offer, in particular in small municipalities, a service giving advice on how to develop the programme, and promoting best practices.

To quantify the objectives for the creation of places in crèches and residencies for people who are unable to support themselves; and to quantify the employment needed to support these places. These are objectives in which the autonomous regions, local corporations, associations of municipalities, etc., should all be involved.

2.2. Modernising the organisation of labour, reorganising and reducing working time

The reorganisation and reduction of working time should be one of the package of measures for increasing the levels of employment, since it has been showed that an increase of economic activity is in itself insufficient to eradicate the unemployment problem.

The government continues to insist that the social partners should be those responsible for negotiating and starting a process aimed at modernising the organisation of work, in questions related to the working day, such as the annual amount of working time, the reduction of working time and overtime.

However, the CCOO and UGT consider that if the reduction in working time is to have a positive influence on the creation of new jobs and on the reduction of unemployment, it can only be as part of overall employment policy.

Given that the reduction of working hours agreed under collective agreements has had only a small impact on job creation, it is necessary to promote a general process of decentralised negotiations. These will need firstly, an interconfederal agreement which will define the terms and conditions of the reorganisation and reduction of working time and send its results for adaptation and application in collective negotiation; and secondly, there must be a legislative initiative which facilitates these negotiations. This is essential in order that a reduction in the working day should be wide-ranging and generalised, and have an effective impact on job creation.

When we use the term "reduction of working time", we should bear in mind not only the reduction in working time in the strict sense, but also other elements such as reorganisation of work, overtime, part-time work, career breaks, early retirement and replacement contracts.

Accordingly, the National Action Plan for the year 2000 should undertake the necessary measures to modernise the organisation of working time in Spain: this means a reduction and reorganisation of the working day and a reduction of overtime, which will contribute to job creation.

As well as this, we have to promote the development of labour legislation so that there is a gradual reduction, increased flexibility and more positive distribution of working time to favour the balance between family and working life.

3. Reducing the rate of temporary work and turnover in employment

Reducing the existing precariousness in the Spanish labour market should be a priority objective for both the government and the social partners. Indeed, in its assessment of the national employment action plans the

European Commission pointed to the high rate of temporary work in Spain as one of the weak points of the Spanish labour market. However, it should be stressed that this is not the only problem, since it is made worse by the high level of turnover which exists in temporary work.

Nearly three million permanent contracts have been registered almost three years on from the interconfederal Agreement for Stability in Work (AIEE). This has allowed the percentage which permanent contracts represent out of all those registered to double from 4% to 8.6%. Most are also permanent full-time contracts which take advantage of the reforms in this regard.

More important still than the data on contracts is the fact that the bulk of net employment created since the signing of the agreement is permanent (75%), unlike what happened during the previous period of growth, when not only all the net employment created was temporary, but what is more, permanent employment was replaced by temporary employment.

Despite the progress made in permanent contracts and the net employment created, the overall rate of temporary work has hardly fallen. When the AIEE was signed, 33.6% of salaried workers had a temporary contract; at the end of 1999, the figure had fallen only by one point to 32.6%.

The reason for the slow reduction in temporary contracts can be found by examining what has happened to temporary employment. While the AIEE clearly encourages the tendency of permanent contracts to rise (they have increased at a rate which has never been seen before, over 7%), the lack of effective application of the legal measures introduced by the agreement in relation to temporary recruitment has meant that the rate of growth in temporary recruitment has only fallen on occasions. At the beginning of 1999 the year-on-year rate of growth of temporary employment broke its downward trend and increased (at present it is growing at around 8%).

In conclusion, it could be said that the promotion of permanent contracts is giving satisfactory results: companies are using mainly indefinite contracts, and a large part of employment growth is in permanent jobs. This means that severance payments for permanent contracts are not now a problem preventing companies from creating stable employment. At the same time, temporary recruitment has not worked as was it was supposed to, because it has been used excessively and in the wrong way.

In addition to this deficient use of temporary recruitment there has been a significant increase in temporary work in the public sector, despite the government's statements in favour of stability. This increase has been a result of the policy of cutting public employment. The rate of temporary working has risen from 15.3% (before the signing of the AIEE) to 19.6% at the end of 1999.

The rate of temporary contracts continues to be a generalised phenomenon in all branches of the Spanish economy, as can be seen when its rates of temporary working are compared with those of the European Union. At the same time it appears that temporary work is being concentrated among certain groups of workers.

As to turnover (understood as the instability suffered by temporary workers, an excessive volume of contracts or short-term extensions), this continues to affect a significant group of temporary workers. In the particular case of successive contracts for workers within one company, the following can be observed:

It affects a significant volume of temporary workers, in particular those workers who have more than 10 contracts during a single year. ¹

¹ 80% of contracts agreed by any single company with any one worker correspond to companies which have given 10 or more contracts to the same worker during the first eight months of 1999; 60% of these companies were not temporary employment agencies.

This happens not only in temporary employment agencies, but also in other companies.

It is concentrated in certain geographical areas and spheres of activity.

For all these reasons, the UGT and CCOO consider that in the face of the high rates of temporary work and turnover which characterises our labour market, legal, economic and control measures should be set up to prevent the excessive and abusive use of temporary contracts, including the unjustified consecutive use of temporary contracts. These measures should reduce the existing rate of turnover due to the short duration of temporary contracts. These aspects should be dealt with through negotiations between trade unions and employers, but the government should also have a say.

Apart from this, in order to put an end to the increase in temporary working in the public sector, the government should develop an active role favouring stability in work. In its condition as a direct employer, it should eliminate the present maximum of 25% for covering vacancies; indirectly, it should favour permanent recruitment in public procurement offers.

Equally, in order to return to a climate of stability from one of abuse and insecurity, it is necessary to guarantee fully the equality of treatment and non-discrimination for workers contracted by companies from temporary employment agencies, as well as to establish a new regulation for all sub-contracting.

4. Improving unemployment protection

Unemployment is the main problem in Spanish society. Increasing the number of jobs should be the main objective, but another objective should be to establish a decent rate of benefit provisions for those people who in spite of their efforts are unable to find a job.

The CCOO and UGT have often criticised the low level of economic provisions offered to those who are unemployed. The unemployment benefits available only cover 50% of the unemployed job seekers registered in the INEM. This situation is made worse by the lack of any other generalised form of income support for people who are unemployed or who have income below a minimum subsistence level.

The trade unions support maintaining a link between active employment policies and social benefits for unemployment. The latter allow those who are unemployed to take part in training and counselling actions which enable a more adequate and active job search.

The Active Job Search Income Programme does not satisfy the need to increase unemployment protection. It is not a benefit (a subjective right) because it is only to be applied in the year 2000, is subject to a limited budget allocation and does not even cover all the long-term unemployed. Besides this, those people who work for a total of 3 months or more are prevented from re-registering for the job-search income under this programme. As a rule, the loss of the right to renew the job-search income should occur when the total worked has been over 6 months. This is why we propose that this bar to receiving job-search income is eliminated, since it removes the incentive to get temporary work and can prejudice those who accept this kind of work.

For these reasons, the NAP should include an expressly formulated commitment by the government to negotiate with the trade unions in order to improve unemployment protection. Negotiations which are needed on the new model of public employment service and on the Basic Employment Law should be extended to include an increase in the proportion of people covered by unemployment benefit. The concrete measures needed to improve protection for the unemployed are the following:

To revise the qualifications for receiving unemployment benefit and to establish a more equitable equivalence between payments and the length of time for which unemployment benefit is received.

To make the rules governing eligibility for unemployment benefit more flexible in households on low incomes. This will mean replacing the concept of dependents minus breadwinner with that of a household as a whole unit and then taking 100% of the net annualised minimum wage as the cut off point when assessing individual eligibility for unemployment benefit.

To extend the benefit subsidies to the unemployed with family responsibilities and to those over 45 years of age while they are in a situation of need, combining protection with measures which improve their possibilities of access to work.

To establish a clear and stable model of financing which gives priority use for income from national insurance contributions to the payment of benefits and guarantees finance in periods of crisis.

To extend the right to benefits by counting as benefit contributions those made during periods in which the worker was temporarily employed in between those periods of unemployment when unemployment benefit was received.

5. Modifying the Basic Employment Law

A new legal framework is needed to regulate the new scenario which has emerged from the following: the disappearance of INEM's monopoly as an agent in the employment field, the incorporation of collaborating non-profit bodies offering certain services related fundamentally to the improvement of the employability of job seekers, as well as all the decentralisation process which began with the transfer of active policies from the central administration and the INEM to the autonomous regions, together with the integration of national employment policies within the European employment strategy as defined by the Employment Guidelines and the National Employment Plans.

Because of this, the UGT and CCOO consider it necessary and urgent to modify the Basic Employment Law which was negotiated with the social partners, in order to adapt it both to the new labour market structure and to regulate a new National Employment System, which will lay down the functions, responsibilities and relations that should exist between the State public employment service and the public employment services of the autonomous regions.

This regulation should not attempt to establish any kind of centralisation in regional responsibilities. What is most important is efficiency in promoting employment, advice, training and intermediation in the labour market and adapting employment policies, their management and execution to the reality of each geographical area as much as possible.

In any case, the National Employment Plan should guarantee the general rights of citizens in the whole country, such as free and public employment services, the unity of the labour market, the free circulation of job seekers and job offers, equality of opportunities, the integration of active policies and unemployment benefits, and the participation and representation of the social partners in the organs of control of the different public employment services to a greater extent than the present measures of information and consultation provide. The levels of participation and representation of the social partners in the public employment services should be regulated by the State.

6. Preventative measures relating to the loss of jobs and retirement

It is increasingly frequent for workers of under 50 years of age to lose their jobs or be laid off, and this group has particular difficulties in finding work. It means an increase in unemployment and leads to their loss of social protection.

Therefore we share the worry shown by the European Commission regarding the process of shortening the working life as a result of people entering the labour market increasingly late and leaving it increasingly early. In the case of Spain, leaving the labour market is in the vast majority of cases involuntary, as the result of job cuts within companies, while the prevailing business culture considers those who are over 50 years of age as not useful for work. In fact, long-term unemployment is particularly serious among those over the age of 45.

In the face of this increasing situation of lack of protection, the CCOO and UGT consider that the rights of those workers who have been removed from the labour market against their will should, after careful examination, be guaranteed social benefits and retirement rights.

Equally, the right to early retirement should be made universal, and the coefficients which penalise voluntary early retirement should be reduced to prevent it from being an excessive burden for those who choose or are forced into it.

It is also necessary to promote the use of the replacement contract as an efficient formula for job creation. This allows progressive retirement without loss of rights to be combined with access for young people to work.

7. Reinforcing equality of opportunities

The across-the-board nature of general equal opportunities policies should be continued in the application of the rest of employment policies which are set out in the Employment Action Plan.

7.1 Equal opportunities for men and women

The main problems affecting the Spanish labour market - the low activity and employment rates, the high level of unemployment, the high level of temporary employment – are fundamentally affect women. Thus while the difference between the Spanish and EU rates of male unemployment is 3 percentage points, the figure in the case of female unemployment is 12 points.

For this reason, the following basic objectives have to be pursued: an improvement in the access of women to the labour market; actions relative to eliminating discrimination at work; and making working and family life compatible. To do this, the following measures have to be taken, bearing in mind that a large part of them are included on a piecemeal basis in each of the detailed lines of action in previous sections:

An increase in the public resources allocated to the development of social services and community services; and an increase in the number of places in crèches, and other community services, establishing a quantitative target in this respect.

The establishment of concrete, quantified targets for actions aimed at unemployed women in all public programmes of professional and employment training and counselling. These objectives should reflect the greater level of female unemployment.

The preparation of an Equal Opportunities Law for men and women in the labour market, which among other things will include a framework for developing positive actions, the principle of equal pay for equal work, a clear definition of sexual harassment, the equal representation of men and women in the decision-making recruitment panels giving access to work in the public administration, and specific intervention by the Labour Inspectorate in relation to situations of sexual discrimination.

The obligation to offer substitution contracts during periods of leave for: maternity or adoption; the care of children or family members; or because of risk during maternity or breast feeding.

Improvement and development of the present Law for the Reconciling of Family and Working Life.

- Individualising the rights relating to paternity/maternity leave.
- Extending the conditions affecting the first year of a break taken to look after children to the rest of the break, both for looking after children and for family members.
- Guaranteeing that holidays which by the company's calendar fall during the period of maternity/paternity leave are not lost by the worker on leave.
- The transfers into Spanish law of the Appendices to the Directive 92/85 on maternity.
- The development of the Law Reconciling Family and Working Life.
- A flexible application which gives workers who are in unstable conditions of work and contracts equal rights to leave and holidays to those with permanent contracts.
- An improvement in the regulation promoting the exercise of the right by male workers to take leave and career breaks and encouraging an equal distribution of family responsibilities between men and women.

7.2 Finding jobs for the disabled

Some of the common characteristics of the disabled such as a low activity rate, a lower level of training and a high level of unemployment, make it necessary to act along the following lines:

Strengthening integration as stipulated by the law in regulated and vocational training programmes through measures of positive discrimination in the programmes. The necessary accessibility and adaptations and the requisite economic financing should be made available.

To make the public employment services specialise in dealing with this group through a register and specific area of action with multi-disciplinary teams looking after these workers. The proliferation of job offers outside the public employment services should be corrected and the disabled should be encouraged to register as job seekers.

To use the public employment services to promote and coordinate the training and job search programmes. Directives and mechanisms should be established to monitor those programmes which are run by the job placement agencies of disabled organisations, and priorities and lines of intervention which optimise these measures should be established.

To ensure that the regular statistical information includes the necessary variables allowing the changes in activity and employment levels within this collective to be monitored.

To improve pathways for the disabled to move to the regular labour market: assistance from the Special Employment Centres, job-training programmes, etc..

To make the workplace more easily accessible and to adapt jobs to the disabled.

To promote a campaign of the Labour Inspectorate Services aimed at making sure that the LISMI agreement on the quotas of disabled at work are being met.

To ensure the participation of the social partners in the State Council for the Disabled.

7.3 Finding jobs for immigrants

Giving immigrants entry into the labour market requires actions on the part of the administration with the collaboration of employers and trade unions in order to facilitate access to employment, training and professional promotion of this group. These actions should be carried out within the framework of the present labour legislation and the new Organic Law of rights and freedoms of foreigners in Spain and their social integration.

For this reason, the UGT and CCOO consider that the following measures are necessary to support entry of immigrants into the labour market:

To combat discrimination based on origin in access to employment, professional and continuous training, and in access to jobs, applying the principals of the Florence Declaration.

To give access to professional, vocational and continuous training, including the specific needs of these workers in the training plans.

Actions by the labour inspectorate to monitor compliance with labour legislation in recruitment and treatment of immigrants at work.

To include measures against the black economy with special reference to groups such as immigrant workers.

To consider immigrant workers whose legal position is being regularised as a group which can be beneficiaries of actions in the Employment Plan.

APPENDIX I

1. Review of the Spanish labour market in 1999
2. Actions undertaken in 1999, by Pillar
3. Actions undertaken in 1999 by the Institute for Women
4. Financial forecasts for measures to be implemented in 2000

1. Review of the Spanish labour market in 1999.

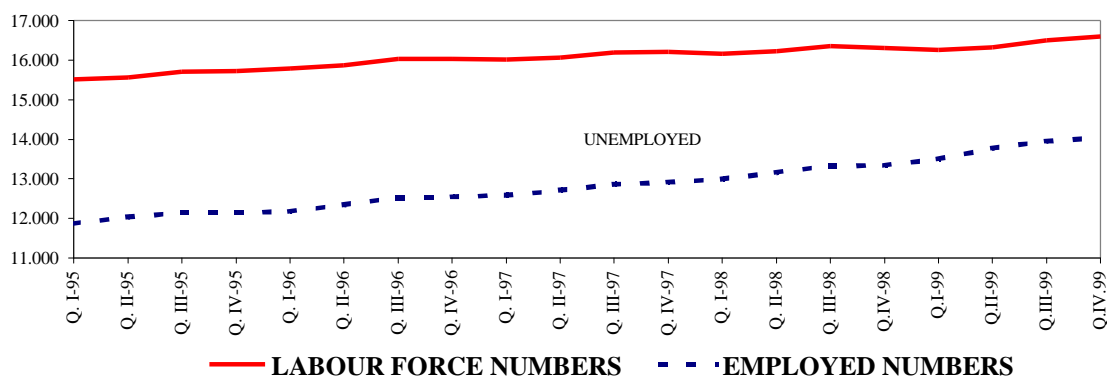
1999 ended with a further increase in employment. According to data from the Labour Force Survey (EPA) for the fourth quarter, there were 89,700 more people employed in the fourth quarter than in the third, an increase of 0.6%. The number of people employed stands currently at 14,041,500. Year-on-year, there was a net increase in employment of nearly 700,000, or 5.2%. This figure signified a further acceleration in the rate of annual employment growth.

The results of the fourth quarter were less favourable in terms of unemployment, owing to an increase of 13,500 in the number of unemployed. This ended an unbroken sequence of falls in quarterly unemployment since 1996. Nevertheless, in year-on-year terms the reduction was considerable, since there were 2,562,000 unemployed at the end of last year, a fall of 401,400 or 13.5% over the year. However, the fourth-quarter figures reflect a notable slowdown in the rate of reduction of unemployment compared to the rate in the first three quarters of 1999.

The variations in unemployment are best explained by the transformation of the labour force, which registered an unusually high rate of growth in the fourth quarter of 1999, an increase of 103,200 over the third quarter, or 0.6%. In relation to the year before the growth was 298,000, or 1.8%. This leaves the total labour force at 16,603,500, and represents a considerable acceleration in its growth.

SPANISH LABOUR MARKET 1995-1999

Absolute values in thousands



Source: INE, EPA

The population of working age continued to increase at the same rate as it had done throughout 1999, or 0.5% in year-on-year terms. The number of people of 16 years of age or over was 32,752,000 at the end of the year.

As a result of the increasing rate of growth of the labour force, and particularly of the number of employed, in relation to the population of an age to work, the activity rate increased by 3 points in the fourth quarter of 1999 compared with the third quarter, and 7 points compared with 12 months previously. The increase in the rate of employment in the fourth quarter over the third and over the same quarter the previous year was 0.2% and 2% respectively. The activity rate ended the year at 50.7% and the rate of employment at 42.9%, the highest figures in the decade.

The unemployment rate ended 1999 at 15.4%, a reduction of barely 0.1 points compared with the third quarter, though 2.8 points down on the figure for the last quarter of the previous year. It was also the lowest unemployment rate of the decade.

Overall, the data for 1999 are very satisfactory, both in terms of employment and unemployment. The number of people in work increased by 612,600 on average during the year, while unemployment fell by 454,900. These

figures represent an annual rate of job creation of 4.6%, and a reduction in unemployment of 14.9%. Both figures are much higher than the rates in previous years.

The growth in the labour force was more modest, at 157,800, representing an annual rate of 1%. This increase is very similar to that of the population of working age, which was 161,900, or 0.5%. The latter figure is a reduction in the rate of growth during the decade.

As a result of these changes, the activity rate increased by barely 0.2 points on average during the year, while the rate of employment increased by 1.7 points and unemployment fell by 2.9 points. These labour market figures are very satisfactory.

The data referring to those paying in to the social security system as workers also confirm the good performance of employment in 1999. At the end of December, the number of contributors was 14,578,300, a figure which, although not the highest during the year, represents an increase of 762,000 contributors over the figure for December 1998, and 5.5% as an annual rate. This reflects a certain stability in the 12-monthly rate throughout the whole of 1999. What is more, in the middle of the year, the increase in the number of contributors was 753,900, or 5.5%, the highest rate of growth in the decade.

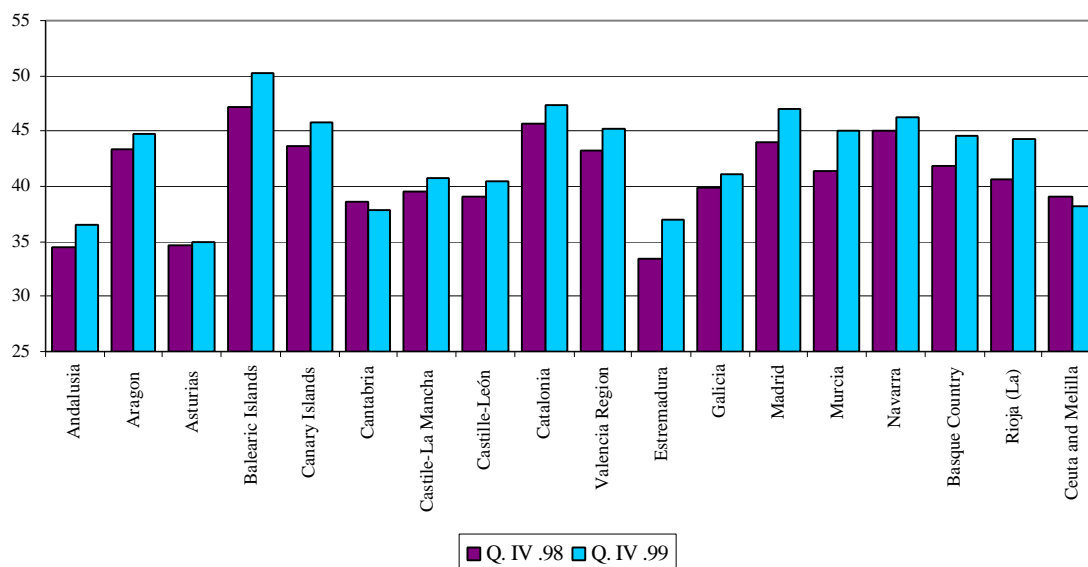
The number of companies working in the economy also showed a marked increase in 1999. The number of non-agrarian sector companies with at least one salaried worker was 1,071,700 at the end of December, according to data supplied by the Statistics of Companies registered in the social security system. This figure represents an increase of 48,600 companies compared to the end of 1998, or 4.7%, a rate which is slightly above that registered in 1998 and far higher than that of previous years.

Regarding the rate of worker recruitment, in the whole of 1999 there were 13,235,300 contracts registered with the INEM, which represents an increase of 1,572,000 on the previous year. This figure is very similar to the increase in 1998, although in terms of rates of growth, the 1999 figure, at 13.5%, is the lowest in the last six years. This high rate of recruitment, which reflects the high turnover in the labour market, was, despite the increase in the number of permanent contracts, which was 1,218,300 in 1999, 247,300 more than in 1998 and a rate of increase of 25.5%. However, the two latter growth figures, though high, are below those registered in the two previous years. The slowdown can be explained by the fact that the legal reform of May 1997 which offered incentives for permanent contracts had a significant impact in the two following years.

The data supplied by the INEM relative to the unemployed registered in its employment offices show good unemployment figures for last year, since the number was 1,613,800 at the end of December 1999, a reduction of 171,900 compared to a year previously, or 9.6. The overall picture for the whole of 1999 shows that unemployment fell by 237,900, or 12.6%, a figure which is significantly greater than in previous years.

In 1999, employment levels in autonomous communities grew in all cases except those of Cantabria and Ceuta and Melilla. The highest gains were made in the Community of Madrid (up 7.2% on 1998) and Andalusia (up 6.5% on 1998), where the rate of employment growth accelerated noticeably.

Employment rates, by autonomous regions (%)

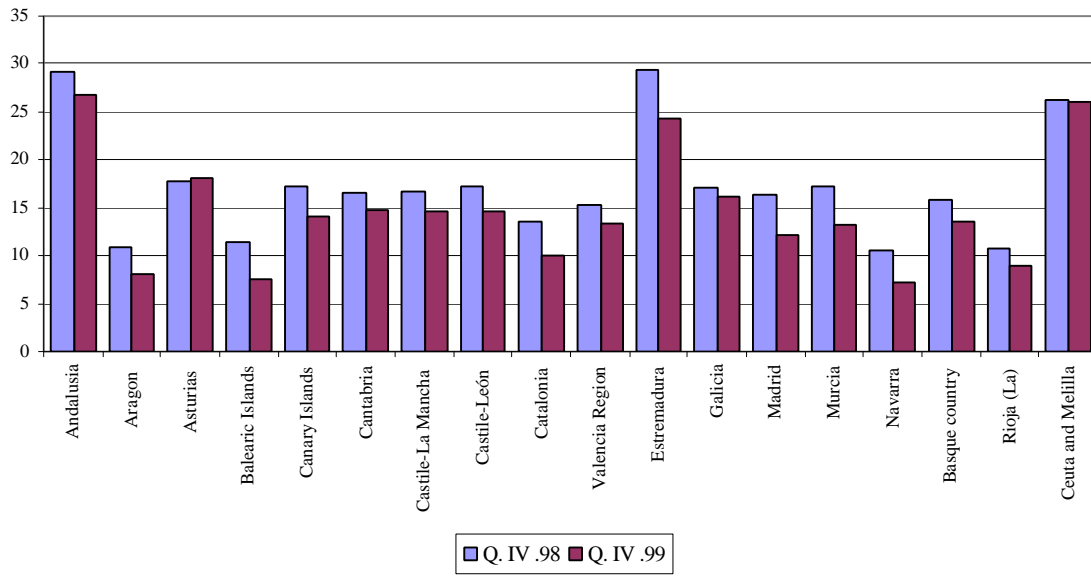


The rates of employment also registered increases last year in all the autonomous regions, except those mentioned in the previous paragraph. The biggest increases were in Murcia and La Rioja, at 3.7 points in each case, followed by Extremadura (3.4 points), the Balearic Islands (3 points) and Madrid (3 points). The Balearic Islands continue to register the higher rate of employment (50.2% of the population aged 16 years and over), followed by Catalonia (47.3%) and Madrid (47.0%). At the opposite end of the scale are Asturias (34.9%), Andalusia (36.5%) and Extremadura (36.9%). In 1999 the difference between the highest and lowest employment rates was cut to 15.3 points, 1.6 points below the rate for the previous year.

All the autonomous regions also registered (according to EPA data) falls in unemployment in 1999, with the single exception of Asturias, where it increased slightly. The biggest yearly falls in terms of number of unemployed were in Catalonia (94,600 unemployed fewer) and Madrid (84,200 fewer), which represent falls of 25.9% and 23.4% respectively. The biggest relative falls were in the Balearic Islands (32.6%) and Navarra (32.3%). In general, all the falls in unemployment in the different autonomous regions represented increases in the fall of unemployment compared to the previous year's figures.

In 1999, the regional gaps in terms of unemployment rate have increased. The difference among the higher and the lower unemployment rate is 19.9 points, 0.7 points greater than the previous year.

Unemployment rates, by autonomous regions (%)



CHANGES IN THE LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT				
Average annual figures in thousands				
	1997	1998	1999	% change 99/98
LABOUR FORCE	16.121	16.265,2	16.423	0,97
Sex				
- Men	9.848,5	9.881,7	9.892,9	0,11
- Women	6.272,5	6.383,5	6.530,1	2,3
Age				
- Young people	2.655,2	2.594,4	2.538,6	-2,15
- Adults	13.465,8	13.670,8	13.884,4	1,56
Economic sectors				
- Agriculture	1.316,6	1.285,8	1.222,5	-4,92
- Industry	2.876,8	2.965,2	3.010,4	1,52
- Construction	1.545,1	1.546,4	1.652,9	6,89
- Services	8.883,3	9.086,3	9.423	3,71
WORKING				
Sex	1.997			
- Men	8.226,9	8.517,5	8.790,9	3,21
- Women	4.497,7	4.687,4	5.026,6	7,24
Age				
- Young people	1.619,9	1.674,4	1.787	6,72
- Adults	11.144,7	11.530,6	12.030,4	4,33
Economic sectors				
- Agriculture	1.067,3	1.060,5	1.014,8	-4,31
- Industry	2.580,3	2.708	2.784	6,72
- Construction	1.242,7	1.307,1	1.463,7	11,98
- Services	7.874,2	8.129,3	8.555	5,24
UNEMPLOYED	3.356,4	3.060,4	2.605,5	-14,86
Sex				
- Men	1.581,6	1.364,3	1.102	-19,23
- Women	1.774,8	1.696,1	1.503,5	-11,36
Age				
- Young people	1.035,2	920,1	751,5	-18,32
- Adults	2.321,2	1.240,4	1.854	-13,38
Economic Sectors				
- Agriculture	249,3	225,3	207,7	-7,81
- Industry	296,5	257,2	226,4	-11,98
- Construction	302,4	239,3	189	-20,94
- Services	1.009,1	957	868	-9,3
SOURCE: INE, EPA				

2. Details of actions in 1999 by Pillars

PILLAR I

JOB PLACEMENT ACTIONS CARRIED OUT DURING 1999, CORRESPONDING TO GUIDELINES 1 AND 2, AND GROUPED BY FINANCING ORGANISATION

(According to length of time unemployed, age and sex of beneficiary)

TOTAL FROM 1/04/99 to 31/03/00	< 25 years and < 6 months unemployed		> 25 years and < 6 months unemployed		Long-term unemployed		TOTAL		
	Men	Women	Men	Women	Men	Women	Men	Women	TOTAL
INEM									
TRAINING	79,956	68,121	53,069	78,720	36,797	65,335	169,822	212,176	381,998
Training for the unemployed	40,955	45,453	51,844	77,496	33,787	63,933	126,586	186,882	313,468
Employment- training	39,001	22,668	1,225	1,224	3,010	1,402	43,236	25,294	68,530
EMPLOYMENT	17,379	10,604	116,086	86,850	27,671	29,602	161,136	127,056	288,192
Local employment initiatives	73	111	293	207	263	211	629	529	1,158
Support for self- employment	924	803	2,793	3,021	3,028	2,690	6,745	6,514	13,259
Employment of the disabled	3,257	2,107	4,509	2,840	8,932	5,670	16,698	10,617	27,315
Employment of social benefit	13,125	7,583	108,491	80,782	15,448	21,031	137,064	109,396	246,460
COUNSELLING	74,166	110,290	148,001	271,960	96,815	262,351	318,982	644,601	963,583
Specialists for local development	239	204	309	497	233	423	781	1,124	1,905
T O T A L	171,740	189,219	317,465	438,027	161,516	357,711	650,721	984,957	1,635,678
TOTAL FROM 1/04/99 to 31/03/00	< 25 years and < 6 months unemployed		> 25 years and < 6 months unemployed		Long-term unemployed		TOTAL		
	Men	Women	Men	Women	Men	Women	Men	Women	TOTAL
AUTONOMOUS REGIONS	16,774	17,036	20,583	28,223	19,307	24,474	56,619	69,733	126,352
Training of the unemployed	15,125	15,754	20,194	27,875	18,080	23,306	53,399	66,935	120,334
Employment- training	1,649	1,282	344	348	1,227	1,168	3,220	2,798	6,018
EMPLOYMENT	1,343	797	8,086	5,205	4,999	5,582	14,428	11,584	26,012
Local employment initiatives	4	8	18	33	18	68	40	109	149
Support for self- employment	335	259	2,418	2,244	2,761	2,488	5,514	4,991	10,505
Employment of the disabled	32	30	179	207	144	229	355	466	821
Employment of social benefit	972	500	5,471	2,721	2,076	2,797	8,519	6,018	14,537
COUNSELLING	2,845	3,637	4,916	7,483	8,312	10,245	16,073	21,365	37,438
Specialists for local development			48	82	120	121	168	203	371
T O T A L	20,962	21,470	33,588	40,993	32,738	40,422	87,288	102,885	190,173

JOB PLACEMENT ACTIONS IN 1999, AS SET OUT IN GUIDELINE 9, WITH SPECIALISED COLLABORATING BODIES
(in addition to information given in Guideline 9)

Disabled	Beneficiaries
Professional Counselling	21 Bodies/9,223 Contracts/158 million
Employment plans	20 Bodies/232 Contracts/459 million

Disadvantaged groups	Beneficiaries
Training of returning emigrants	1,170 Emigrants/509.6 million pesetas
Support for internal migration	8,550 Emigrants/265.5 million pesetas
Integrated job search paths for immigrants	183 Programmes/1,676.4 million pesetas
Training of immigrants	18 Projects/71 million pesetas

PILLAR II
(in addition to information offered in Pillar I)

Self-employment	Beneficiaries/cost
Technical co-operation for Seniors Association	319/18.5 million pesetas
II Competition Young Entrepreneur Projects	
Self-employment for returning emigrants	80/55.8 million pesetas

Support for SMEs and new technologies	
SME Business Development Initiative	375 Projects/3,200 million ptas
Tourist Quality Plan	32 Plans/2,700 Companies/805 million ptas
Framework Domestic Trade Modernisation Plan	1,500 million pesetas

Environmental Measures	1999 (carried out)	2000 (planned)
. Public Works and Water Quality	168,687	268,105
. Costs	14,763	19,706
. Geo-mining Technological Institute	1,182	1,515
. Waste Plan	5,985	8,258
. Forest Plans	13,426	17,447
. National Meteorological Institute	4,518	3,755
. Totals	208,591	318,796

PILLAR IV
(in addition to information given in Pillar IV)

PERCENTAGE OF WOMEN WITH PERMANENT CONTRACTS		
	N° of contracts	Percentage of women
Women in underrepresented jobs	305	100.00
Others under the reform	256,163	34.91
Initial part-time	161,291	61.24
Other permanent contracts	68,446	31.00
TOTAL	486,205	39.91

PERCENTAGE OF WOMEN WITH TRAINING CONTRACTS		
	N° of contracts	Percentage of women
Practice	45,771	48.35
Training	52,414	34.04

Measures favouring women	
Percentage of Women in School-Workshops, Trade Centres and Employment Workshops	40%
OPTIMA Programme	45 Companies/37,344 Workers/72.9 million ptas
Seminars and Equal Opportunity Promotional Guides	56 million ptas
Equality agents	98.5 million ptas
Training of Women in New Professions and New Technologies	66 Courses/1,538 Women/228.8 million ptas
Entrepreneur to Businesswoman Programme	7,517 women/1,572 Projects/ 372 Companies/173 million ptas
RED GEA Programme	84.6 million ptas
Trade Fairs for Women	18 million ptas
Start-up aid for women	112 Aid projects/75 million ptas
"Clara" and "Mujer tú eliges" Programmes	650 women/140.8 million ptas
ALBA Programme	300 women/6.4 million ptas

3. Measures by the Institute for Women in 1999

GUIDELINE	MEASURES PLANNED AND CARRIED OUT IN 1999	INVESTMENT		RESULTS
		PESETAS	EUROS	
19	Project for the creation of an Observatory for Equality and studies carried out	2,377,500	14,289	
20	Spreading of Spanish labour legislation and Community guidelines in equal opportunities issues through courses and publication of guides, manuals and bulletins	456,231,801	2,742,008	Participating companies: 45 Courses: 69 Participants: 1,616 Guides, manuals and bulletins: 17,500
	Technical assistance for women's business projects in rural and urban areas, boosting financial aid for female entrepreneurs.	436,436,971	2,623,039	Participants: 7,517 Advice: 10,370 Projects started: 1,572 Companies created: 372 Aid: 112 Courses: 11 Participants: 275
	Training for women in new technologies and management skills	19,355,780	116,330.6	Courses: 4 Attendees: 100 Web Page
21	Passing of the Law on Reconciling Family and Professional Life: Seminar on its spreading	4,598,833	27,639.5	Attendees: 60
22	Development of vocational training programmes for women with unshared family responsibilities and with a low level of training, with the aim of increasing their employability	500,345,733	3,007,138.4	Participants: 950 Beneficiaries: 19,790

4. Financial forecasts for some actions planned for the year 2000

GUIDELINE	MEASURES	TOTAL BUDGET	
		Pesetas	Euros
9	-Actions for disadvantaged groups by the General Secretariat for Gypsies and Cáritas Española	758,000,000	4,555,672
18	-Studies and statistics relative to the participation of women in the labour market. The publication of technical instruments for support and spreading.	100,000,000	601,012
19	-Training and advice on teleworking and teletraining.	65,000,000	390,656
	-Financial support for businesswomen.	365,000,000	2,193,694
	-Training and technical support to promote female entrepreneurs in rural and urban areas.	50,000,000	300,506
	-Equal opportunities training and advice.	73,000,000	438,739
	-Fighting segregation on a horizontal and vertical level in the labour market.	350,000,000	2,103,542
20	-Training actions for innovation and professional change.		
	-Family Plan	2,000,000,000	12,020,242
	-Reconciliation of family and working life	3,283,000,000	19,731,227
	-Agreed Plan.	2,696,000,000	16,203,286
	-Old-age plan.	5,850,000,000	35,159,208
21	-Disabled Plan.	700,000,000	4,207,085
	-Home help for the elderly and the disabled.	2,912,000,000	17,501,472
21	-Professional and vocational training for women with unshared family responsibilities.	60,000,000	360,607
	-Reincorporating women into the labour force	25,000,000	150,253
	-"Alba" program.	6,400,000	38,465
	-Employment and self-employment	175,000,000	1,051,771
	-Businesswomen	159,000,000	955,609
	-Co-financing of European Programmes for NGOs	59,000,000	354,597