



Eurofound

Spain: a country profile



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Introduction

Spain took over the European Union's six-month Presidency from Sweden on 1 January 2010. This report aims to present an overview of the Spanish labour market and industrial relations system, mainly using research findings from the European Foundation for the Improvement of Living and Working Conditions (Eurofound).

The first chapter outlines the main features of the Spanish economic model, highlighting basic facts and data needed to understand the main issues affecting the economy at present.

Chapter 2 depicts the Spanish industrial relations system. It presents the main social partner organisations, features of the Spanish collective bargaining and social dialogue processes, as well as the agreements reached regarding pay and working time. Special attention will be paid to recent trends in social dialogue in the workplace based on data from the second European Company Survey (ECS), which was carried out by Eurofound in 2009.

Chapter 3 reviews the labour market developments covering the period between 1995 and 2009. It looks at the main patterns of employment expansion in terms of quantity and quality during the last prosperity cycle and highlights current developments as a result of the global economic crisis. Chapter 4 then explores the steps taken by the government and the social partners to tackle the consequences of the current crisis.

The last chapter examines the quality of working and living conditions in Spain, using data from the fourth European Working Conditions Survey (EWCS) carried out by Eurofound in 2005 and the second European Quality of Life Survey (EQLS) conducted by Eurofound in 2007.

Background information

General information

Area: 504,750 square kilometres

Population: 46,661,950

Capital: Madrid

Official language: Castilian Spanish

Recognised regional languages: Aranese, Basque, Catalan, Galician and Valencian

Currency: Euro



Political background

When King Juan Carlos restored democracy in 1978, he established a constitutional monarchy, devolving a great amount of autonomy to the various regions of the country. The Spanish state consists of 17 autonomous communities, which have their own elected regional parliaments and governments with legislative and executive powers in the field of public administration, education, health care, social services, culture, as well as urban and rural development. The regional governments are also responsible for minimum income schemes. There are also two autonomous cities – Ceuta and Melilla – with fewer legislative powers than the autonomous communities, but greater regulatory powers than those of regular city councils.

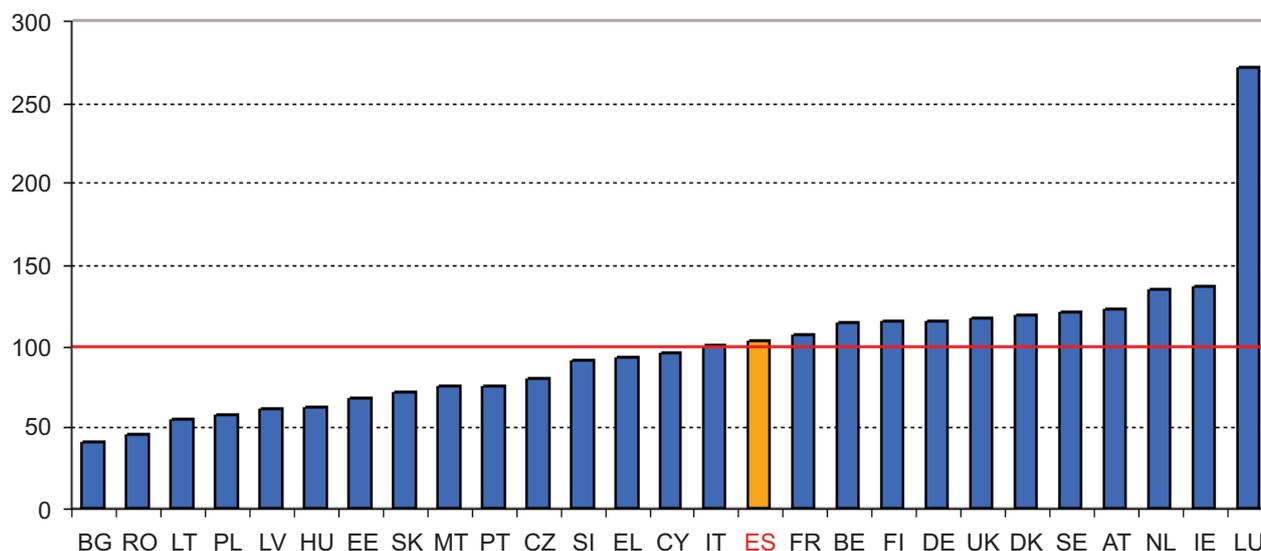
In 2004, the Spanish Socialist Workers' Party (*Partido Socialista Obrero Español*, PSOE) came back to power after almost a decade of the conservative People's Party (*Partido Popular*, PP) in government. PSOE, led by José Luis Rodríguez Zapatero, was re-elected in March 2008, but the party failed to win a parliamentary majority and thus relies on support from other parties (TN0903029S¹). Since the outbreak of the financial and economic crisis in the summer of 2008, the socialist government headed by Prime Minister Zapatero has taken many steps to cushion the crisis effects.

Economic developments

Over the past decade, Spain's economic performance has been impressive, making it one of the most dynamic countries of the European Union (see EIRO, *Spain: Industrial relations profile*, 2009). During this period of prosperity, the Spanish labour market grew in an impressive manner, absorbing a considerable number of new workers, particularly women and migrants. In 2007, Spain recorded a gross domestic product (GDP) per capita above the average of the 27 EU Member States (EU27) (Figure 1).

¹ The codes beginning 'TN...' and 'ES...' refer to updates from EIRO, which are accessible online. Simply enter the code in the search window at <http://www.eurofound.europa.eu/eiro/index.htm>.

Figure 1: GDP per capita in purchasing power standards (PPS) in the EU27, by country, 2008 (%)

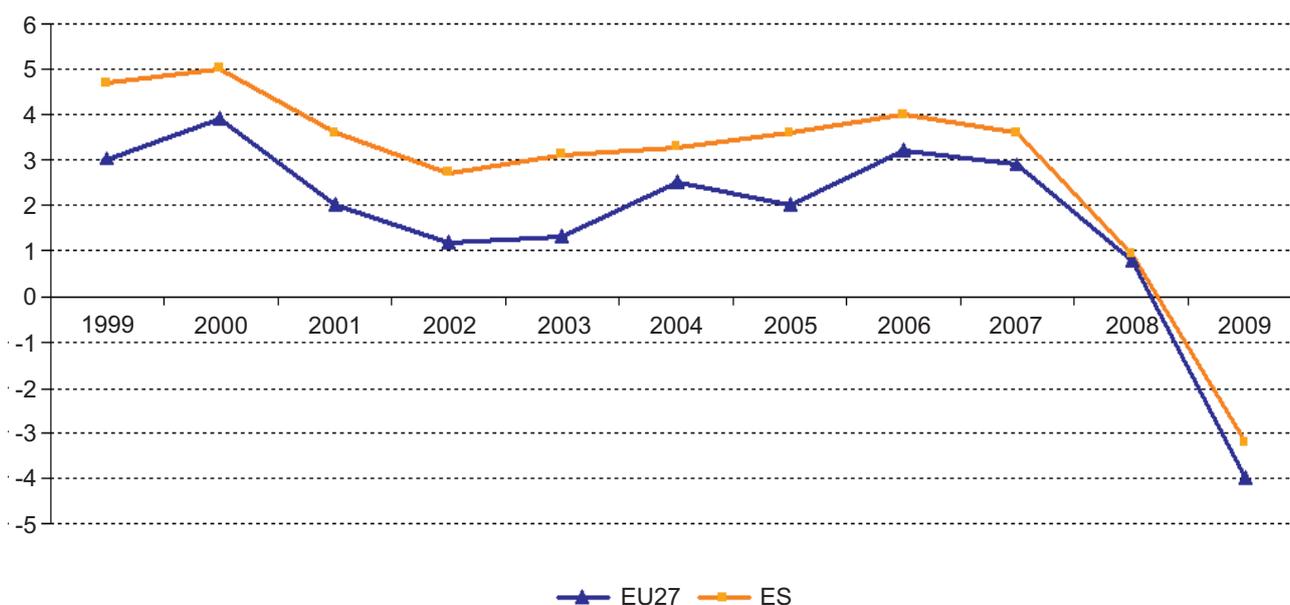


Note: Index: EU27 = 100

Source: Eurostat, 2009

Until 2007, Spain's annual growth rate of GDP had been higher than the EU27 average (Figure 2). The good performance of the Spanish economy was confirmed by the country's attractiveness for foreign direct investment (FDI). The recent economic growth was mainly driven by the construction and tourism sectors, as well as by strong domestic consumption (ES0902059I). For instance, the construction sector alone accounted for 25% of jobs created during the 1998–2007 period.

Figure 2: Real GDP growth rate in Spain and EU27, 1999–2009 (percentage change on previous year)



Source: Eurostat, 2009

Nonetheless, Spain faces several challenges such as high foreign debt and a high level of household indebtedness. In addition, Spanish productivity is comparatively low and the economy is based on a high proportion of small enterprises (OECD, 2005). These structural characteristics have made Spain particularly vulnerable to the financial and economic crisis.

Industrial relations

This chapter outlines the main features of the Spanish industrial relations system, presenting the social partner organisations involved, as well as the collective bargaining structures and the main negotiated outcomes.

In Spain, employer and employee organisations are not only involved in collective bargaining, but also play a key role in social dialogue, having a high capacity to influence economic and social policies.

Trade unions

Only trade union organisations considered as the ‘most representative’ are allowed to bargain at levels higher than the company level. The legal criterion for trade union representation is the organisation’s electoral strength in workplace elections, the so-called union elections: a trade union must obtain at least 10% of representation at national level or 15% at autonomous community level (ES0808019Q). At national level, two major trade union confederations are recognised as the most representative organisations. According to 2008 data, these are (in order of importance):

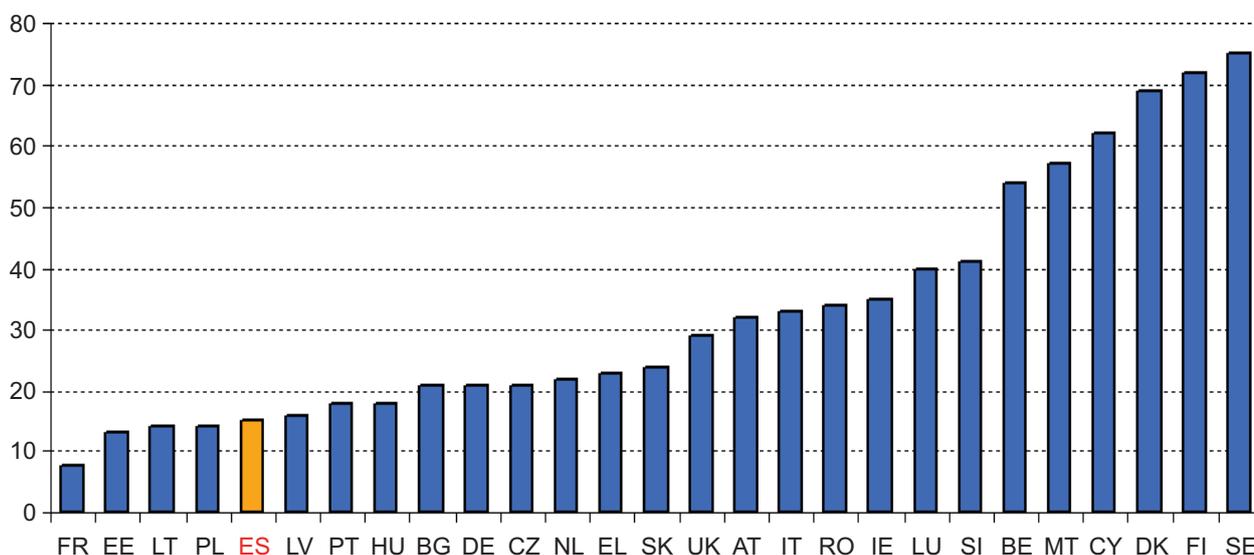
- the Trade Union Confederation of Workers’ Commissions (*Confederación Sindical de Comisiones Obreras, CC.OO*) covering 1,141,321 workers;
- the General Workers’ Confederation (*Unión General de Trabajadores, UGT*) representing 810,000 workers.

These two organisations represent over 70% of all trade union membership in Spain. The three other main trade unions, by order of importance, are:

- the Workers’ Trade Union Confederation (*Unión Sindical Obrera, USO*) representing 121,389 workers;
- the Basque Workers’ Solidarity (*Eusko Langileen Alkartasuna/Sindicato de Trabajadores Vascos, ELA-STV*) gathering 109,318 workers;
- the General Confederation of Labour (*Confederación General del Trabajo, CGT*) covering 100,000 workers.

Traditionally, Spain has a low trade union density – that is, union membership as a proportion of the eligible workforce – at 17% in 2007. Trade union density in Spain in 2006 was among the lowest of the EU27 (Figure 3) together with France, Estonia, Lithuania and Poland.

Figure 3: Trade union density in the EU27, by country, 2006 (%)



Source: ICTWSS Database (Database on Institutional Characteristics of Trade Unions), 2009

Employer organisations

The structure of business representation has been relatively stable in Spain over the past years.

For an employer organisation to be considered as ‘most representative’ at national level, its member companies must employ at least 10% of all the workers at each bargaining level; to be considered as ‘most representative’ at autonomous community level, member companies must cover at least 15% of all the workers at each bargaining level. In this case, an employer organisation is allowed to conclude collective agreements and to participate in tripartite bodies. Two employer organisations meet this criterion:

- the Spanish Confederation of Employers’ Organisations (*Confederación Española de Organizaciones Empresariales*, CEOE). According to its own data, CEOE represents over one million companies or about 75% of Spanish enterprises of all types and in all sectors of activity;
- the Spanish Confederation of Small and Medium-Sized Enterprises (*Confederación Española de la Pequeña y Mediana Empresa*, CEPYME). No membership figures are available for CEPYME; however, as most Spanish companies are small and medium-sized enterprises (SME), the size of this organisation is considerable. CEPYME is itself a member of CEOE.

Although the most representative employer organisations at national level – CEOE and CYPYME – play an important role in collective bargaining, they grant the sectoral employer associations a large amount of autonomy in sectoral bargaining. At present, some 164 sectoral employer associations are affiliated to CEOE, most of which are also members of CEPYME. These associations cover all sectors of economic activity; their size, nevertheless, varies greatly according to the sector covered. In recent years, the number of sectoral employer organisations has been increasing due to the emergence of new sectors of activity.

In addition, the representation system of employers in Spain presents the distinct feature of having influential organisations at territorial level. The importance of these territorial organisations has been growing over the past years.

In terms of activity, they carry out social dialogue in their region and coordinate the sectoral employer associations since all sectoral organisations at national level also have a regional sectoral branch.

Main features of collective bargaining

The Spanish industrial relations system has four fundamental characteristics:

- the crucial importance of labour legislation, which determines the actors involved in industrial relations and the relations between them. This includes the selection of social partners on the basis of representativeness, a preference for generally applicable collective agreements and state intervention in the agreements;
- the system's hierarchical structure with some trade unions and employer organisations being 'most representative' and exerting powerful influence in policymaking;
- the predominant role of collective bargaining in regulating individual and collective labour relations;
- an external judicial means of settling labour disputes, although other channels such as conciliation, mediation and arbitration have been developed in the past years.

Since the approval of the Workers' Statute (*Estatuto de los Trabajadores*) in 1980, collective bargaining has been the legitimate and recognised way for negotiating and determining pay and working conditions. Collective agreements have the value of laws and are 'generally effective', which means that they apply to all workers and companies of the area concerned by the agreement.

The organisation responsible for monitoring the collective bargaining processes is the National Advisory Board on Collective Agreements (*Comisión Consultiva Nacional de Convenios Colectivos*). It is a tripartite body composed of representatives of the government and the most representative employee and employer organisations. It provides advice on the functioning of collective agreements, and carries out a range of studies and reports on collective bargaining.

In Spain, collective bargaining coverage amounted to 83% in 2006, according to the European Commission report *Industrial relations in Europe 2008* and the ICTWSS Database. The main level of collective bargaining is the sectoral level, with sectoral agreements reached either at national, regional or provincial level according to the sector of activity. The most important bargaining level, however, is the provincial sectoral level (TN0808019S). Provincial sectoral agreements concern about half of the workers covered by collective bargaining, while national agreements affect about a quarter. Although company-level agreements are the most widespread form of collective agreements, amounting to about 75% of agreements signed in 2005, they only cover about 10% of the workers, due to the predominance of small enterprises in Spain (ES0603029I). Nevertheless, there is evidence that company-level bargaining has recently gained in importance. This has been described as 'coordinated decentralisation' since elements to be negotiated at company level were often delegated from higher-level collective agreements. As a consequence, sectoral agreements still play a central role in collective bargaining, even if some elements are negotiated in greater detail at company level (ES0702019I).

Social dialogue

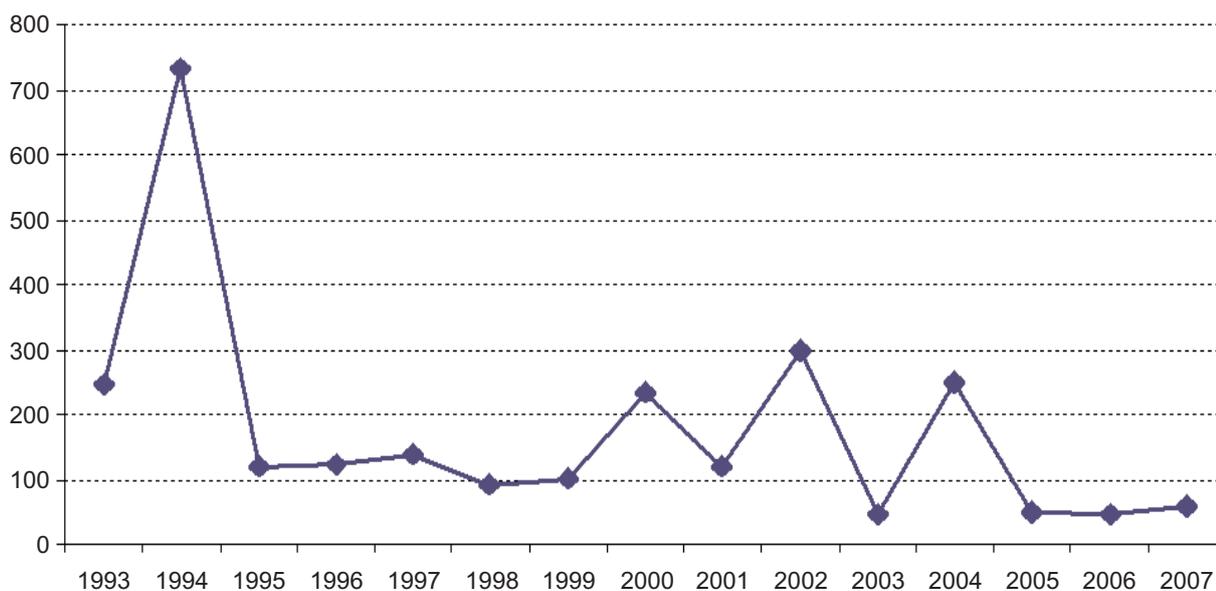
Since July 2009, as a result of the severe impact of the economic crisis on Spain's labour market, social dialogue has been progressing slowly. The difficult labour market situation has created considerable tension among the social partners over pay agreement and employment protection measures. Indeed, the social partners' diverging views and opinions prevented the renewal of the Multi-Sector Agreement for Collective Bargaining (*Acuerdo Interconfederal para la Negociación Colectiva*, AINC) for 2009 (ES0910029I; Planet Labor, 13 September 2009).

Overall, however, social dialogue has been flourishing in Spain in the past years, mainly as a result of a new work method which implies that the bargaining agenda covering the whole legislature is settled in advance. The content of collective bargaining related to economic, labour and social matters, and focused on a common objective: to improve the economic sustainability and performance of the Spanish model through higher productivity rates and increased company competitiveness. In addition, it was agreed to promote employment equality. Many agreements signed in the past years aimed to improve the functioning of the labour market and the social protection system, such as, for example, the agreement for the improvement of growth and employment in May 2006, the agreement on social security measures in July 2006 and the agreement on the protective action of dependent care in 2008.

Industrial disputes and actions

In the past decade, industrial conflict declined due to several factors (Figure 4). First, growing economic prosperity eased tensions. Secondly, the AINC, which was signed for the first time in 2002 and renewed every year since, established a useful framework for ensuring industrial peace. The recent development of non-judicial bodies and procedures for solving industrial disputes, such as through conciliation and mediation, contributed to appeasing industrial relations. As a result, the number of strikes as well as strike participation declined, leading to a reduction in the number of working days lost.

Figure 4: Working days lost per 1,000 workers in Spain, 1993–2007



Source: Eurostat, 2009

Workplace representation

Worker representation is ensured through two ways at company level: trade unions and works councils. Works councils seek to represent all workers of the company and are composed of workers' committees (*comite de empresa*) and workers' delegates (*delegados de personal*). Workers' committees are elected in all companies or workplaces with more than 50 workers). Although different from unions, works councils are in fact highly unionised because most of the candidates for the elections are members of a trade union present in the company. Worker representatives have the right to receive relevant information from the employer. The role of worker representatives is defined in the Workers' Statute and, by and large, consists of ensuring the correct implementation of the agreed working conditions.

Eurofound's European Company Survey (ECS) 2009 provides recent data on company practices regarding social dialogue (see box below).

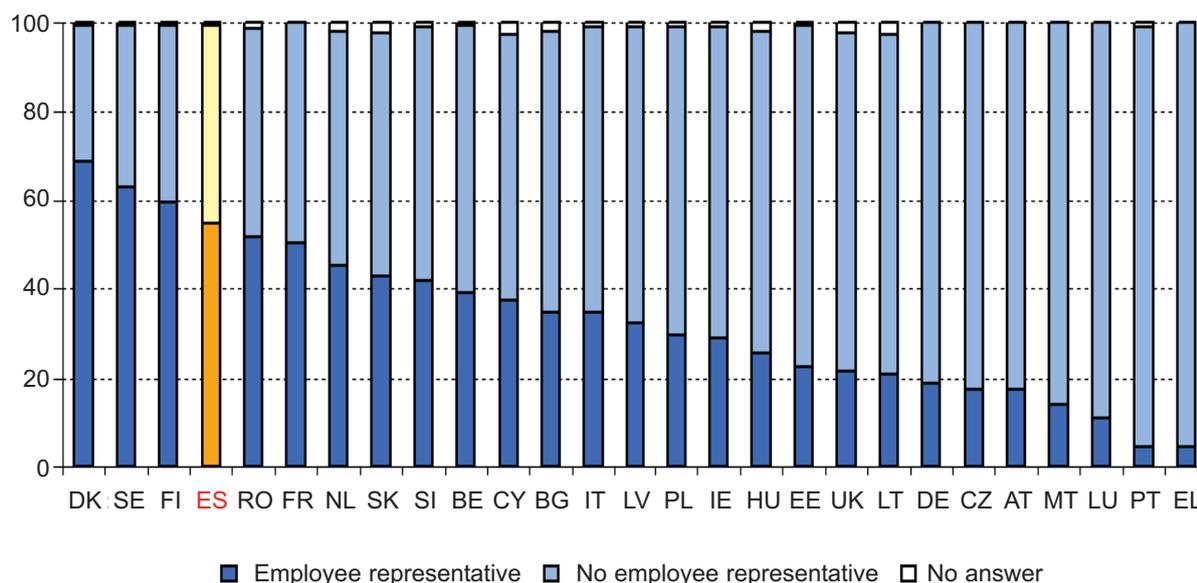
European Company Survey 2009

The European Company Survey 2009 is a large-scale representative survey among establishments with 10 or more employees. It covers 30 countries including the 27 EU Member States as well as the current candidate countries – Croatia, Turkey and the Former Yugoslav Republic of Macedonia. The main topics of the 2009 survey are flexibility measures and social dialogue practices at the company level. In each establishment selected, a management interview was conducted and, when possible, an additional interview with an employee representative was also carried out. On the employee side, depending on the national structure of employee representation, representatives of works councils and trade unions at workplace level have been interviewed. In the case of Spain, the interview partner has been the chair of the works council – the *Comite de empresa* in the private sector and the *Junta de personal* in the public sector.

The first findings of the European Company Survey 2009 are available on Eurofound's website through an interactive mapping tool accessible at <http://www.eurofound.europa.eu/surveys/>.

The data provided by the ECS depict a positive picture of Spain, which is a country in which employees are well represented and covered by wage agreement and in which employee representatives dispose of sufficient resources to perform their work. As shown in Figure 5, Spain is one of the European countries with the highest incidence of employee representation at workplace level.

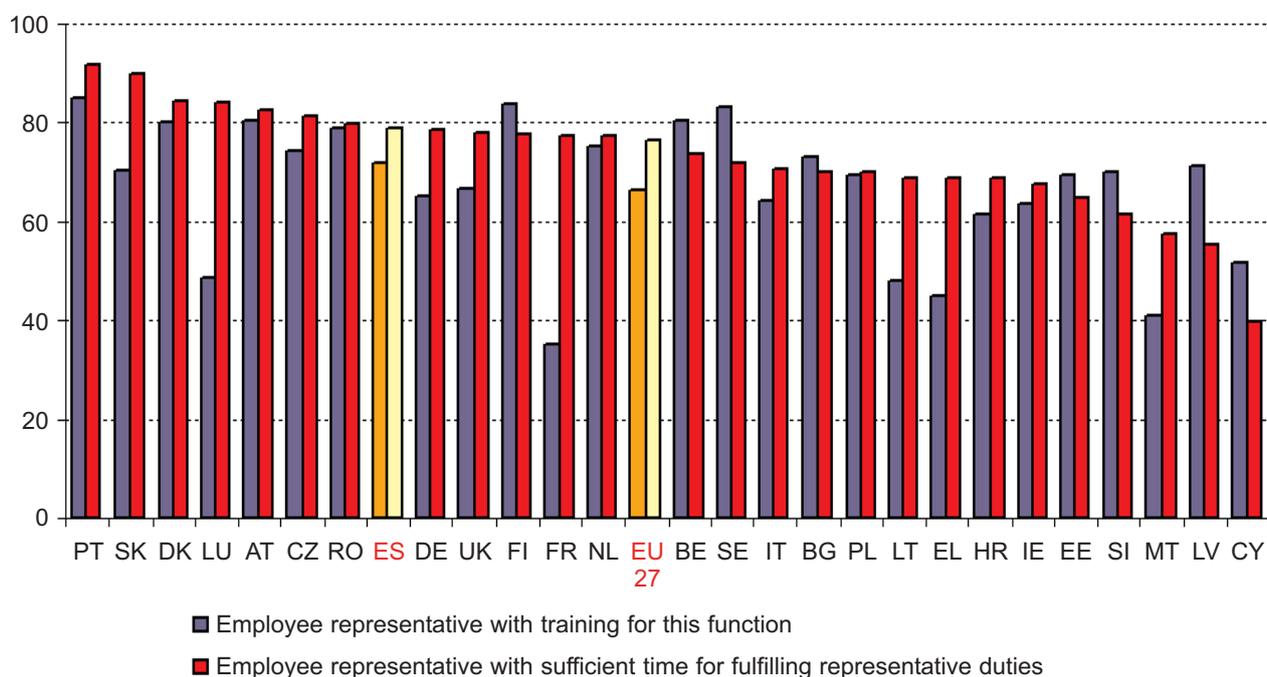
Figure 5: Companies with employee representation in the EU27, by country (%)



Source: ECS 2009

Some indicators of the ECS capture works council resources, notably sufficient time and training for fulfilling representative duties. Once again, Spain is relatively well positioned in comparison to the other European countries.

Figure 6: Resources of employee representatives in the EU27, by country (%)



Source: ECS 2009

Main outcomes of collective negotiations

Collective bargaining in Spain covers a wide range of issues from pay to working time and training.

Pay

At national level, pay bargaining is negotiated within the framework of the AINC signed every year since 2002 by the most representative employer and employee organisations. These annual agreements set out the framework for collective bargaining at all levels. In line with the AINC’s provisions, the social partners settle pay rises according to three criteria: the estimated inflation rate, the increase in productivity and a wage revision clause in case the real inflation rate exceeds the government forecast (ES0602101N, ES0808019Q).

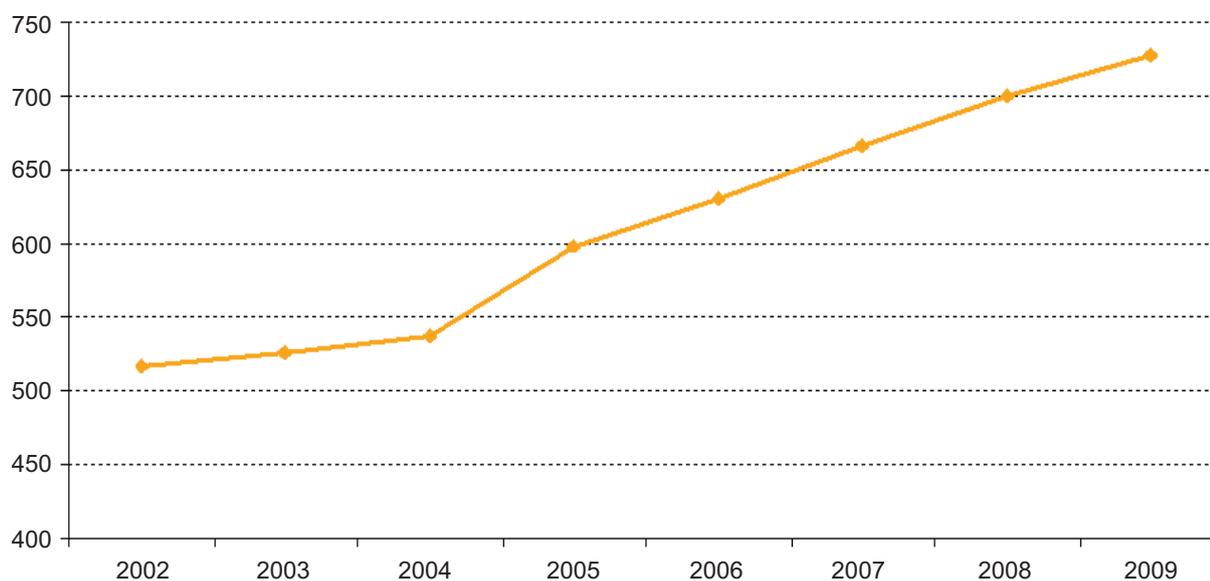
Wage moderation

As a result of the AINC, wage moderation has been sustained since 2002. Agreed pay increases have been steady over the period, amounting to between 3% and 3.5%. However, some signatory trade union organisations such as CC.OO questioned this policy of wage moderation on the basis that it has failed to contain inflation and that it prevents many workers from benefiting from the Spanish prosperity cycle (ES0808019Q, ES0707049I).

Minimum wage

The national minimum wage (*salario mínimo interprofesional*, SMI) exists since 1963 and is guaranteed to all workers who are not covered by collective agreements. The involvement of the government in pay negotiations is limited to setting the national minimum wage, which is renewed each year. The most representative social partners are also involved in this process by means of consultation. In 2004, the socialist government led by Prime Minister Zapatero decided to revalue progressively the SMI after many years of moderation (Figure 7).

Figure 7: Trends in gross monthly minimum wage in Spain, 2002–2009 (€)



Source: Eurostat, 2009

The SMI is also used as a reference for social benefits. Therefore, moderation of the SMI has been used as a means to contain public social expenditures. In 2004, Prime Minister Zapatero not only increased the SMI but also stopped indexing social benefits on the SMI. Nevertheless, the trade union confederations CC.OO and UGT continue to urge the government to make greater efforts in order to settle the SMI at 60% of the average wage by 2012. As a reference, in 2008 the net monthly SMI amounted to 43% of the net monthly average wage. On the other hand, employer organisations agreed with renegotiating the SMI; however, they are anxious that an increase in the SMI may have adverse consequences on companies' competitiveness, due to indirect effects on wages of other categories of workers earning more than the minimum wage.

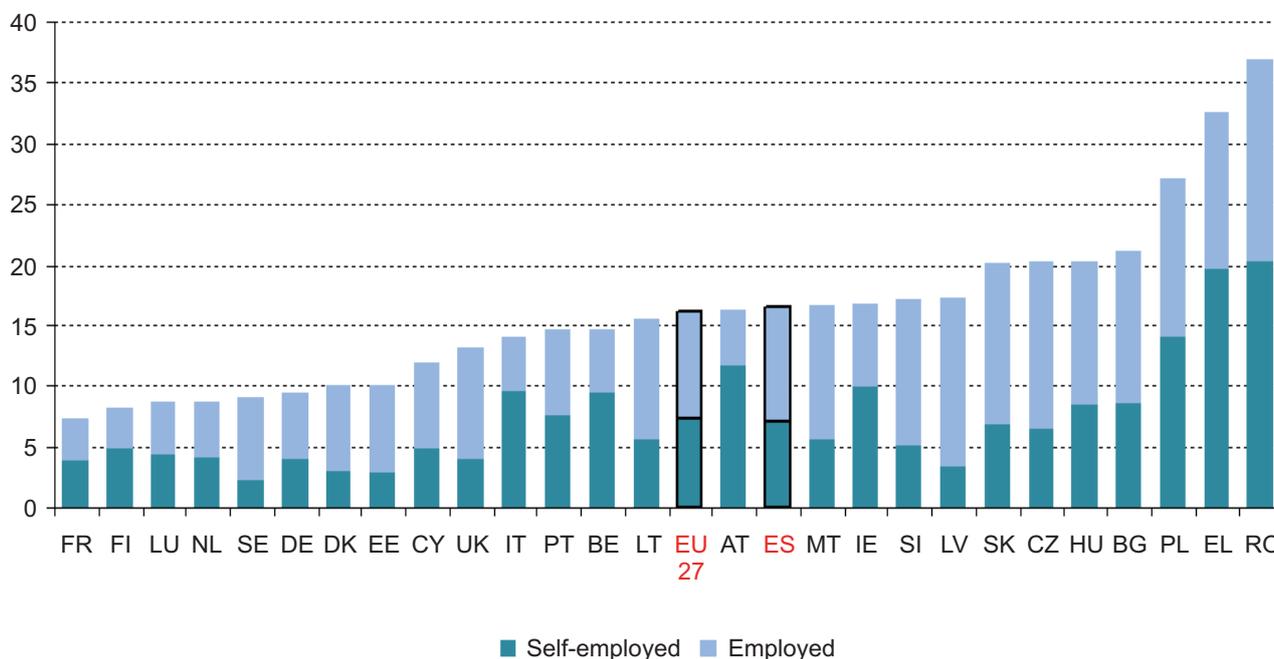
Working time

In 2008, the maximum statutory limits on weekly and daily working time amounted to 40 hours a week and nine hours a day. However, weekly and daily working hours may be higher if, respectively, a 40-hour or nine-hour average is maintained over a reference period. For comparison, in most European countries the maximum statutory limit on weekly working time stood at 48 hours (TN0903039S).

According to the EIRO annual updates on working time developments, in 2008 the average collectively agreed weekly working time was slightly lower in Spain (38.3 hours) than in the European Union (38.6 hours). However, actual weekly working hours capture more accurately how many hours workers really work. According to European Labour Force Survey (LFS) data, in 2008 the average number of actual weekly working hours in the main job for full-time employees stood at 40.4 hours in Spain, which is identical to the EU27 average. Over the past decade, the trend was towards a reduction in usual weekly working hours, reflecting the social partners' concern to reduce working time in order to achieve a better work–life balance (see the European Working Conditions Observatory (EWCO) *Comparative analysis of working time in the European Union*, 2009a).

According to EWCS 2005 findings, the proportion of Spanish employees (16.6%) working long hours (defined as more than 48 hours a week by the Working Time Directive 2003/88/EC), is very close to the EU average of 16.9% (Figure 8). Long working hours are of interest because of their impact on workers' health and work–life balance.

Figure 8: Long working hours (>48 hours a week) in the EU27, by country (% working population)



Source: EWCS 2005

When looking at paid working hours only, long working hours affect mainly men. Furthermore, some economic sectors are more affected than others by long weekly working hours: for instance, 17.2% of workers in retail trade and repair and 15.4% of workers in construction have long weekly working hours, that is, more than 48 hours a week. A significant proportion of Spanish workers (26.3%) work six days a week – this is more than 10 percentage points higher than the EU27 average (15.7%). This working time pattern is probably explained by the prominence of agricultural and tourism activities (see Spain's contribution to the EWCO *Comparative analysis of working time in the EU*, November 2009b).

Training

In 2007, a legislative reform created a single system of vocational training for employment including continuous and vocational training for all workers, regardless of whether they are employed or unemployed. This reform also promoted the inclusion of social partners for programming and assessing training initiatives through the establishment of a national-level Tripartite Foundation for Training in Employment. The foundation is a tripartite public organisation comprising representatives of public administrations, including the Ministry of Labour and Social Affairs and the autonomous communities, and of the most representative employer and employee organisations, CEOE, CEPYME, CC.OO and UGT.

The social partners in Spain are active in this field because they consider training and lifelong learning as key elements in achieving a more sustainable economic model. Beyond the national level, the social partners participate in training initiatives at multi-sector and sectoral levels through joint continuing training commissions. In addition, the law allows specific commissions to be set up at company level (ES0804049Q). As a result, training is increasingly dealt with at decentralised levels; in 2007, for example, 45% of company-level agreements covering 70% of the workforce contained clauses in this regard.

Labour market developments 1995–2009

This chapter comprises two sections. First, it examines patterns of employment expansion between 1995 and 2006, which corresponds to a time of economic prosperity in Spain. Then, the focus will shift away from employment expansion to the consequences of the current economic crisis for employment.

Patterns of employment expansion during prosperity cycle

Spain has created a great number of jobs in the past decade. A closer look at the patterns of employment expansion reveals interesting information about the distribution of job creation across economic sectors and quality levels (see box below). The quantitative information provided in this part of the report is based on a 2008 report of the European Restructuring Monitor (ERM), entitled *More and better jobs: Patterns of employment expansion in Europe* (Hurley and Fernández-Macías, 2008). The report assesses the quality of the jobs created in the EU Member States from 1995 onwards.

Assessing the quality of jobs created

The methodology used combines two principles. The unit of interest is ‘jobs’ rather than individuals, and job quality is measured by the jobs’ median hourly wages. It may be somewhat problematic to reduce job quality to a measure of wage; however, it is indubitable that wage is a key aspect of and serves as a reasonable proxy for job quality. In addition, this approach offers the advantage of enabling international comparisons.

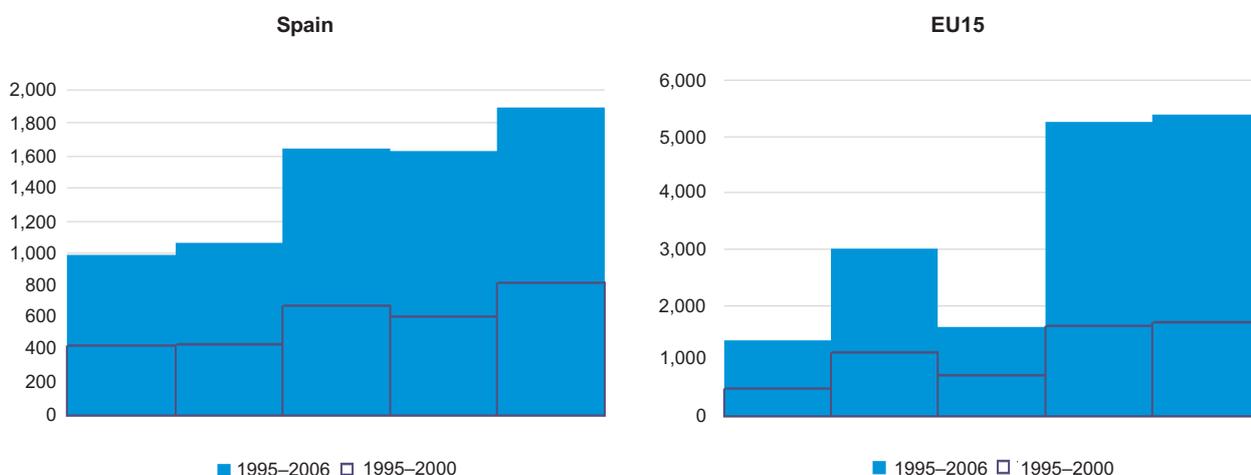
In order to compile discrete measurements of job quality within each country, jobs are classified by sector of activity and occupational level. Then jobs are ranked by median hourly wage and grouped into five quality quintiles (each quintile represents 20% of the working population). Finally, net and average changes in employment in each quintile are measured, and job creation patterns are further differentiated by sector and other characteristics such as employment status, gender and nationality. This methodology provides an insight into distributional patterns of employment growth in each country. The findings are consolidated in the European Jobs Project Database, from which all of the data presented in this chapter are drawn.

The European Jobs Project Database was constructed from several sources, including employment data from the European LFS and wage data from the European Structure of Earnings Survey and the European Survey of Income and Living Conditions (EU-SILC).

Net employment creation by job quality

From 1995 to 2006, Spain experienced a substantial expansion of employment. Overall, about seven million jobs have been created over this period, which means that Spain created one third of all jobs created in the EU15 during that period. Job creation in Spain was reasonably steady over the whole period, while intensifying during the second half of the period (Figure 9).

Figure 9: Net employment creation by job quality quintiles, Spain and EU15, 1995–2006



Source: *European Jobs Project Database, 2008*

When comparing the two graphs of Figure 9, it appears that job creation occurred in all of the wage quintiles². The strong growth of employment in the two highest wage quintiles indicates that Spain experienced a general upgrading of its employment structure as has been the case for the EU15. It is worthwhile noting that job creation in Spain has been more developed in the first three wage quintiles than in the EU15.

The analysis of employment expansion by sector of activity helps to provide an understanding of the characteristics of employment growth in Spain over the period 1995–2006.

Employment growth by sector of activity

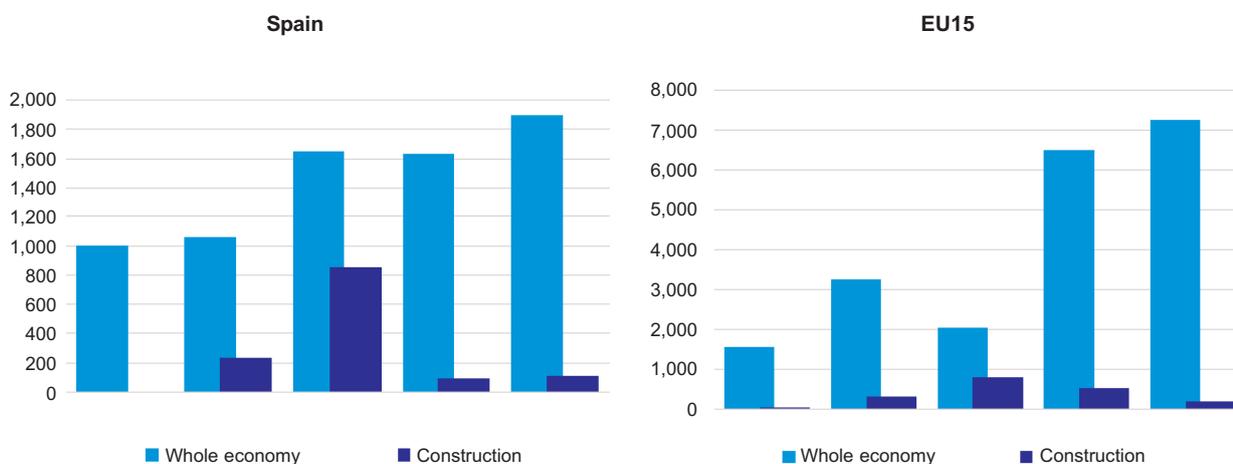
It is possible to examine the contribution to job creation and the quality of the jobs created for each sector of activity. For this purpose, jobs have been categorised in four broad sectors: primary sector (that is, agriculture, forestry and extractive industries), construction, manufacturing and services. As the primary and the manufacturing sectors did not contribute much to the employment growth in Spain, only findings in relation to the construction and services sectors will be outlined in greater detail in this section. Both of these sectors account for almost all of the employment expansion in Spain between 1995 and 2006.

Construction sector

Figure 10 clearly shows that the construction sector is responsible for a large proportion of employment growth in the third wage quintile. This means that employment growth was to a larger extent generated by construction in Spain than in the EU15.

² For further information on how accurately these data on Spain reflect employment growth, see the ERM report *More and better jobs: patterns of employment expansion in Europe*, available online at: <http://www.eurofound.europa.eu/publications/htmlfiles/ef0850.htm>.

Figure 10: Absolute change in employment growth, construction sector vs. whole economy, Spain and EU15

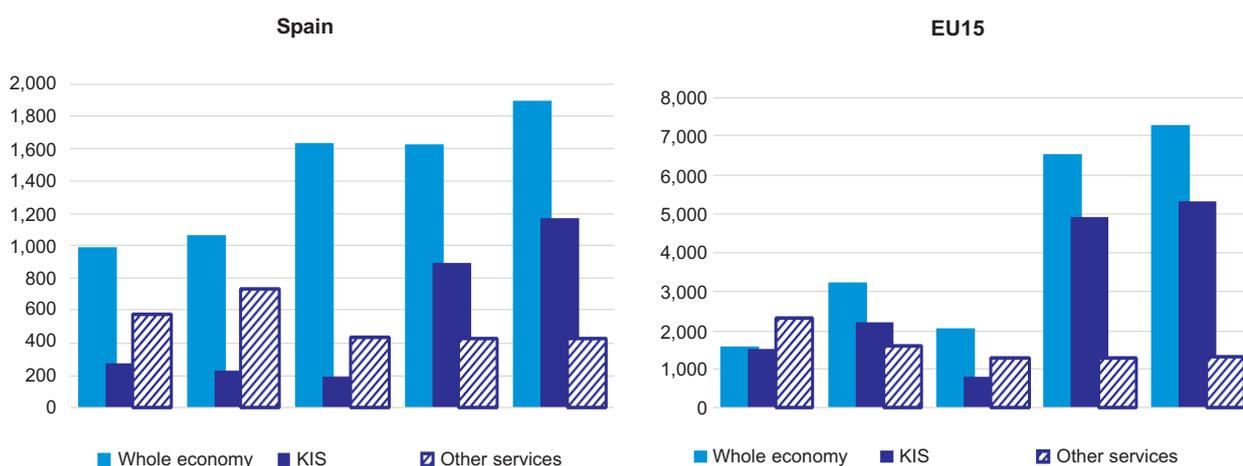


Source: *European Jobs Project Database, 2008*

Services

In Spain, the services sector accounts for nearly all job creation in the two lower and higher wage quintiles. As it might be expected, knowledge intensive services (KIS, according to the Eurostat classification) contributed more than other services to job creation in the highest wage quintiles (Figure 11). Conversely, other services that are characterised by a lower use of knowledge were mainly responsible for job creation in the lowest wage quintiles. In the last two centuries, economic development has led to a shift in employment structure between sectors of activity, moving from agriculture and manufacturing to services and more recently to KIS. As outlined in Figure 11, Spain is in a transitory situation of employment structure, since KIS are less responsible for employment growth in Spain than in the EU15.

Figure 11: Absolute change in employment growth, services sector vs. whole economy, Spain and EU15



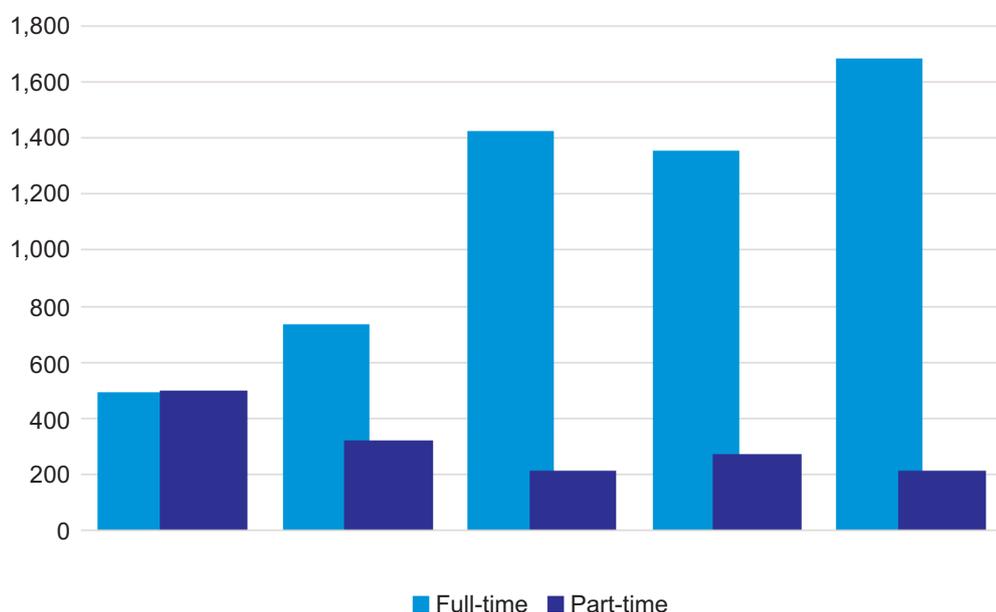
Source: *European Jobs Project Database, 2008*

Employment growth by type of employment contract

The data on job growth can also be broken down by employment status, that is, according to part-time and full-time employment contracts, as well as fixed-term and permanent contracts.

The analysis of job creation in relation to part-time and full-time employment provides mixed evidence regarding job quality. The creation of full-time jobs outnumbered by far that of part-time jobs; full-time jobs have been mostly created in the higher income quintiles. In contrast, part-time jobs were mostly created in the lowest quintile, which indicates rather poor financial security for these workers. Figure 12 clearly highlights the polarisation between low-paid part-time jobs and well-paid permanent jobs.

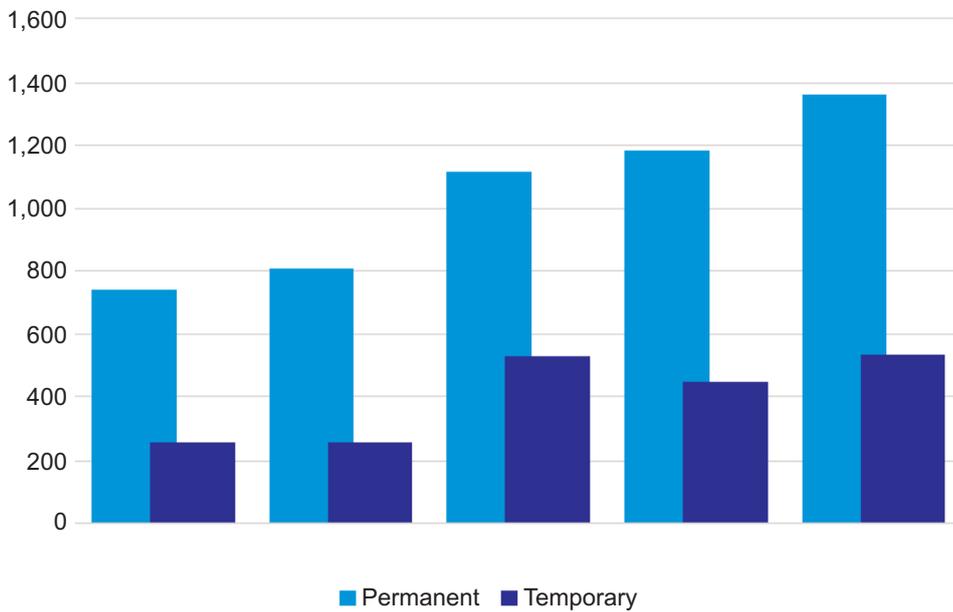
Figure 12: *Absolute change in employment growth, part-time vs. full-time employment*



Source: *European Jobs Project Database, 2008*

Regarding permanent and temporary jobs, it is evident that most jobs created were permanent employment contracts. Furthermore, permanent jobs are more likely to be well-paid (Figure 13) and thus represent jobs of good quality. In addition, the Spanish labour market also observed a significant increase in temporary employment which, by definition, is more precarious than permanent employment.

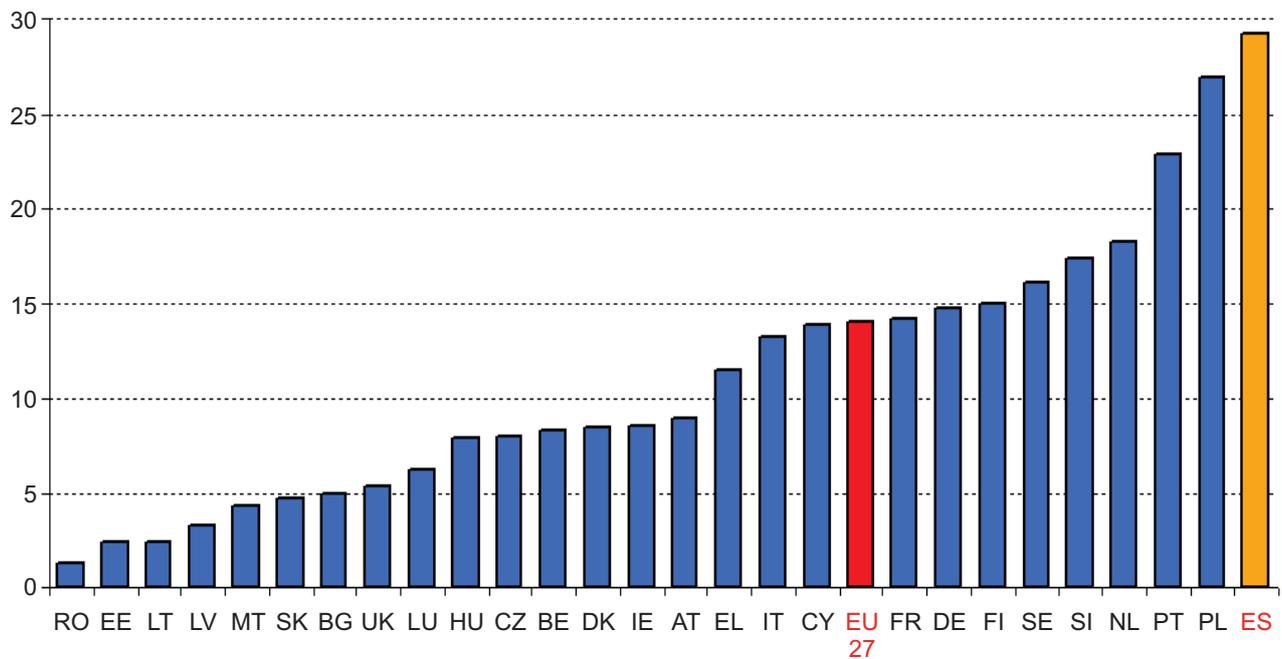
Figure 13: Absolute change in employment growth, temporary vs. permanent employment



Source: *European Jobs Project Database, 2008*

Although many permanent jobs have been created, Spain is still the country in Europe which has the highest rate of temporary employment (Figure 14).

Figure 14: Employees with a temporary contract in EU27, by country, 2008 (%)*



Note: * Proportion of total number of employees.
Source: *Eurostat, 2009*

Temporary employment is more present among particular groups of workers. For instance, women, young people and workers in sectors such as agriculture, construction, hotels and restaurants, and domestic services have a higher probability of being employed on a temporary basis. Temporary employment is also strongly related to the level of education, occupational group and region (EWCO, November 2005). However, the recent trend in employment in the Spanish labour market has been towards a reduction in temporary jobs and towards an increase in permanent jobs.

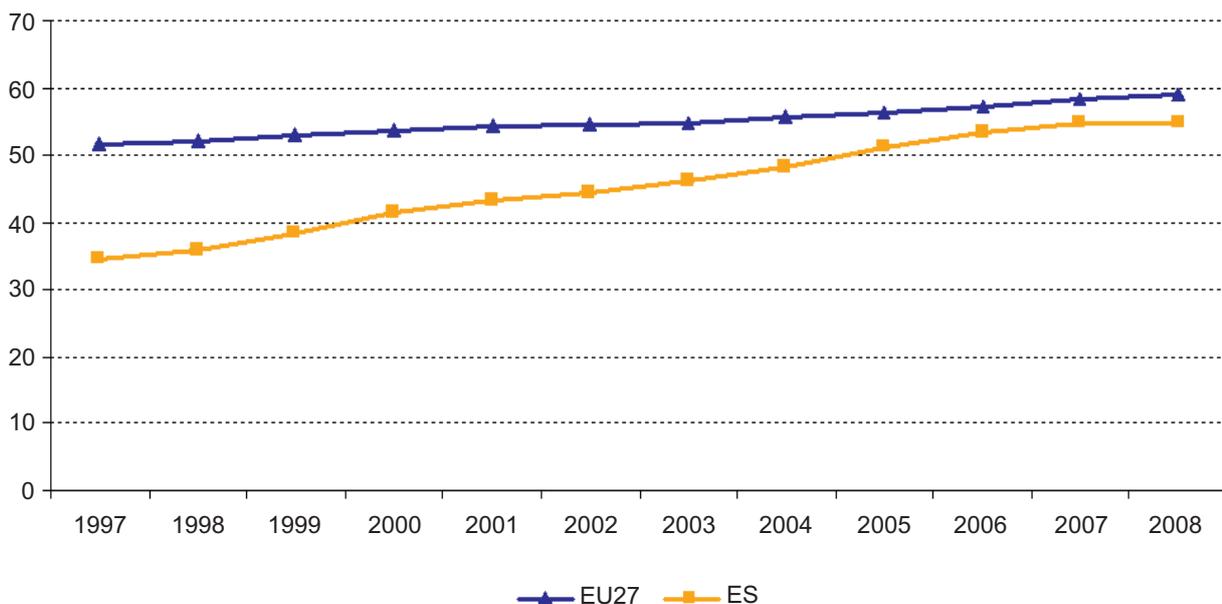
Employment growth by workers' characteristics

When looking at the characteristics of the workers hired during the prosperity cycle in Spain, several differences emerge in the profiles of workers.

Gender

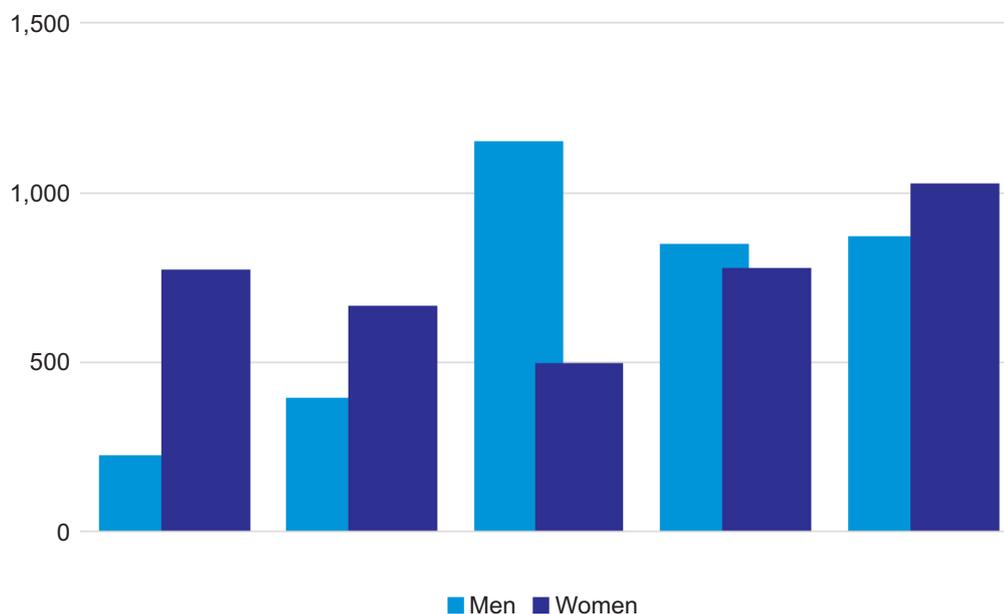
The increasing labour market participation of women has contributed considerably to employment growth in the Spanish labour market. Yet, the employment rate of women in Spain remains lower than the EU27 average, albeit converging trends in female employment in Spain and the EU27 (Figure 15).

Figure 15: Female employment rate in Spain and EU27, 1997–2008 (%)



Source: Eurostat, 2009

Job creation in the third income quintile has mainly benefited men, which is likely to be due to the expansion in the construction sector. Men also profited from job creation in the highest quintiles, which coincides with job creation in the services sector, notably in KIS. Spain has also created a significant number of jobs held by women. Women entered the Spanish labour market in all categories and types of employment; however, the polarisation of female employment in very low-paid and high-paid positions is striking. The fact that more women hold non-qualified jobs may be related to the large inflow of migrants into the Spanish labour market (EWCO, March 2004) (see also box on ‘Gender equality at the workplace’).

Figure 16: *Absolute change in employment growth, women vs. men*

Source: *European Jobs Project Database, 2008*

Gender equality at the workplace

Despite an increasing proportion of women entering the labour market and targeted governmental measures in this regard, the gender pay gap remains high in Spain (ES0912019Q). It is nevertheless close to the EU27 average. According to Eurostat, in 2007 the difference between average hourly earnings of male and female employees as a percentage of earnings of male employees amounted to 17.6 %.

In 2007, the government adopted the Gender Equality Law, thereby transposing into national legislation the European Directive on equal treatment for men and women as regards access to employment (Directive 76/207/EEC). The Gender Equality Law stipulates that companies employing over 250 workers must negotiate collectively gender equality plans and that small enterprises should follow this example on a voluntary basis. The objective is to promote gender equality in relation to employment, working conditions, vocational training and career promotion (ES0704019I). Recently, the social partner organisations of the temporary agency work sector agreed on a list of recommendations encouraging equal opportunities for women and men, and preventing gender discrimination in employment (Planet Labor, 27 October 2009). Such an initiative is particularly relevant in a sector which employs a great number of women.

Migrants

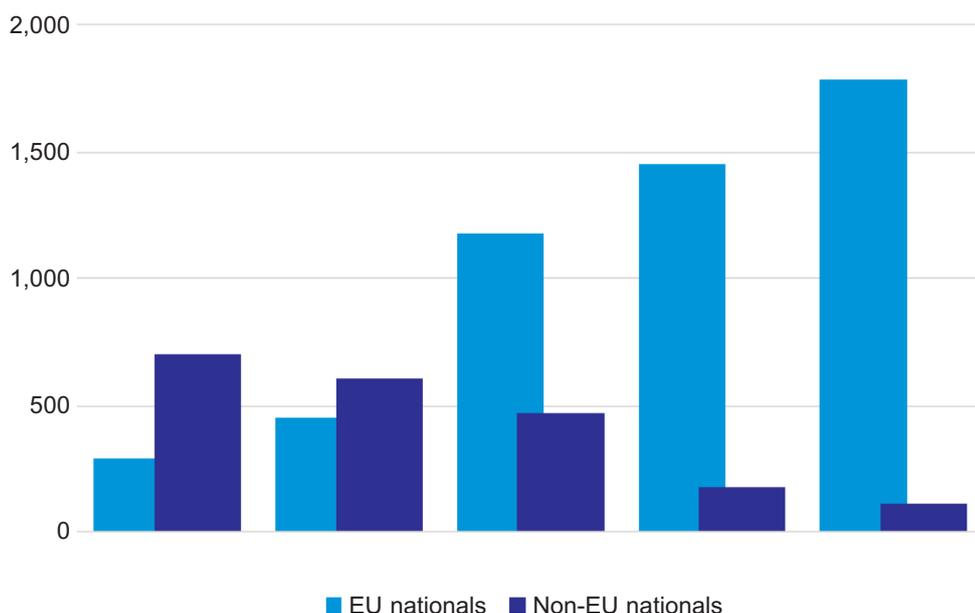
The number of migrants has considerably increased in the past 10 years, from fewer than one million to over 5.2 million persons of foreign origin residing in Spain. This corresponds to 11.3% of the national population. Migrants tend to come mainly from Latin America, Africa (with the Spanish coast being close to the North African coast) and eastern Europe, notably from Romania (ES0809069I).

This large-scale immigration into Spain, which is the second highest in Europe, was fostered by the fact that Spain had a demand for low-wage labour during the 1995–2006 period of economic prosperity. Spain created low-qualified jobs mainly in the agriculture, construction and tourism sectors. In total, migrant workers accounted for 66% of male employment growth and 40% of female employment growth. The construction sector has been the main source of low-

qualified jobs for male migrant workers, while the services sector has mainly attracted women in this category of jobs (Miguélez and Recio, 2008).

Figure 17 highlights job creation in the income quintiles according to the origin of workers, clearly showing that non-EU migrant workers face different employment situations than EU citizens. The findings illustrate that EU nationals benefited disproportionately from job creation in the higher quintiles, while non-EU migrants tend to be segregated into the lowest quintiles.

Figure 17: *Absolute change in employment growth, non-EU nationals vs. EU nationals*



Source: *European Jobs Project Database, 2008*

Government measures to combat illegal immigration

The illegal inflow of migrants into Spain has been high. This, in turn, has led to illegal employment, which is characterised by low wages, and also to a rise in housing prices. To limit the impact of illegal labour on the national economy in 2005, the government decided to legalise the situation of about 700,000 irregular workers on condition that they show proof of employment. In doing so, the Spanish government succeeded in sustaining the flow of migrants until the beginning of the economic crisis in 2008, which brought immigration to a halt.

To stop illegal immigration, the government launched several initiatives in the past years, including repatriation, control procedures and restrictions on family reunification. The government also tried to limit the influx of migrant workers by offering them the option of returning to their home countries, for example (ES0809069I).

Working poor

The European Commission uses the term ‘working poor’ to describe people in regular employment whose disposable income – that is, wages from employment plus income related to the household situation – puts them at risk of poverty, due to low levels of pay and dependent expenses. Eurostat defines this level as having an income below 60% of the national median income. According to EU-SILC 2007 data, taking only into account employed people aged above 18 years, the working poor represent 11% of the total employed population in Spain. For comparison, the EU average stood at 8% in 2007.

However, the risk of being in the category of the working poor does not only depend on a person's wage level but also on the household situation. For example, although more working women than men in Spain earn less than 60% of the median national salary (hourly wages), in fact fewer employed women (9%) than men (12%) are defined as working poor. Likewise, having a low hourly wage does not automatically lead to being at risk of poverty in Spain. Among the employees whose hourly wage is lower than 60% of the Spanish median, only 19.6% are part of households that are at risk of poverty. In fact, the risk of poverty is more related to household characteristics than wage level in Spain. The strong protective role traditionally played by the family may explain this situation. However, due to changes in familial structures and an increasing number of disintegrated families such as single-parent families, the protective role of the family may be in jeopardy, implying new social risks.

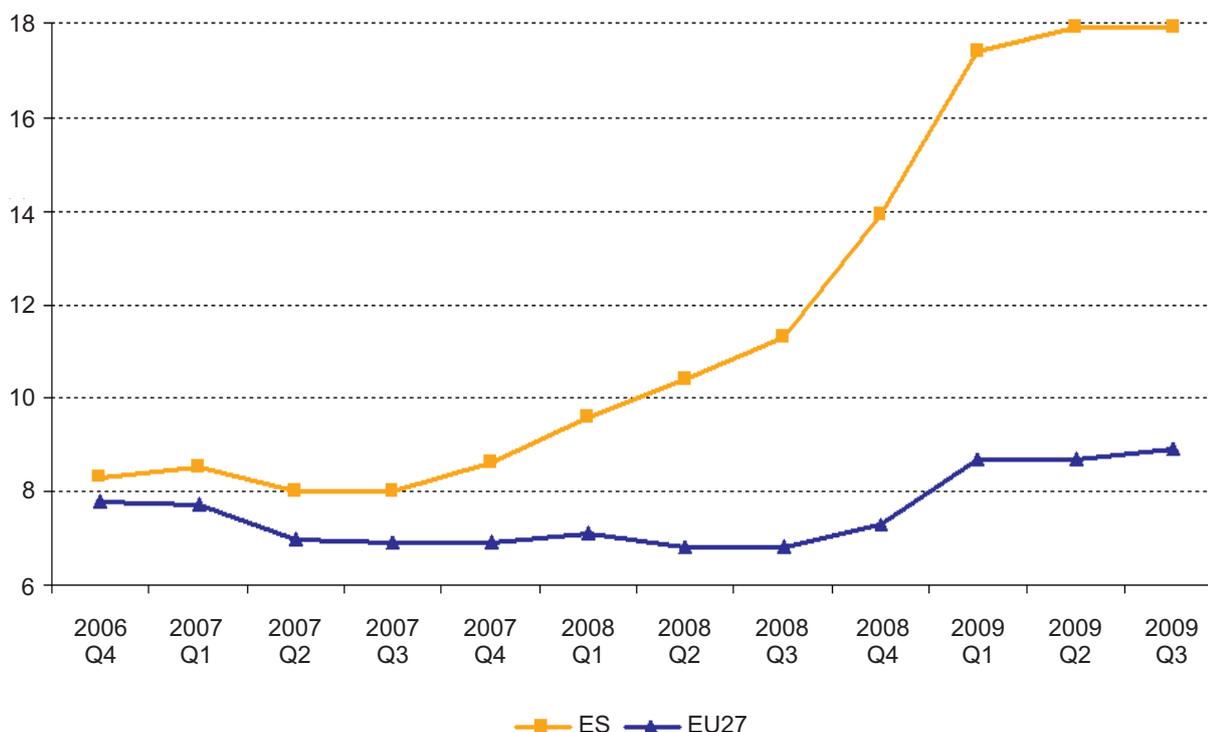
Consequences of economic crisis on employment

The Spanish economy has been among the most dynamic of the eurozone countries over the past decade with a high sustained growth rate. However, the unravelling of the global financial and economic crisis put an end to Spain's prosperous period. The impact of the crisis became visible in the summer of 2008 when unemployment began to surge and many companies went bankrupt or faced considerable cuts in investment and layoffs (ES0902059I).

Impact according to sector of activity

The crisis affected to a different extent various economic sectors and regions in Spain. Indeed, the unemployment rate currently stands at about 20% after 18 months of continuous rise. Unemployment has increased significantly from the second quarter of 2008 onwards (Figure 18), in addition to a slowing in household consumption, the collapse of many companies and substantial cuts in investment.

Figure 18: *Unemployment rate in Spain and EU27, 2006 Q4 to 2009 Q3* (%)*



Note: * *Quarterly unemployment rate*
Source: Eurostat, 2009

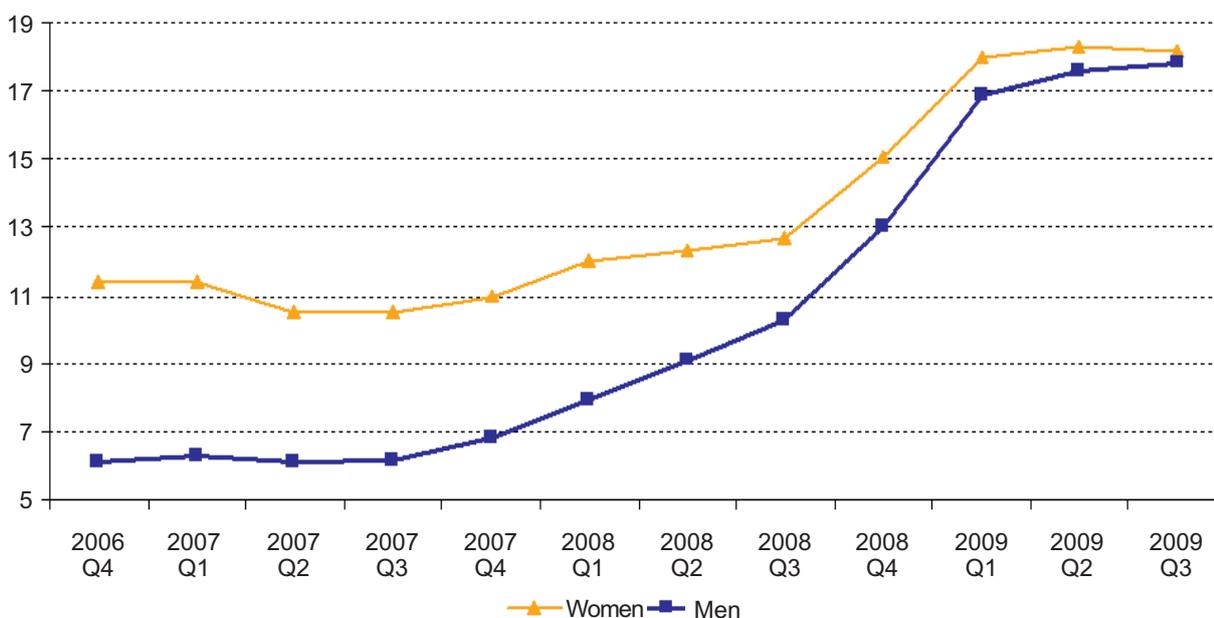
However, some precursory signs of an economic downturn surfaced before the summer of 2008. For instance, in construction, which is the sector most affected by the crisis, business has started to decline and mortgage rates have increased since 2006, slowing down economic activity (ES0810039I). Then in 2008, the real estate bubble exploded when a substantial number of loans were defaulted, leading to the collapse of many companies in various sectors of activity. The Spanish economy was all the more affected by these events since its growth had largely been supported by the construction sector, which was responsible for 25% of all jobs created between 1998 and 2007, and accounted for 10% of gross domestic product (GDP) and 13.9% of all people employed in 2007. According to the Spanish Public Employment Service (*Servicio Público de Empleo Estatal*, SPE) which registers unemployed people, in one year the construction sector registered a surge in job losses of 70% (ES0809019I).

The second sector to be severely hit by the crisis is the automotive industry in Spain, which like in many other countries faced a significant fall in demand. In 2008, car sales declined sharply by 28% (ES0902059I) – a significant blow to the Spanish economy as the sector accounts for 6% of GDP and about 20% of total exports. As a result, major car manufacturers launched redundancy procedures or adjusted production flows through temporary unemployment. Other sectors of the economy have also been affected, although to a lesser extent, such as the financial services sector and the tourism industry.

Workers affected by crisis

More men than women lost their jobs, due to the type of economic sector particularly affected by the crisis (Figure 19). In the past two years, male unemployment increased to a greater extent than unemployment among women: the former rose from 6% in the fourth quarter of 2006 to 18% in the third quarter of 2009, while the latter increased from 11% to 18% over the same period. In particular, migrant workers were subjected to the negative employment consequences of the crisis, due to the fact that employment in precarious jobs (that is, temporary employment) and low-qualified jobs was most affected by the crisis.

Figure 19: *Unemployment rate in Spain, by gender, 2006 Q4 to 2009 Q3* (%)*



Note: * *Quarterly unemployment rate*
 Source: Eurostat, LFS adjusted series, 2009

Responses to economic crisis

The fact that Spain was severely hit by the economic crisis brought to the fore the structural weaknesses of the Spanish growth model. There is consensus among the government and the social partners about the necessity for substantial structural reforms to achieve a more balanced and sustainable economic model. However, the means to be used for this purpose as well as the scope of reforms are subject to heated debates and division of opinions.

Government decisions to handle the crisis

The Spanish government has taken many steps to cushion the crisis effects, and revitalise and modernise the country's economy.

Demand support policy

Expansionary fiscal measures in line with the European Economic Recovery Plan have been implemented to encourage the country's recovery (European Commission, 2009). In addition, measures have been taken to offer support to people and companies seeking loans; for instance, the Local Investment Fund (*Fondo Estatal de Inversión Local*) allocated €8 billion in subsidies to local councils to support employment (ES0902049I). It has also been decided to support the demand side in extending unemployment benefits for workers who have exhausted their unemployment benefits.

Measures targeted at specific sectors

The government has also implemented measures that are targeted at specific sectors. For example, it adopted a package of measures to support the recovery of the construction sector including: a housing plan fostering housing rehabilitation to counteract the current decline in general housing construction; an infrastructure plan promoting civil works and public building projects; a special plan for guidance, vocational training and job placement to help registered unemployed people (ES0810039I). Moreover, the government promised support to different kinds of industries affected by the crisis, such as the automotive and financial services sectors as well as the tourism industry. For example, the Special Fund for the promotion of the Economy and Employment (*Fondo especial del Estado para el estímulo de la economía y el empleo*) includes €800 million for the automotive industry (ES0902049I).

Structural reforms

Furthermore, the government is willing to implement more structural measures seeking to improve Spain's economic performance through increased labour productivity rates and business competitiveness. This includes the modernisation of the country's vocational training system and reforms of the national public transport sector.

Reforms in the public transport sector include the liberalisation of rail freight transport, the restructuring of the public airport management operator and a new law on ports fostering competition (ES0810019I).

The reform of the vocational training system is the key element for achieving a more sustainable model of economic growth based on human capital and for encouraging labour mobility from traditional economic sectors to emerging ones. It reflects the government's determination to improve the employability of the economically active population and young people in particular. The main provisions of the reform are the creation of a network of national vocational training references centres, the promotion of middle-level vocational training and a programme for accreditation of work experience (ES0812029I).

Meanwhile, the government is also debating a wide-ranging New Sustainable Economy Law, focusing on many policy areas, such as energy saving, promotion of renewable energy, quality of education, reform of the financial system, investment in research and development in both the public and private sectors, creation of new industry, improving competitiveness and promoting greater gender equality.

Disagreement over wage revisions

Due to the crisis, collective bargaining has slowed down in 2008 and 2009, breaking down officially in the summer of 2009. As already mentioned, strong disagreement over employment policies and wage revision prevented the renewal of AINC, which sets out pay rises according to the inflation forecast. The government forecast an inflation of 2% for 2009. Nonetheless, pay rises below 2% were being applied in some sectors and companies. The employers justified such pay increases below the estimated inflation rate on the basis that inflation only stood at 1.4% in December 2008 when many collective agreements are revised. Moreover, they argued that collective agreements contain dropout clauses on pay for companies that encounter economic difficulties. The trade unions are opposed to these inverse pay clauses which stipulate that, when inflation is lower than the government forecast, the pay could be reduced by the difference between the inflation forecast and actual inflation in the following year. The unions believe that in a context of economic downturn it is necessary to support demand and not to reduce pay and thereby workers' purchasing power (ES0902019I).

It is noteworthy that albeit a breakdown of intersectoral social dialogue collective agreements have been reached at company level. Moreover, there is no evidence of a sharp increase in industrial conflicts. The number of working days lost has only been slightly higher in 2008 compared with 2007.

Involvement of social partners to tackle the crisis

Although the crisis has given rise to tensions in social dialogue and collective bargaining, the social partners remained active and committed in suggesting solutions for tackling the national labour market difficulties.

The trade unions expressed some doubts about the capacity of the national economy to absorb the surplus of workforce coming from layoffs in the construction sector. They therefore proposed to adopt a law providing for early retirement at the age of 60 years for construction workers with at least 10 years of service. The unions already proposed this measure for health and safety reasons before the outbreak of the economic crisis. They renewed their proposal, arguing that it could help to alleviate the negative effects of the restructuring of the construction sector, since older workers are most affected by redundancy procedures.

The employer organisation CEOE initially welcomed the government measures aiming to facilitate companies' access to liquidity. Yet, CEOE considers that the measures are insufficient, and calls for more radical measures reforming the functioning of the labour market (ES0810019I). According to CEOE, the priority is to reduce business costs with a view to restore profits, investment and job creation. In this regard, CEOE suggested reducing the amount of social contributions for companies and facilitating dismissal procedures to increase labour market flexibility, which it said was necessary to adjust to the requirements of the global economy.

Beyond these divisions, the government and both employee and employer organisations recently discussed the introduction of short-time working with wage compensation to avoid further layoffs in a situation of rising unemployment. Such a scheme would be funded through the unemployment insurance. However, reducing working time and thereby workers' activity is a complex procedure and wage compensations for such schemes are taken from unemployment benefits. So far, this practice is not widely used in Spain since most companies enjoy sufficient flexibility by not renewing temporary employment contracts. It is believed that such a short-time working scheme would alleviate the negative effects of working time cuts and could benefit about 450,000 employees. This development is viewed as positive for social dialogue (Planet Labor, 12 November 2009).

Sony Barcelona: Successful collective negotiations to avoid redundancies

In early 2009, the Barcelona Sony plant management reached an agreement with the trade union representatives to avoid 275 layoffs as announced in a redundancy plan presented at the end of 2008. The agreement provides that Sony will keep the plant in operation in 2009 and 2010, and proceed with technological improvements and investments required to guarantee the plant's competitiveness and future viability. In return, the workers accepted a pay freeze as well as an increase in working time to 40 hours a week over this period. The agreement also includes a voluntary redundancy scheme to reduce staff numbers by 93 workers. Trade unions have welcomed the agreement as it contributes to maintain jobs and offers future perspectives for the plant in Spain (ES0902019I).

Quality of working and living conditions in Spain

This chapter outlines the quality of working and living conditions in Spain using the data from two surveys carried out by Eurofound, the EWCS and EQLS. These surveys offer insights into working and living conditions exploring a wide range of quantitative and qualitative aspects. Only some indicators are presented in this chapter, which briefly portrays the Spanish trends.

Quality of working conditions

European Working Conditions Survey

Promoting employment and improving working conditions have been explicitly mentioned as priorities in the European Employment Strategy (EES). For this purpose, policymakers need accurate and reliable data to monitor and assess changes and progress in the field of working conditions. The EWCS was launched by Eurofound in 1990 with the objective of providing comparable data about changes and trends in working conditions covering many dimensions such as job characteristics, employment standards, work organisation, job satisfaction, health and safety issues, training, and work–life balance. The survey coverage has been progressively extended and the sample currently constitutes 31 countries, including the 27 EU Member States. The survey is carried out every five years and four waves of the survey have been conducted to date.

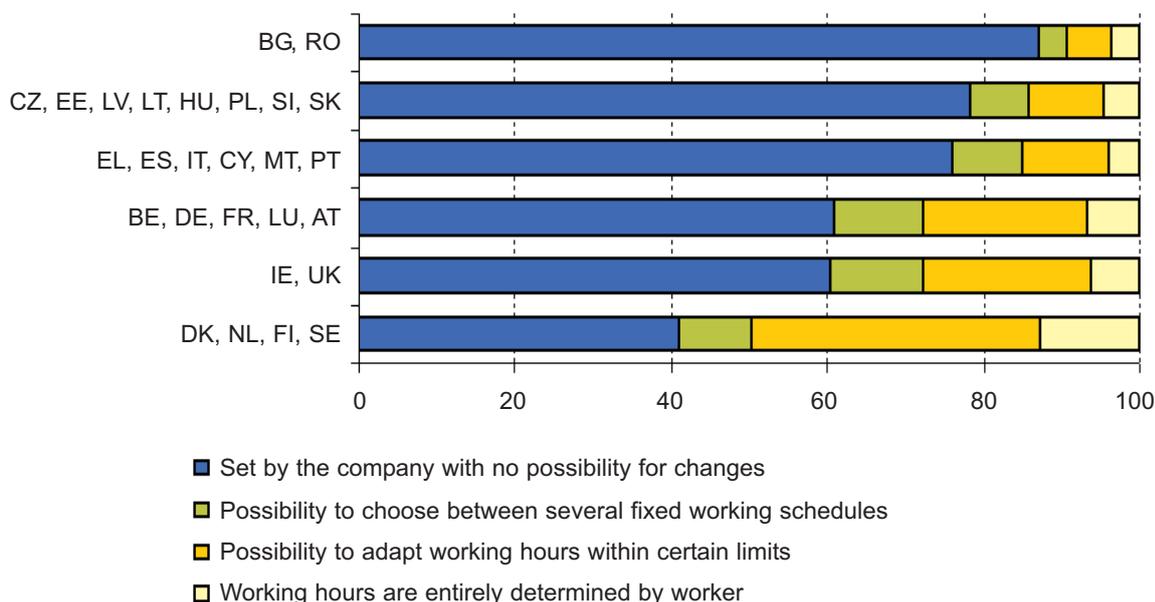
The full report on the Fourth European Working Conditions Survey completed in 2005 can be downloaded at <http://www.eurofound.europa.eu/ewco/surveys/ewcs2005/>.

Work organisation

Work organisation in this context is understood as workers' autonomy over their working time and their functional flexibility.

As working time impacts on life outside work, the length of working hours, the organisation of working time, as well as the autonomy of workers over working hours are key dimensions of the quality of working conditions. As highlighted previously in this report, Spanish workers tend to work slightly longer hours in comparison with the EU average. Both the average weekly working hours and the proportion of workers having long working hours are slightly above the EU27 averages.

It seems that Spain is in an intermediate position in terms of working time organisation, as are the other southern European countries (Figure 20). In Spain, workers' autonomy over working time is higher than in the new Member States but lower than in the other western and northern EU Member States.

Figure 20: *Autonomy over working time by group of countries (%)*

Source: *EWCS 2005*

According to the EWCS 2005, Spain is also among southern countries that have the smallest proportion of employees having total control over their working hours. Similarly, Spanish employees tend to report low levels of autonomy over work organisation (measured by different indicators such as the ability of changing the order of work tasks or methods of work).

Spain scores relatively low on all indicators of functional flexibility included in the EWCS. For example, only a small proportion of employees reported working in teams or rotating tasks with colleagues, which are two dimensions of functional flexibility.

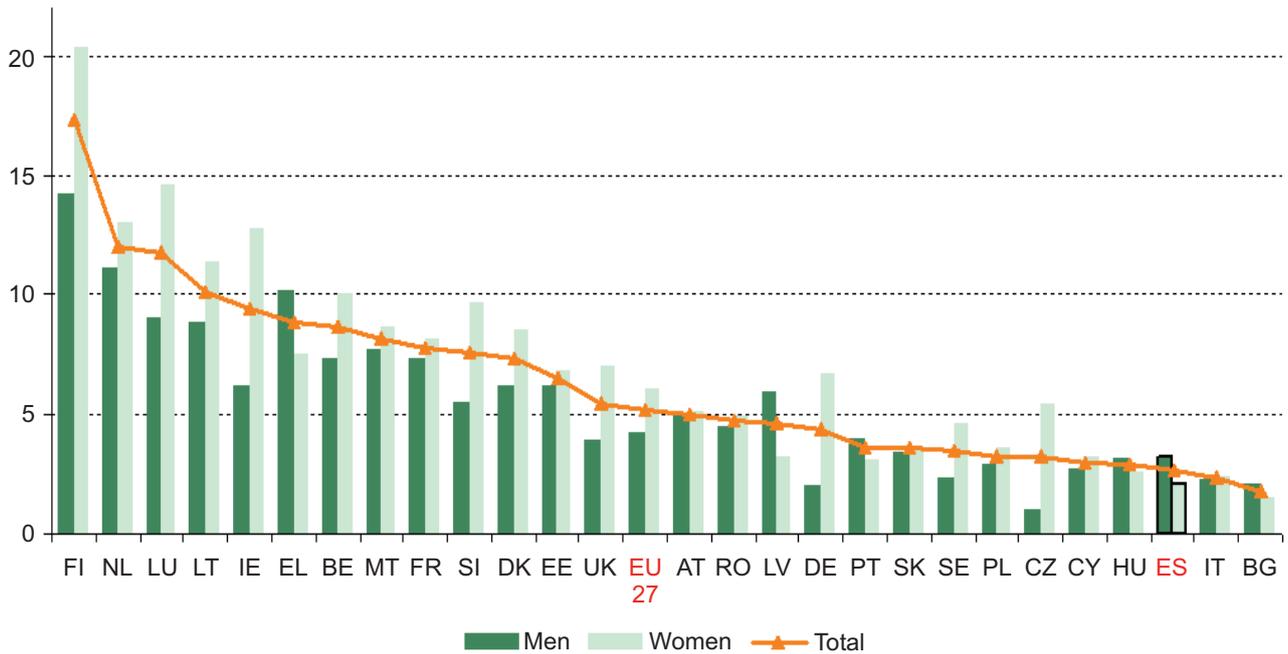
Given the low levels of workers' autonomy and functional flexibility, it seems that Spain is characterised by a rather traditional form of work organisation. This suggests a prevalence of organisations with rather top-down and centralised decision-making styles allowing for limited workers' autonomy.

Risks at the workplace

When analysing quality of working conditions, it is crucial to consider potential health risks associated with work. Health risks do not only encompass physical factors, although these are of utmost importance as regards quality of working conditions. There is an increasing trend towards the recognition of psychosocial risks affecting workers psychological health and well-being.

According to the EWCS, workers affected by violence or harassment in the workplace declare higher levels of work-related ill-health and tend to be more often absent from work for these reasons. Spain, like the other southern European countries, is characterised by rather low risks of being subjected to violence or threats of violence and to bullying or sexual harassment in the workplace (Figure 21) in comparison to the other European countries.

Figure 21: *Bullying and harassment, by gender and country (%)*

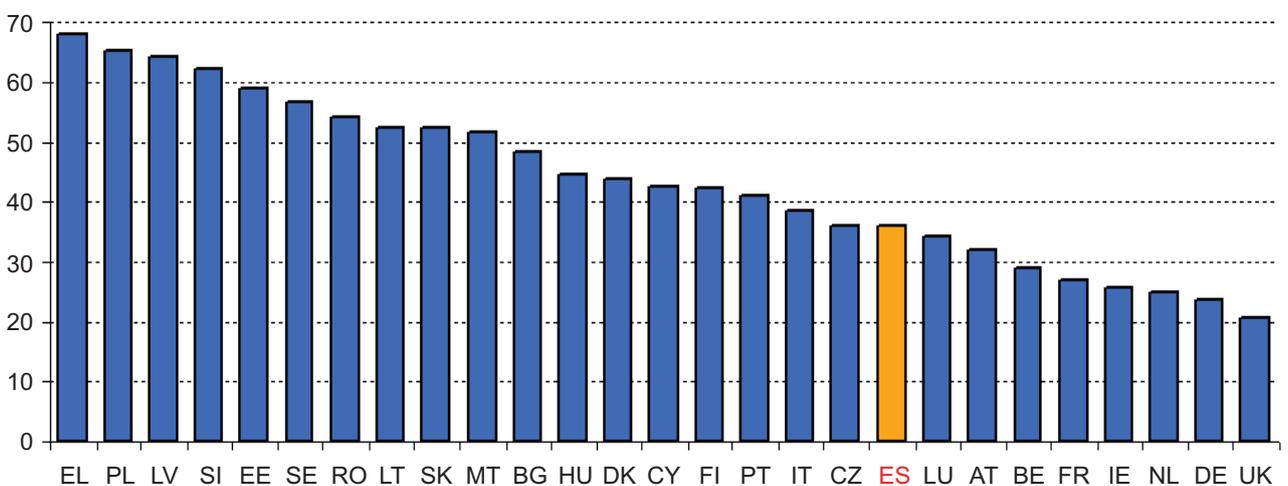


Note: The wording of the survey question was as follows: ‘Over the past 12 months, have you or have you not, personally been subjected at work to: unwanted sexual attention, bullying/harassment?’

Impact of work on health

With regard to the impact of work on health, EWCS respondents were asked the question ‘Does your work affect your health?’ (Figure 22) in order to grasp workers’ perceptions of work-related health problems. Differences between European Member States in terms of respondents’ answers are considerable and reflect the quality of working conditions in the different countries. In Spain, the proportion of workers reporting that their work impacts on their health is relatively low, indicating working conditions of rather good quality. Nonetheless, when workers were asked about specific physical factors such as vibration, noise and high or low temperatures, Spanish citizens declared rather high exposure to these risk factors in comparison to respondents in other European countries.

Figure 22: *Perceived impact of work on health, by country (%)*



Source: EWCS 2005

Quality of living conditions

European Quality of Life Survey

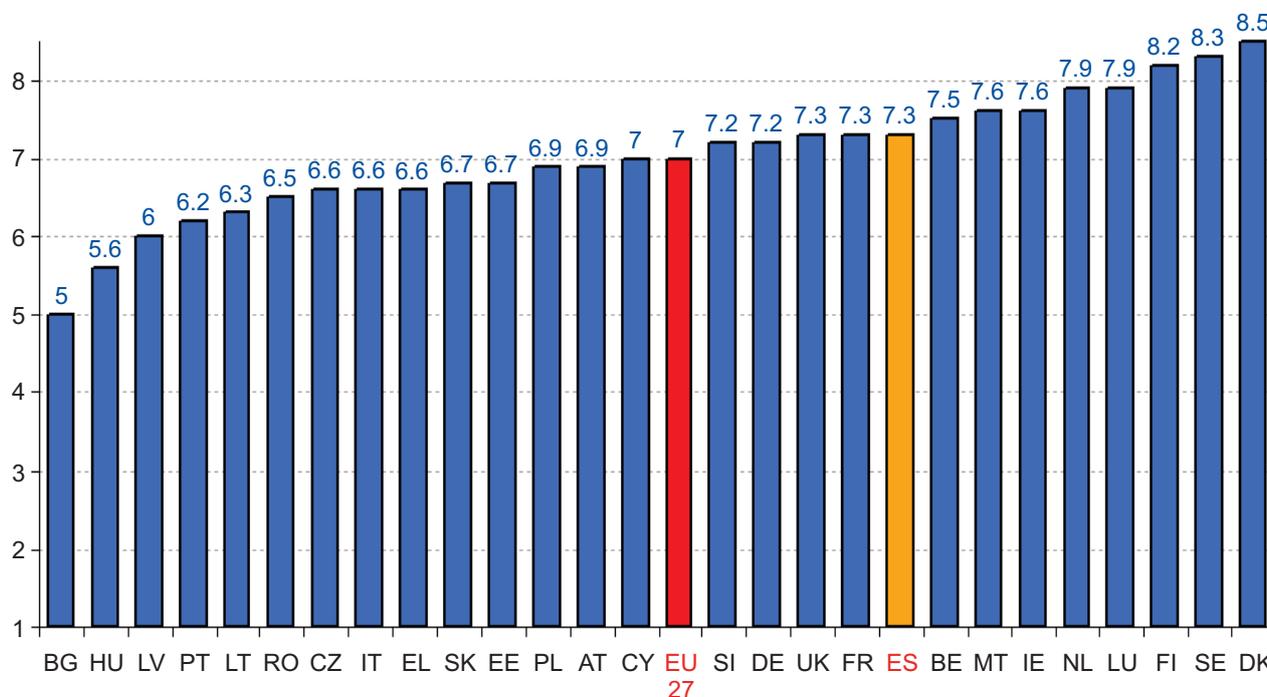
Challenges arising from low employment rates, an ageing population, changing family structures and social exclusion have put quality of life issues at the top of the EU social policy agenda. The growing need for reliable information and comparable data on the subject of living conditions has been the stimulus for Eurofound to launch a pan-European Quality of Life Survey (EQLS) in 2003. The survey explores the quality of life throughout Europe in combining objective and subjective indicators on issues such as employment, education, housing, family life, health and life satisfaction. It is carried out in 28 countries (EU27 and Norway) and has been conducted twice so far, in 2003 and 2007. Survey data and analysis are available at <http://www.eurofound.europa.eu/areas/qualityoflife/eqls/>.

Moreover, a set of questions taken from the EQLS has been included in the last wave of Eurobarometer (EB) surveys in 2009. Since the questions have exactly the same wording across the three waves of surveys and the methodology used is similar, time comparisons of the survey findings are possible.

Life satisfaction

The average satisfaction with life over the period 2007–2009 is relatively high in Spain (Figure 23). However, a greater number of Spanish citizens were less satisfied with their life in 2009 than they were in 2003 and 2007. The average response in terms of life satisfaction on a 10-point scale where 1 represents ‘very dissatisfied’ and 10 ‘very satisfied’ was 6.9 in 2009 whereas it was 7.5 in 2003 and 7.3 in 2007. This decrease in life satisfaction may be related to the effects of the current economic crisis.

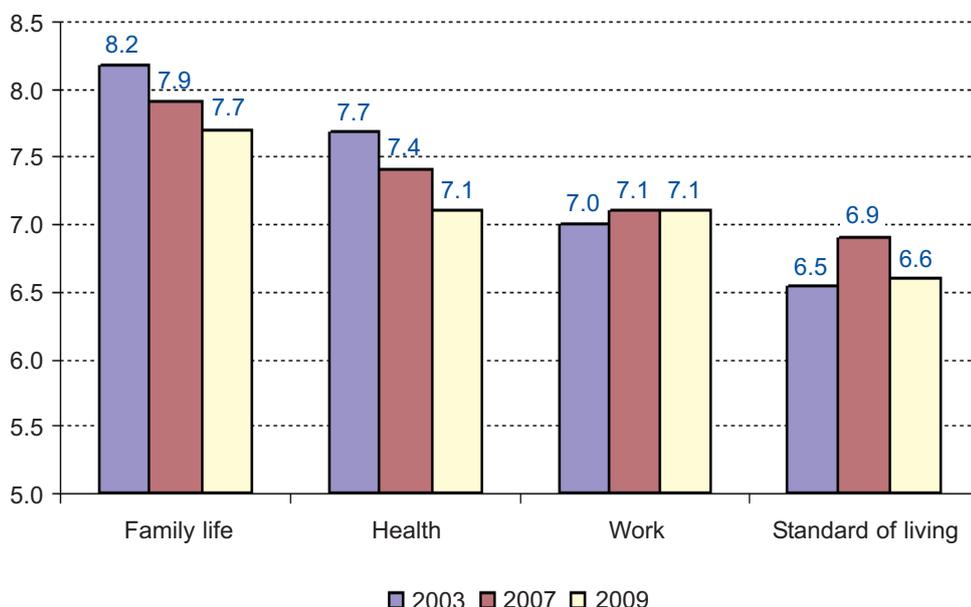
Figure 23: Average life satisfaction, 2007–2009



Note: Respondents were asked: ‘All things considered, how satisfied would you say you are with your life these days?’
Sources: EQLS 2007 and EB 2009

Several EQLS questions explored further the level of satisfaction with different elements of daily life, such as family life, health, work and present standards of living. The survey results reveal variations in satisfaction over time.

Figure 24: Satisfaction with key elements of daily life, 2003, 2007 and 2009



Note: Respondents were asked: 'Could you please tell me on a scale of 1 to 10 how satisfied you are with each of the following items, where '1' means you are "very dissatisfied" and '10' means you are "very satisfied"?'

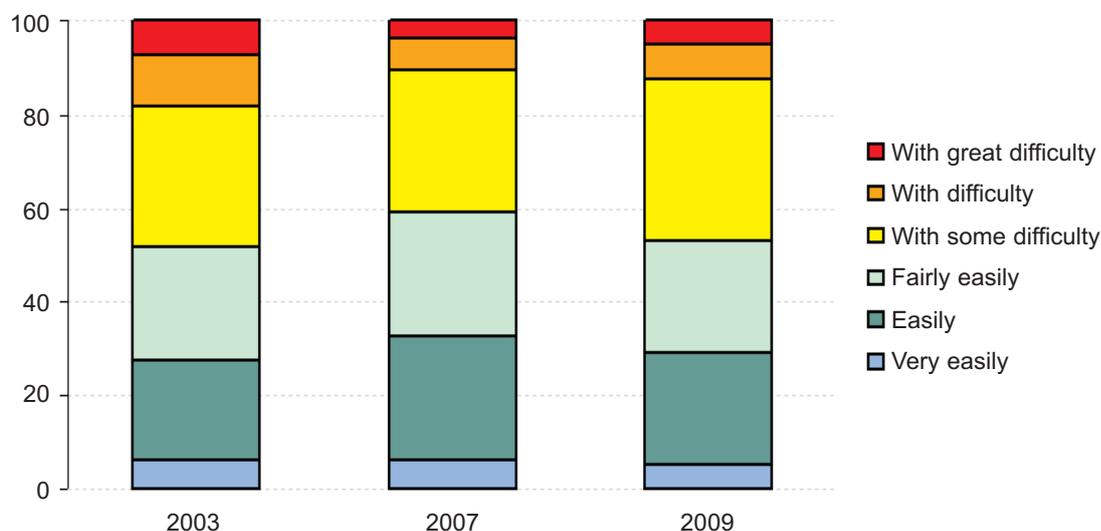
Source: EB 2009

The level of satisfaction decreased between 2007 and 2009 with regard to most of the aspects of daily life suggested except for satisfaction with work, which has remained stable over the period. The decrease in satisfaction as regards standard of living may be related to the current economic difficulties as there was previously an upward trend from 6.5 to 6.8 on the 10-point scale in the average response between 2003 and 2007, which corresponds to the period of prosperity and growth in Spain. Then, between 2007 and 2009, the average response rate in relation to life satisfaction fell from 6.9 to 6.6 (see Figure 24).

Material conditions

The decrease in satisfaction with life and especially with different elements of daily life such as standard of living could be related to the more difficult material conditions that Spanish citizens seem to face at present. The proportion of people declaring having difficulties in making ends meet declined from 49% in 2003 to 41% in 2007. On the contrary, there has been an increase between 2007 and 2009 in the proportion of respondents declaring that they experienced a decrease in purchasing power (Figures 25 and 26). These findings are consistent with the different cycles of the Spanish economy.

Figure 25: Respondents declaring being able to make ends meet (%)

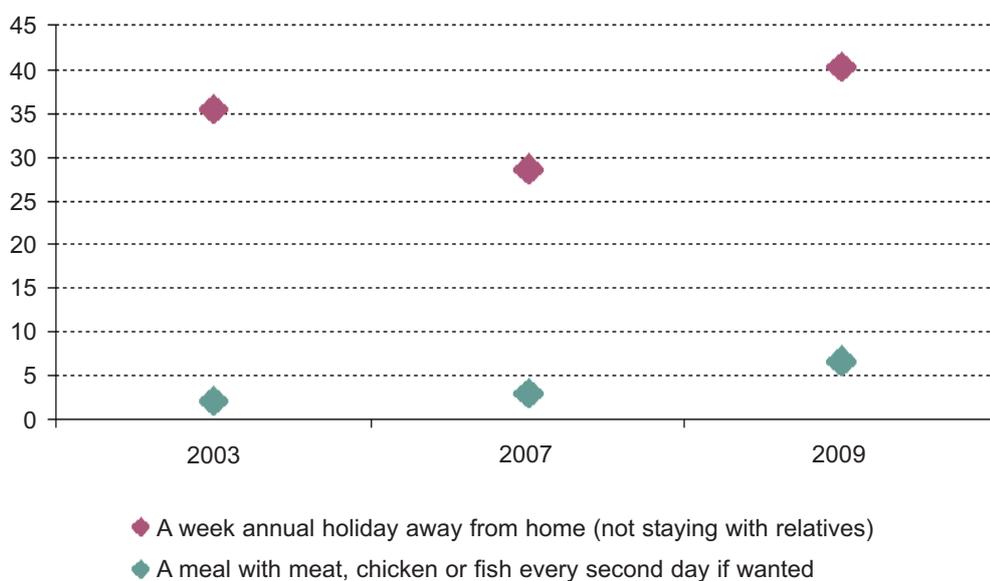


Note: The exact question was: 'A household may have different sources of income and more than one household member may contribute to it. Thinking of your household's total monthly income, is your household able to make ends meet?'

Source: EQLS 2003 and 2007, EB 2009

Similarly, signs of material deprivation rose between 2007 and 2009. Respondents were asked whether they would be able to afford different items. The proportion of respondents reporting not being able to afford a week-long annual holiday or the kind of food they wish increased slightly between 2007 and 2009 in Spain.

Figure 26: Percentage of respondents who declared not being able to afford certain items



Source: EQLS 2003 and 2007, EB 2009

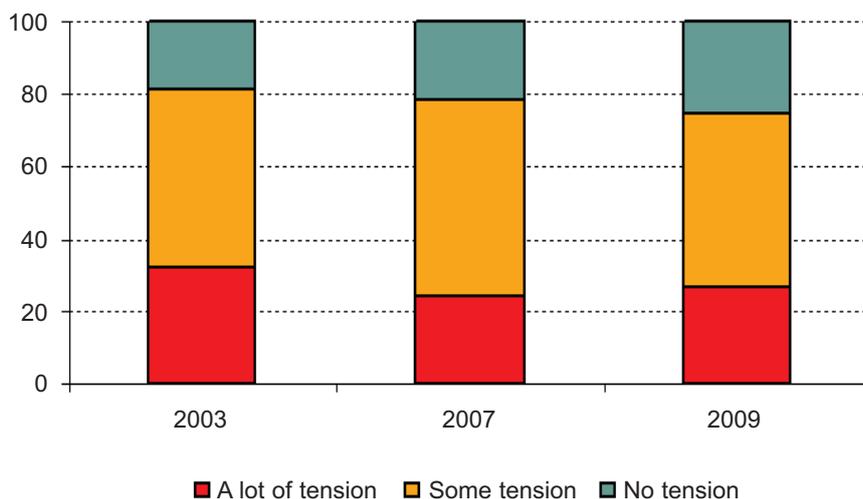
Social tensions

The EQLS explores the potential tensions between different social groups which may appear or weaken according to social and economic changes. The precise question posed to survey participants was: ‘In all countries there sometimes exists tension between social groups. In your opinion, how much tension is there between each of the following groups in Spain?’ The four different kinds of groups suggested were: ‘Poor and rich people’, ‘Management and workers’, ‘Old people and young people’ and ‘Different racial and ethnic groups’.

The general trend over the period 2003–2009, and particularly over the period 2007–2009, seems to be towards an appeasement of tensions between almost all different social groups, except between different racial and ethnic groups.

According to the respondents, tensions between social groups have declined between 2003 and 2007, which was the period corresponding to the prosperity cycle. Surprisingly, in 2009 the two opposite items ‘no tensions’ and ‘a lot of tensions’ received higher scores than in 2007 (Figure 27).

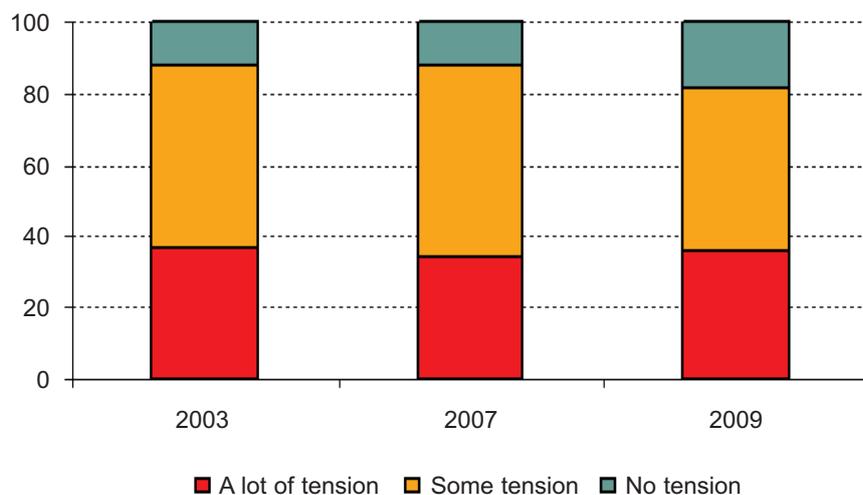
Figure 27: *Tensions between poor and rich people, 2003, 2007 and 2009 (%)*



Source: *EQLS 2003 and 2007, EB 2009*

According to the latest data available, the current crisis seems not to have significantly affected employment relations in Spain. More respondents tend to say that there are no tensions between management and workers in 2009 (18%) than in 2007 (12%). In addition, there has been a slight increase from 24% in 2007 to 26% in 2009 in the proportion of respondents reporting that there are a lot of tensions between management and workers (Figure 28).

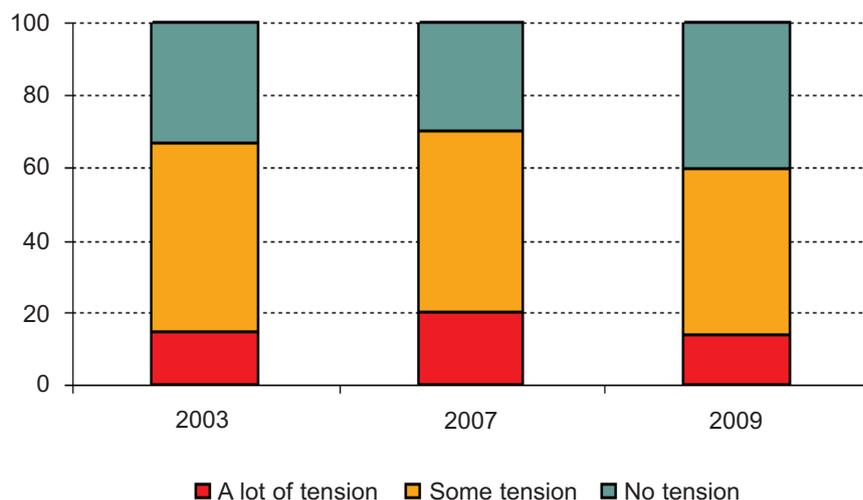
Figure 28: Tensions between management and workers, 2003, 2007 and 2009 (%)



Source: EQLS 2003 and 2007, EB 2009

It seems that social cohesion has not been influenced by the crisis from an intergenerational point of view. On the contrary, it may be the case that the crisis highlighted the positive role of the family and intergenerational solidarity: 40% of respondents reported no tension in 2009 compared with only 29% in 2007 (Figure 29).

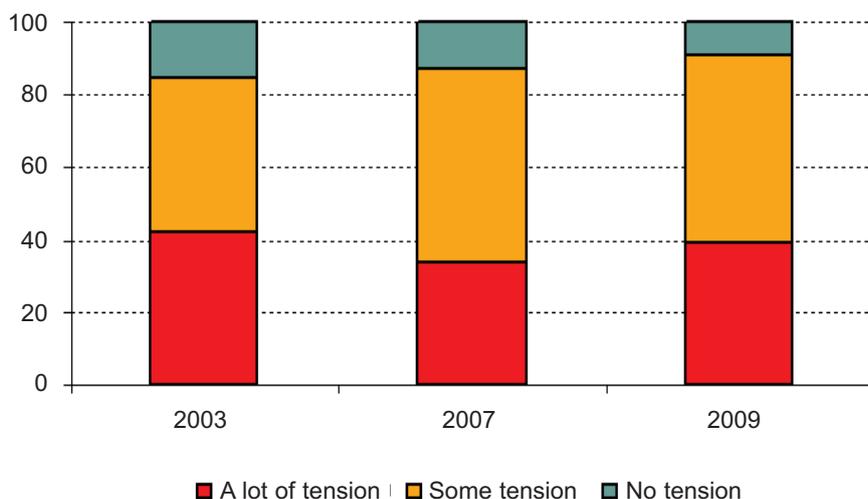
Figure 29: Tensions between old and young people, 2003, 2007 and 2009 (%)



Source: EQLS 2003, EQLS 2007, EB 2009

However, some evidence emerges of increased tensions between different racial and ethnic groups as the proportion of respondents reporting no tension decreased steadily from 15% in 2003 to 12% in 2007 and to only 8% in 2009 (Figure 30). In addition, the share of respondents reporting a lot of tension increased from 33% in 2007 to 38% in 2009. This may be explained by the fact that migrant workers have been heavily affected by the current economic crisis as the sectors they were working in have been the most damaged (as noted previously in this report).

Figure 30: Tensions between different racial and ethnic groups groups, 2003, 2007 and 2009 (%)



Source: EQLS 2003 and 2007, EB 2009

Quality of society

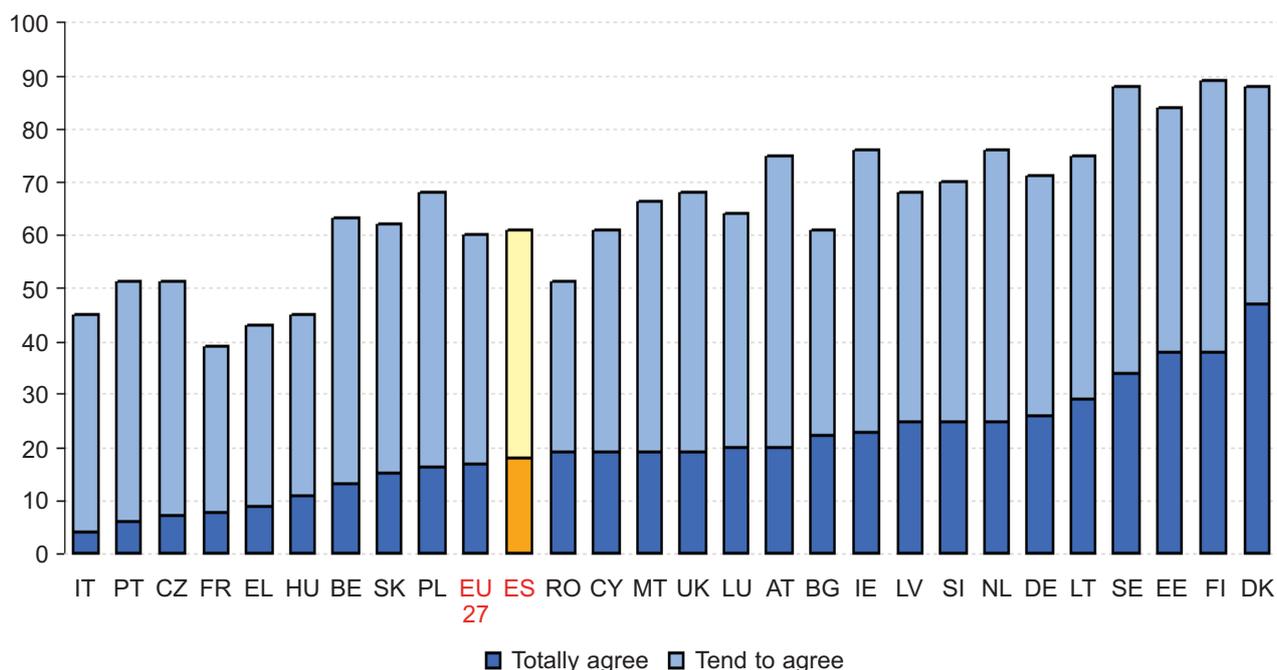
Beyond individual well-being, societal well-being has been high on the European political agenda over the past decade. The renewal of the European social policy agenda confirmed the importance of social cohesion and integration as fundamental dimensions of the quality of society³. In the EQLS, the perception of the quality of society is grasped through several questions about perceptions of social capital, access to public services and trust in political institutions.

In Spain, the average level of trust in other people and the perceived quality of public services is always above the EU27 average, which is a positive sign concerning quality of life in the country. For 2009, the average score given by respondents on a 10-point scale concerning the perceived quality of the public health system is 6.7 for Spain whereas it is only 5.8 for the EU27. The average score regarding the perceived quality of the state pension system is 5.1 for Spain, which is also above the 4.8 average for the EU27.

Surprisingly, although Spain has been one of the European countries most affected by the economic crisis, the proportion of Spanish respondents who feel optimistic about the future is above the EU27 average (Figure 31).

³ European Commission, *Renewed social agenda: Opportunities, access and solidarity in 21st century Europe*, COM(2008) 412 final, Brussels, 2008.

Figure 31: Feeling optimistic about the future, by country (%)

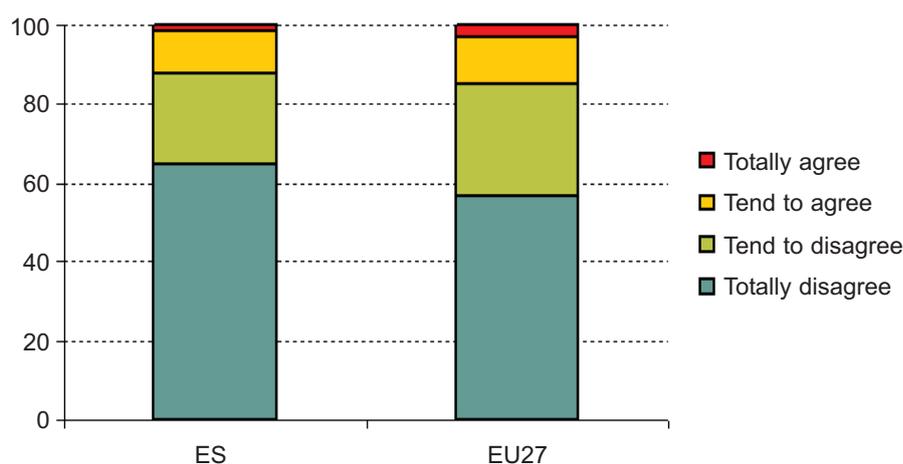


Note: People responding to the survey were asked whether they agreed or disagreed with the statement 'I am optimistic about the future', and to which extent they agreed or disagreed 'tend to or totally agree/disagree'.

Source: EQLS 2007

Social cohesion in Spain appears to be rather good as the proportion of respondents in the country declaring that they feel left out of society (12%) is below the EU27 average (15%). Moreover, the share of respondents who totally disagree with this statement is significantly higher in Spain (65%) than the EU27 average (56%) (Figure 32).

Figure 32: Feeling of being left out of society in Spain and EU27, 2009 (%)



Note: People responding to the survey were asked whether they agreed or disagreed with the statement 'I am optimistic about the future', and to which extent they agreed or disagreed 'tend to or totally agree/disagree'.

Source: EQLS 2007

References

Most of this report has been based on findings from Eurofound publications which are easily accessible using the references included in the text, as well as those outlined below. The following list of references also includes further information on the topics covered in this report.

Background information

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