Spain: Developments in working life 2016

Developments in working life in Europe: EurWORK annual review 2016

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## Political context affecting working life aspects

### The government(s) in office during 2016

<table>
<thead>
<tr>
<th>Government 1</th>
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<tbody>
<tr>
<td>In office since / to</td>
<td>December 2015- October 2016</td>
</tr>
<tr>
<td>Name of the head of government (prime minister / chancellor / ...)</td>
<td>Mr Mariano Rajoy (Popular Party) was temporarily the prime minister of Spain (‘acting’ prime minister)</td>
</tr>
<tr>
<td>Name all the parties that are forming this government</td>
<td>In December 2015 general elections for the Spanish government were held, and results created a new playing field which made it challenging to reach stable government agreements, as follows:</td>
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<tr>
<td></td>
<td>• The Popular Party (PP) of the former Prime Minster Mr Mariano Rajoy got 123 seats in the Congress of Deputies (‘Congreso de los Diputados’ in Spanish, which is the lower house of the ‘Cortes Generales’ or Parliament, Spain's legislative branch)</td>
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<td></td>
<td>• the Socialist Party obtained 90 seats;</td>
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<td>• the new anti-austerity group Podemos, 69 seats;</td>
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<td></td>
<td>• and Ciudadanos (the new center-right party), 40.</td>
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<td></td>
<td>In February 2016, PSOE and Ciudadanos signed a government deal in order to avoid that Mariano Rajoy (PP) could be again the Prime Minister. However, they did not get support from other parties and did not succeed in forming government. As no governing deal was finally signed, new general elections were called again for June 2016. Finally, a new government was formed at the end of October 2016, based on the results of June 2016 elections. Until a new government was formed (in October 2016), there was a temporarily acting government where Mr Mariano Rajoy (Popular Party) was the acting prime minister. Thus, the government formed by Mr Mariano Rajoy after December 2011 elections was temporarily extended as an acting government (with limited competences) until October 2016. (In December 2011, the Popular Party, led by Mr Mariano Rajoy, got absolute majority with 186 seats in the Congress of Deputies and 44.63% of the votes, whereas the Socialist Party obtained 110 seats and 28.76% of the votes).</td>
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<tr>
<td>List the changes in the composition of the government in 2016</td>
<td>(See above)</td>
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### Government 2

<table>
<thead>
<tr>
<th>In office since / to</th>
<th>Since October 2016, to date</th>
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<tbody>
<tr>
<td>Name of the head of government (prime minister / chancellor / …)</td>
<td>Mr Mariano Rajoy (Popular Party)</td>
</tr>
</tbody>
</table>

#### Name all the parties that are forming this government

In June 2016 general elections for the Spanish government were held, and results were as follows:

- The Popular Party (PP), led by Mr Mariano Rajoy, obtained 137 seats (deputies) in the Congress of Deputies (‘Congreso de los Diputados’ in Spanish, which is the lower house of the ‘Cortes Generales’ or Parliament, Spain’s legislative branch).
- The Socialist Party (PSOE) obtained 85 seats
- Unidos Podemos (electoral coalition formed by Podemos, United Left, Equo and other eight minor leftist parties) got 71 seats
- Ciudadanos got 32 seats

The new government, based on June 2016 elections, was finally formed in October 2016, after negotiations and agreements between different political parties. Mr Mariano Rajoy (PP) was appointed president thanks to the support of Ciudadanos (who voted in favour) and thanks to the abstention of the Socialist Party (PSOE), who finally did not vote against the designation of Mr Mariano Rajoy, in order to avoid new elections.

#### List any changes in the composition of the government in 2016

The traditional ‘two-party’ structure of the Spanish government, where PP and PSOE had traditionally alternated, changed as a consequence of the appearance of two new parties: Podemos anti-austerity group and Ciudadanos center-right party, which participated for the first time in general elections in December 2015, reaching the third and fourth positions respectively. The number of votes obtained by Podemos in June 2016 elections was particularly remarkable, as they almost obtained the same number of votes as PSOE (the traditional Spanish leftist party), which has recently lost much of its widespread support. Furthermore, given that the Popular Party has lost the absolute majority achieved in December 2011, the current government of Mr Mariano Rajoy will have to make greater efforts to negotiate with other political parties to govern.

### Additional comments

n.a.
Elections and referenda

<table>
<thead>
<tr>
<th>Election 1</th>
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<tbody>
<tr>
<td><strong>When did the elections take place?</strong></td>
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<tr>
<td><strong>What kind of election it was?</strong> (parliamentary / presidential / referendum / local / …)</td>
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</table>
| **Outcomes of the election (mention also % of the votes achieved by the major participants in the election)** | • The Popular Party (PP), led by Mr Mariano Rajoy, obtained 137 seats (deputies) in the Congress of Deputies (‘Congreso de los Diputados’ in Spanish, which is the lower house of the ‘Cortes Generales’ or Parliament, Spain’s legislative branch) (33.01% of the votes).  
• The Socialist Party (PSOE) obtained 85 seats (22.63% of the votes)  
• Unidos Podemos (electoral coalition formed by Podemos, United Left, Equo and other eight minor leftist parties) got 71 seats (21.15% of the votes)  
• Ciudadanos got 32 deputees (13.06% of the votes) |
| **Additional comments** | n.a. |

Forthcoming significant elections or political events in 2017

There are no forthcoming significant elections or political events in 2017.

Reactions from the social partners on new government’s working life policies

Social partners were happy that a government was finally designated in October 2016, as new measures and reforms could finally be discussed (in fact, an acting government has limited competences). Trade unions were optimistic with the ‘fragmented’ composition of the Congress of Deputies and the need for negotiation of the Popular Party to govern, which would probably be favourable for unionist social policies. Also, they were willing to call demonstrations to defend their proposals and reactivate social dialogue at bipartite and tripartite levels (see UGT website 25/11/2016). On the other hand, employers’ representatives were happy to recover political and social stability, as well as a clear normative context, since a stable government should provide more credibility to the Spanish economy.

One of the most polemic issues of the previous legislative term of Mariano Rajoy was the approval of the 2012 Labour Reform (Royal Decree-Law 3/2012), which was highly criticised by trade unions (who want to abolish it), as it increased companies’ possibilities for internal flexibility and modification of working conditions, and reduced the amount of compensation payable in case of unjustified dismissal, amongst others. Employers’ representatives are also interested in modifying the labour reform, but they would like to enhance flexibility mechanisms, increasing companies’ possibilities to modify labour conditions (see CEOE Business Proposals for June 2016 elections). In this regard, the recently designated Spanish
government of the Popular Party announced in November 2016 that they were open to consider and study changes proposed and agreed together by trade unions and employers’ representatives to modify the 2012 Labour Reform. To this end, social partners identified a number of issues that they would like to modify, and working groups were expected to be created, in order to analyse those issues and try to reach agreements.
Developments in social dialogue and collective bargaining 2016

Major developments in national/peak-level social dialogue 2016

Changes affecting the social dialogue actors and institutions in 2016

Representativeness
There have not been major changes in the way in which representativeness of social partners is regulated or assessed in 2016.

Major developments affecting the main actors
Between 2009 and 2015, CCOO, UGT, CSIF and USO (the four main trade unions in Spain, which represent around 80% of workers) lost 584,788 affiliated members in total (as published by Expansion newspaper, based on data provided by these four organisations). The economic crisis, high unemployment levels and scandals linking trade union leaders to corruption cases seem to have affected trade unions’ representativeness in Spain. The trade union which lost the highest number of members was CCOO trade union, where numbers decreased by 24.24%, from 1,203,307 registered in 2009 to 909,052 in 2015. The second most affected trade union was UGT; they lost 276,617 members (from 1,205,463 in 2009 to 928,846 in 2015).

On the other hand, in March 2016, trade union elections in companies were held. CCOO trade union was again the leading trade union, just ahead of UGT (in 2012 the difference between them was 6,500 delegates; in 2016, the difference was 8,600 delegates). CCOO trade union members explained that membership rates seem to be increasing again, after a deep fall during crisis years. However, general perceptions indicate that in reality CCOO is not recovering so clearly. Against this background, CCOO held a meeting on 1st April 2016, to celebrate that they won the companies’ elections, but also to talk about the future of the trade union and its renovation (source: news in CCOO website).

Generally speaking, some experts argue that Spanish workers do not have enough incentives to become members of trade unions (source: opinion article in CincoDias newspaper). One of the main reasons for this is that in Spain collective agreements affect equally all workers, regardless of their membership. Thus, affiliation rates have been traditionally low in Spain (compared to other European countries), and they have become even lower during the economic crisis, when trade unions have lost around 500,000 members. Actually, it seems that there is an increasingly negative social perception towards trade unions. Furthermore, trade unions are excessively dependent on public financing, as members’ fees are not sufficient.

Legislative or institutional changes to the main social dialogue institutions
UGT trade union experienced some internal reforms during the year 2016. Mr Pepe Álvarez, former leader of UGT trade union in the region of Catalonia, was elected as the new General Secretary on 12th March 2016, with 51% of the votes, during the 42nd Congress of UGT. He replaced Mr Cándido Méndez, who had been General Secretary of UGT trade union for the previous 22 years. In his first speech, Mr Álvarez talked about his proposals to renew the internal organisation of UGT and reinforce its image and leading role. Amongst others, he suggested abolishing the 2012 Labour Reform (approved when the Popular Party was leading the Spanish government); improving the participation of trade union affiliated members in UGT congresses; eradicating corruption and increasing transparency within UGT trade union; and carrying out a viability analysis and internal reorganisation for a better use of resources (source: news in UGT website).
In addition to this, during the month of May 2016, UGT trade union experienced an important restructuring process, with the creation of new federations. UGT decided to reduce the number of federations within its structure, from six to three. With this simplification of structure, UGT was facing one of the biggest transformations in its history. The objective was to modernise its structure, in order to adapt to social changes and make UGT closer to workers. The new federations created within the UGT structure are as follows:

- Federation of public services employees: formed by the prior public services federation (FeSP) and education federation (FEYE)
- FICA, formed by the union of the federation of metal and construction (MCA) and the federation of agriculture (Fitag)
- Services, mobility and consumption (FeSMC), the last federation created, which was constituted after the fusion of the previous federation of services (FeS) and the federation of mobility and consumption (SMC).

(Source: UGT website)

Changes in the social dialogue processes

There were no major changes in practice of national-level social dialogue processes.

**Main social dialogue topics and outcomes in 2016**

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<thead>
<tr>
<th>Themes</th>
<th>Description of issue</th>
<th>Main</th>
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<tbody>
<tr>
<td>General labour market topics</td>
<td>Job creation, reduction of unemployment Since the beginning of the economic crisis, high unemployment levels, and particularly long-term unemployment, are among the main concerns for Spanish social partners (both trade unions and employers’ representatives). This is not surprising taking into account that according to the EPA Survey (‘Spanish Survey on Active Population’), in the second quarter of 2016 the unemployment rate in Spain was still 20%, and that there is still a high proportion of long-term unemployed (according to data from the EPA Survey for 2Q 2016, among the 4.5 million unemployed in Spain, 58.2% had been looking for a job for more than 1 year).</td>
<td>Debate to be continued</td>
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<tr>
<td>Active labour market policies</td>
<td>No (major) issues debated in this area</td>
<td>-</td>
</tr>
<tr>
<td>Benefits (unemployment, sickness schemes)</td>
<td>No (major) issues debated in this area</td>
<td>-</td>
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<tr>
<td>Taxation and non-wage related labour costs</td>
<td>CEOE (Spanish Confederation of Employers’ Organisations) has requested the reduction of tax pressure on businesses, and the reinforcement of the fight against fiscal fraud and black economy (see CEOE Business Proposals for June 2016 elections). The new tax measures proposed by the Spanish government in December 2016 were highly criticised by employers, as they meant increasing tax pressure on businesses. They argued that, instead, non-productive costs of the public administration should be reduced (source: news in CincoDias newspaper).</td>
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<tr>
<td>Debate to be continued</td>
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<tr>
<th>Pension reforms</th>
<th>Employers’ representatives and trade unions, as well as many political parties and other stakeholders, have shown their concern for the sustainability of the public pension system. Since the constitution of the new government at the end of the year 2016, there is a debate ongoing for the reform of the pension system.</th>
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<tr>
<td>Debate to be continued</td>
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<tr>
<th>Labour market participation of different groups</th>
<th>No (major) issues debated in this area</th>
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<th>Working life related themes</th>
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<tr>
<th>Wage setting systems, including the setting of minimum wages</th>
<th>Trade unions have criticised that social partners were not involved in the determination of the minimum wage for 2017 (the decision was unilaterally taken by the government in December 2016). As approved (see Royal Decree 742/2016 of 30th December), the minimum salary experienced an increase of 8% (the largest one in the last years), and currently it is fixed in 707.7 euros/month divided in 14 payments), or 23.59 euros per day or 9,907.8 euros per</th>
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<tbody>
<tr>
<td>Debate to be continued</td>
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Spain: Developments in working life 2016

year). Trade unions consider that the Spanish minimum wage is still very low, whereas employers’ representatives accept this increase given the current political and economic context (where PP and PSOE had to agree on the increase). On the other hand, and following the ‘Agreement for Employment and Social Dialogue 2015-2017’ signed by social partners in May 2015, the 2017 recommended pay increase for collective agreements was being discussed at the end of 2016.

| Working time regulations | Trade unions criticise that there has been a reduction in the amount of overtime worked in 2008-2015, as a consequence of the crisis. However, in 2015, there was proportionally more non-paid overtime. According to CCOO trade union, this is another sign of increasing precariousness in Spain (source: ‘Overtime according to the Labour Force Survey’, by CCOO trade union, April 2016). | Debate to be continued |
| Terms and conditions of employment, including different forms of contracts | With the economic crisis, and particularly since the approval of the 2012 Labour Reform, social partners (mainly trade unions) have criticised increasing labour precariousness and decreasing salaries in the Spanish labour market. | Debate to be continued |

| Health, safety and well-being at work | No (major) issues debated in this area | - |
| Work-life balance related themes, incl. family leaves | No (major) issues debated in this area | - |
| Skills, training and employability | No (major) issues debated in this area | - |
| Any other relevant themes/topics addressed in the national level/peak level social dialogue | - | - |
Spain: Developments in working life 2016

Examples of selected significant social dialogue debates

Terms and conditions of employment: precariousness and low salaries

Over the last years, and particularly as a consequence of the economic crisis, Spanish trade unions have criticised the dramatic salary decrease experienced in the Spanish labour market. In contrast, employers’ representatives are willing to keep salaries moderate.

In May 2015, Spanish social partners signed the ‘Agreement for Employment and Social Dialogue 2015-2017’; the agreement recommended 1% pay rise in 2015, going up to 1.5% in 2016 (it was signed by the main national cross-sectoral Spanish trade unions and employer organisations, creating a reference context for negotiations between social partners). In practice, the average increase arranged in collective agreements signed in 2015 was 0.74%. For this reason, in January 2016, CEOE (Spanish Confederation of Employers’ Organisations) forecasted that the possibility of increasing salaries by 1.5% in 2016 was unreal (Source: news in CincoDias newspaper). Actually, in reality, average agreed increases in 2016 at the end of the year were around 1.1% (provisional data), which could mean that the main priority in negotiations was recovering and maintaining employment levels, with moderate wage increases.

In addition to this, at the end of 2016, trade unions and employers organisations had to agree on the salary recommendations for 2017, which, according to the ‘Agreement for Employment and Social Dialogue 2015-2017’ should be linked to the Spanish GDP. Whereas CCOO trade union supported a recommended salary increase of 1.5% for 2017, UGT proposed a 4% increase, as Spain was experiencing a GDP increase of around 3-3.5%. They also argued that salary levels should increase, so that workers could recover the purchasing power lost during the years of crisis. Meanwhile, employers stood up for a more moderate increase, as salary moderation was one of the factors which was helping Spanish companies to recover the competitiveness lost during the crisis, and they though it was a priority to keep employment creation levels (source: news in Cinco Dias newspaper). Unfortunately enough, there has been no agreement by both sides during the last quarter of 2016.

On the other hand, in June 2016, based on an analysis of several salary statistics available in Spain, UGT trade union concluded that there has been important salary devaluation in Spain since 2010. Moreover, UGT says, salary devaluation goes hand in hand with the worsening of working conditions imposed by the Labour Reforms approved in 2010 and in 2012. This situation, which particularly affects workers with the worst working conditions (part-time and temporary workers), is negatively affecting the Spanish economic activity and families’ quality of life. UGT warns that labour precariousness is extending in Spain, which, together with budget cuts applied since 2010, is leading to an increasingly unequal country. Nowadays, Spain is a poorer country, with more internal inequalities, and where workers have fewer guarantees and rights (Source: publications by UGT trade union, UGT website, June 2016). Moreover, CCOO and UGT trade unions published a report in September 2016 where they denounced the excess of temporariness, precariousness and labour fraud in the tourism sector in particular.

All in all, salary devaluation and employment quality worsening, reflected in high temporariness and part-time rates, have been highly criticised in Spain in the last years. The high percentage of temporary contracts is generally attributed to the economic uncertainty (companies are still cautious when hiring), but trade unions prefer to link this trends to the flexibility and ‘relaxation’ introduced by the 2012 Labour Reform.

Pension reform for the sustainability of the public pension system

In the last years, employers’ representatives and trade unions, as well as many political parties and other stakeholders, have shown their concern for the sustainability of the public pension system.
In May 2016, CEOE (Spanish Confederation of Employers’ Organisations), published a report entitled ‘Population ageing and its effects on the Spanish labour market’, based on population projections estimated by the Spanish National Institute of Statistics (INE). With this report, employers wanted to warn about the severe ageing process that the Spanish society is suffering. In Spain, in the year 2002, there were 25 individuals aged over 65 per 100 individuals. It is estimated that by 2015, the ratio will increase up to 35 per 100; and in 2050, the ratio will increase to 75 aged persons per 100 individuals. This trend makes the current Social Security System unsustainable.

In June 2016, Mr Ignacio Fernández Toxo, General Secretary of CCOO trade union, stated that the new government created after June 2016 elections should approve measures to solve the uncertainty faced by the Spanish public pension system. CCOO trade union proposed a number of measures, which would affect both taxes and social security contributions. Along these lines, and as explained by UGT trade union, the public pension system is facing an increasing imbalance which puts at risk retirement pensions in the medium term. Current social security contributions are not enough to pay for current pensions, and the whole system is loss-making. In addition to the ageing process of the population (which has led to a higher number of retired pensioners), main causes behind this problem are unemployment, salary devaluation, increasing part-time contracts, etc. which have reduced social security contributions (source: news in CCOO website; UGT trade union website; statement by UGT trade union).

With the constitution of the new government in October 2016, and following numerous requests by different political, social and economic stakeholders for finding a broadly supported solution to face the problem, the Commission of the Toledo Pact was reactivated in November 2016. The Toledo Pact was an ambitious reform approved by the Spanish parliament in April 1995, based on a broad social arrangement, aimed at streamlining and guaranteeing the future of the Spanish social security system. The debate of the pension reform is currently ongoing, and different proposals are being launched. For instance, UGT trade union has proposed that new taxes are created to collect more income to finance the pension system (source: Cinco Dias newspaper). Meanwhile, CEPYME (Spanish Confederation of SMEs) suggests that the retirement age should increase as soon as possible, that orphan and widow pensions should be financed via taxes (and not with social security income) and that private pension plans should be enhanced (source: Cinco Dias newspaper).

**Sectoral and company level social dialogue 2016**

There were no important changes in the legislation, the institutions or the practice affecting social dialogue and collective bargaining at sector-level and company-level in Spain in 2016. Between December 2015 and October 2016 there was a temporarily acting government who did not have the power to approve new laws. After June 2016 elections, a new government led by Mr Mariano Rajoy (Popular Party) was formed. The new government constituted by Mr Mariano Rajoy (prime minister) in October 2016 opened the possibility of modifying the polemic 2012 Labour Reform (which was highly criticised particularly by trade unions and some leftist parties). Mr Rajoy announced that he was willing to consider the changes proposed and agreed together by trade unions and employers’ representatives, but that the 2012 would not be ‘fully abolished’ in any case. To this end, social partners identified a number of issues that they would like to modify, and planned to form working groups to analyse those issues and reach agreements for modifying the 2012 Labour Reform.
Main developments - other than wages and working time - from important collective agreements or bargaining rounds

Significant developments - other than wages and working time - have not been identified.

Examples of innovative collective agreements (at any level) made during 2016

In April 2016, the first collective agreement for the metal sector at a national level was signed in Spain. The first negotiating table for signing such agreement started 22 years ago, but the arrangement only came in 2016. This does not mean that workers of the metal sector did not have any coverage before that, but it just implies that there was not a general (national) framework that would set the minimum conditions for sectoral agreements at a lower level.

The contents of this new national agreement include, for instance, the respect for the negotiating independence of autonomic, provincial and company-level agreements. Additionally, one of the most celebrated aspects by trade unions is that this national agreement allows for ‘ultra-activity’ for provincial-level agreements (that is, a provincial collective agreement will remain in force even after its expiry date, if there is not a new agreement signed which replaces it). Thus, the limit of 1-year automatic extension set by the 2012 Labour Reform is not accepted, and this leaves the old agreement in force until a new one is signed.

(Source: news in Cinco Dias newspaper).
Policies and actions to address pay-inequalities

The recent public debate on pay gaps at the workplace

There was no debate in Spain recently around pay gaps at the workplace. A related debate in Spain during 2016 focused on salary devaluation and its impact in different groups of population (e.g. young people) and workers (e.g. fixed terms).

Different research studies (as shown later in more detail in this report) show significant salary differences in terms of gender, age, professional category, economic sector, type of contract, etc.

In addition to this, an important concern in Spain frequently raised by trade unions is the dramatic salary devaluation that has affected the Spanish labour market since the beginning of the crisis. A report published in July 2015 by CCOO trade union (‘Graphic Analysis of the Salary Devaluation in Spain’) concludes that salary devaluation has affected particularly those groups who were already earning the lowest salaries, as well as those who lost their job and found a new one (usually with a lower salary). Furthermore, the report states that salary devaluation is leading to decreasing purchasing power among workers and increasing inequality in income distribution.

The 2012 Labour reform is a controversial measure approved unilaterally by the government of the Popular Party in February 2012. This reform has been severely criticised, particularly by trade unions, and also by some other political parties. One of the reasons for this criticism is that it established more possibilities for unilateral changes of working conditions and introduced the possibility for the company to modify the salaries of their workforce. For this reason, trade unions consider that the 2012 Labour Reform is one of the causes for salary devaluation in Spain. After the constitution of the new government in October 2016, also led by the Popular Party (but with fewer votes), in December 2016 the PSOE (Socialist Party) launched a non-legislative (and non-binding) proposal at the Congress of Deputies for abolishing the 2012 Labour Reform, which gathered strong support from other parties. PSOE argued that after the 2012 Labour Reform, there was more long-term employment, more poverty and more labour precariousness in Spain.

In addition to this, the Popular Party is also criticised for focusing exclusively in employment and unemployment figures, which have improved in the last years, without taking into account the (bad) quality of the employment created.

Positions regarding the posted workers directive

There has not been much debate in Spain regarding the revision of the posted workers directive. In fact, in October 2016, the Directive 2014/67/EU of the European Parliament and of the Council had not been yet transposed to the Spanish legal framework despite the fact that the Directive established that Member States should have brought into force legislation to comply with the provisions of the directive 2014/67/EU, before June 18 2016. However, the new government that took position in November 2016 has already circulated a draft of the directive transposition amongst the main social partners.

In Spain, the main legislation related to the posting of workers in the framework of the transnational provision is the Act 45/1999 of 29th November 1999, concerning the posting of workers in the framework of the transnational provision of services. This Act seeks to provide solutions to the problems that arise in this domain, and it is a result of the transposition of the European Directive 96/71/CE concerning the posting of workers in the framework of the provision of services.

Detailed positions concerning the issue of equal pay for posted workers have not been found.
Positions of trade unions

Spanish Trade unions have a very critical view of the Directive 2014/67/EU. They argue that this new Directive does not satisfy some of the main key weaknesses of the former Directive 96/71/CE in terms of provision of clear rules to avoid social dumping in the provision of transnational services and the issue of equal pay for many posted workers. Also, Spanish Trade Unions suggest that the Directive fails to include the right of trade unions to collectively bargain for posted workers, as well as the need to make main contractors jointly liable with their subcontractors for respect of terms and conditions of employment (CCOO, 2015).

Some trade unions (in particular CCOO) have expressed a positive view on the targeted revision of the Directive proposed by the Commission, stating that “it goes in the right direction”. However, at the same time, they are critic about the transposition draft presented by the government. Though, according to the information available, their complaints seem to be more related to the way the approval process is being conducted, this is through a government’s Royal Decree with shorter time and less space for parliamentary discussion and social partners contributions.

Positions of employers organisations

The Spanish Confederation of Employers (CEOE) has stressed its interest in the immediate transposition of the Directive 2014/67, particularly in relation to its impact on some concrete sectors such as the Land Transport sector (CEOE, 2015), in order to avoid irregular action and unfair competition from letterbox companies. Additionally, a study on the Land Transport Sector reveals that business associations are particularly interested in keeping ‘free market principles’, and actions taken by countries unilaterally are criticised, as they are considered as an interference for the already established framework.

Position of the government

In October 2016, the Directive 2014/67/EU had not been yet transposed to the Spanish legal framework, as criticised by a leftist Spanish Eurodeputy, who accused the acting (temporary) government of Mr Mariano Rajoy of not obeying European law. However, as mentioned above, at the beginning of 2017, the new government is already working on a draft for transposing the Directive.


On the other hand, it must be said that Spain did not have a government (there was only an acting government) between December 2015 and October 2016. The new government was formed at the end of October 2016, after June 2016 elections. Political instability may have affected the transposition of the Directive 2014/67/EU.

Pay gaps at the workplace

Evidence

In March 2016, a report (published by ICSA Group human resources consultancy and EADA Business School) analysed the evolution of salaries in the period 2007-2015, based on 80,000 data registers on remuneration received in public and private enterprises. According to this report, in 2009 the average gross remuneration of an employee was 22,762 Euros. This figures progressively decreased over the next 4 years, amounting to 21,307 in 2013 (6.4%
Subsequently, there were two years where salaries increased, leaving the final change between 2009 and 2015 as a 1.2% decrease. Thus, in 2015, the average gross remuneration was 22,509 Euros. However, the report concludes that the crisis did not have the same impact on all labour categories. The deep salary devaluation process experienced in Spain since 2009 onwards was much more intense among low-level workers and middle-level managers, who saw their salaries decrease significantly. In contrast, the average salary received by directives increased over the same period (Source: Eada, Cincodias newspaper).

In May 2016, EADA Business School and ICSA Group consultants published the report “Salary differences and women’s presence”. According to this report, the salary gap between genders increased during the year 2016, which shows that this is not just a temporary problem, but structural. This is the main conclusion from the study, which is based on sample with salary data from more than 80,000 employees in Spain. The most important differences affect particularly managerial posts. Whereas the average annual gross remuneration of women managers was 68,126 Euros, men’s remuneration was 79,775 Euros (that is, 17% more). Moreover, in 2016, women occupy only 11.8% of the managerial posts in Spain, which is a lower number than the figure reached in 2015 (12.5%), and particularly lower than the percentage of 2008 (19.5%), which was the highest quota registered in Spain. (Source: Study conducted by EADA Business School and ICSA Group consultants, 2016)

No specific reports from labour inspectorates have been identified providing data on pay inequalities at the workplace in 2016. However, some related data at the macro level are provided below.

According to Labour statistics published by the Tax Agency (‘Agencia Tributaria’) in 2016, the number of employees who earn less than 300 Euros per month has increased from 3,089,856 in the year 2008 (16% of the total of employees, which was 19,310,627) to 3,694,852 in 2014 (22% of the total, 16,899,024). From an age perspective, these statistics show that in 2008 the monthly income below 300 Euros was concentrated in the group age of 18 – 25 years (the youngest group), with 908,773 young workers earning less than 300 Euros. Meanwhile, in 2014, workers with salaries below 300 Euros were concentrated in the group age 26-35 (955,185 employees) and in the group age 35-45 (857,252).

Also according to Labour statistics published by the Tax Agency, men account for 82% of highest salaries in Spain. More precisely, 2014 data show that although men only represent 54% of all salary earners, they take up 82% of positions with earnings more than 10 times the minimum wage. The figures are based on tax filings by companies that withheld taxes from 16,899,024 workers across Spain. Of these, 9.15 million were men and 7.74 million were women. Even though they are a smaller group, women are the majority on the lower stages of the salary scale. Among the highest earners, there were 22,792 women compared with 104,914 men. Also in that group, men made 152,174 Euros on average per year whereas women made 133,404 Euros.

In October 2016, the INE (National Institute of Statistics) published the results of the salary structure survey, conducted every year over a sample of 220,000 workers. Results show that the average annual gross salary in 2014 was 22,858.17 Euros per worker. This means 0.7% increase in comparison to 2013. The most frequent salary was 16,490.80 Euros. Additionally, the results of the survey show significant differences by gender, economic sector, autonomous community, age, or type of contract. Some examples of these differences are provided next (source: Press note published by the INE):

Gender: the average remuneration of women was 19,744 Euros, 14% lower than the average salary, whereas men’s average salary was 25,727.24 Euros (30% higher).

Temporariness: The average remuneration of workers with open-ended contract was 24,746 Euros (8.3% above the average), whereas temporary contracts offered an average remuneration of 15,680 Euros (31.4% below).

Workers with a part-time contract earned 9,794.79 Euros, whereas full-time workers had an annual salary of 26,965.35 Euros.
Economic sector: There are seven sectors (namely, construction, education, real state, commerce, artistic activities, administrative activities, and HORECA) where salaries are below the average salary. These activities employ 49% of the workers. This percentage has progressively increased since the beginning of the crisis; in 2006, these sectors employed 36% of the workers. This means that there is a higher proportion of workers working in the sectors with the lowest levels of remuneration. Interestingly, it was HORECA the economic activity with the lowest salary (13,636.04 Euros), whereas the economic activity with the highest average salary (51,034.67 Euros) was ‘Electric energy, gas, steam and air conditioning provision’.

Qualifications: The education level of the employee also determines its salary. The average remuneration received by a worker with no qualifications in 2014 was 14,384 Euros (37.1% below the average); on the opposite side, workers with a university degree got 35,493 Euros on average (55.3% more).

The annual salary of ‘Directors and Managers’ was 52,512.99 Euros, 129.7% higher than the average salary.

In November 2016, the INE (National Institute of Statistics) published a specific exploitation of the EPA Survey (Spanish Labour Force Survey) analysing the salary deciles of main jobs (‘Decil de salarios del empleo principal’ in Spanish), with 2015 data. The average gross monthly salary was 1,893.7 Euros in 2015 (0.66% more than in 2014). Some interesting results of these statistics are presented next (source: Press note by the INE):

Looking at differences by gender, 41.1% of the employed women had a gross salary lower than 1,215 Euros per month, versus 19.8% of the employed men. In contrast, 35.5% of the men earned more than 2,136 Euros per month (gross terms), but only 23.9% of the women. Main causes for these differences could be linked to the fact that women are more likely to work part-time, have temporary contracts or work in economic sectors where salaries are generally lower.

From an age perspective, youngest age groups have the lowest salaries. In 2015, 68% of the employees younger than 25 had a gross salary below 1,215 Euros. Reasons for this are linked to the fact that youngsters have more temporary and part-time contracts, and lower seniority supplements.

A detailed analysis of the salaries’ evolution in the last years shows that between 2011 and 2015, the average salary of the lowest decile (420.1 Euros in 2015) decreased by 10% in comparison to 2011, whereas the average salary of the highest decile (4,418.4 Euros in 2015) increased by 8% in the same period.

According to data published by the INE (National Institute of Statistics) in June 2015, based on the exploitation of the Annual Survey of Salary Structure 2012 and the National Database of people with disabilities, the average annual salary of employees with disabilities was 19,505.8 Euros in 2012, 4.1% lower than the previous year (2011). Moreover, the average annual salary of employees with disabilities is 14.5% lower than the average salary of people without disabilities (22,815.2 Euros in 2012). From a gender perspective, men with disabilities had a salary 20.5% lower than the salary of men without disabilities. On the other hand, women with disabilities had a salary 8.5% lower than women without disabilities. Salary differences between men and women with disabilities were lower (12.9% lower for women) than salary differences between men and women without disabilities (24.3% lower for women) (source: press note published by the INE).

Policies to address pay inequalities at the workplace

A measure which was being discussed at the end of 2016 was a ‘salary supplement’ for low-income earners. The measure does not address pay inequalities at the workplace, but tries to compensate young people with lower income levels. The ‘salary supplement’ is a measure proposed by the party Ciudadanos, which signed a ‘governing pact’ with the Popular Party to offer their votes and facilitate the designation of Mr Mariano Rajoy as a prime minister. The
‘salary supplement’ proposed by Ciudadanos was part of this governing pact, and while discussing the public budgets, Ciudadanos and the Popular Party also negotiated the terms and conditions of this measure. Apparently, around 450 million Euros will be devoted to a pilot programme addressed to youngsters under 30 years of age. Although Ciudadanos wanted to devote more public resources and address more different social groups, it seems that budget restrictions are limiting the extension of the initially planned ‘salary supplement’. Moreover, the Popular Party wanted to finance this measure with the resources of the Youth Guarantee Plan, which, by then, had been considered to be a failure in the case of Spain, given its bad results (source: news in El Pais newspaper).

On the other hand, although it was not directly aimed at addressing pay inequalities, it is interesting to comment on a sentence pronounced by the European Court of Justice in September 2016. Under Spanish law, permanent employees get 20 days per worked year as severance pay, whereas temporary workers get 12 days when they are laid off, and temporary substitutes (‘interinos’ in Spanish) do not get any compensation. In a sentence issued on 14 September 2016, the European Court of Justice established that temporary substitutes also have the right to receive severance pay, and that the amount received by temporary workers and permanent workers should not be different just because of the type of their contracts. Unions have welcomed the sentence, and they demand legal reforms in Spain to give all temporary workers equal severance rights. The Spanish “acting government” has not taken a stand, whereas CEOE (Spanish Confederation of Employers’ Organisations) considers that the Spanish Law has different regimes for different situations, all of them legal, so there is no need for legal changes. However, following the European Court of Justice rule, at the beginning of October, the Superior Court of Justice of Madrid sentenced that the Ministry of Defence must compensate a former temporary substitute (whose contract expired) with a severance pay equivalent to that of permanent workers (20 days per worked year).

Social partner’s involvement in addressing pay inequalities at the workplace

Trade unions have been particularly active in launching campaigns, publishing reports, attending meetings with other stakeholders, etc., to raise awareness on salary devaluation, unequal income distribution, etc. For instance, in December 2015, CCOO trade union published a report (‘Analysis of Salary Deciles: poverty and salary inequality increase’) which showed how poverty and salary inequality had increased in previous years.

In particular, in the last couple of years, trade unions have been particularly active in demanding a minimum income guarantee. In September 2015, CCOO and UGT trade unions started to collect signatures for promoting a new law in this field. This Popular Legislative Initiative (or ‘Iniciativa Legislativa Popular’ in Spanish) intended to establish by law a basic income for the people suffering from lack of resources. The subsidy that trade unions were asking for was a basic income of 426 Euros per month, for those persons from 16 to 65 years old, who are looking for employment and who have no income, or whose income is below 75% of the minimum salary (Source: Press note by CCOO; article by CCOO trade union). By the second quarter of 2016, CCOO and UGT trade unions had collected more than 700,000 signatures (in Spain, legally, just 500,000 signatures are required), so that this popular legislative initiative was considered by the Congress of Deputies, once the new government was constituted. Trade unions were interested in getting the support from the Congress of Deputies to create a new subjective right linked to the Social Security and financed by the State General Budget, which could solve the dramatic problem of poverty and social exclusion which was affecting many Spanish families (source: CCOO trade union magazine, May 2016; communiqué by CCOO trade union).

In addition to this, since the constitution of the new government in October 2016, trade unions have been pressuring for reinforcing social dialogue in Spain. In early December 2016, trade unions criticised that the minimum wage for 2017 was unilaterally determined by the government and that social partners were not involved in the process. Also, at the end of the year 2016, trade unions called several demonstrations with the slogan “People and their rights
first”, in order to ask the new government for more and better employment opportunities and decent salaries, amongst others, and also to apply measures to leave behind inequality (source: UGT website, CCOO website).

On the other hand, CEPYME (Spanish Confederation of Small and Medium Enterprise) presented in September 2015 a ‘Good Practice Guide’ for the elimination and prevention of salary gaps between men and women. The report was elaborated by CEPYME, together with the Ministry of Health and Social Services, and it received financial support from the Economic European Area. One of the conclusions of the report is that, thanks of the existing regulation in Spain, inequality between men and women is slowly decreasing in the Spanish labour market (Source: Press Note by Cepyme).

Promoting the reconciliation of working families and caregivers

Recent policies
In mid-December 2016, the new Spanish government (formed in November 2016 after June 2016 elections) announced that the paid paternity leave would be extended from 2 weeks to 4 weeks duration . This measure is part of the governing pact between the Popular Party (the leading party in the government) and Ciudadanos (who supported the Popular Party to designate Mr Mariano Rajoy as a prime minister). This new measure entered into force in January 2017 (Ministry of Employment).

Actually, the governing pact between the Popular Party and Ciudadanos included several proposals of measures regarding employment, and some of them were aimed at facilitating work-life balance and reaching a National Agreement for Work-Life Balance and Rationalisation of Working Time (for instance, the promotion of telework, and enhancing working time flexibility in collective agreements). Along these lines, in mid-December 2016, the Minister of Employment, Ms Fátima Báñez, proposed signing an agreement for ending the work day at 6pm. Her suggestion was to sign a pact with employers’ organisations and trade unions to avoid long work days. This proposal had been already presented by the Popular Party during the electoral campaign for June 2016 elections, and the debate is expected to continue in 2017 (source: news in El País newspaper).

Furthermore, the issue of reducing the workday had been already raised in previous years. At the beginning of April 2015, Mr Mariano Rajoy, acting prime minister in Spain, announced its intention of promoting an agreement with social partners so that the workday in Spain finishes at 6pm, in order to avoid long working hours. He also suggested the creation of a ‘bank of hours’ so that workers can better balance work and life, and the creation of a certification which recognizes companies that excel regarding work life balance. Moreover, he also proposed the change of the Spanish time zone to make it match with the Greenwich meridian (as United Kingdom and Portugal) (source: article in CincoDias newspaper). Before that, in March 2014 the Congress of Deputies ratified a report about the need of studying the rationalisation of times and the promotion of work-life balance. As a consequence of this report, the issue of working time turned out to be relatively high on the agenda (but always behind unemployment and other issues linked to the economic crisis). The Association for the Rationalisation of Spanish Times (ARHOE) was behind the elaboration of that report (see article published in March 2014 by the newspaper ‘Diario de Navarra’). Interestingly also, a number of articles from El País newspaper (published in August 2015) reflected on the issue of the ‘Spanish long work day’. For example, experts interviewed suggested that leaving the office before 6-7 pm or leaving before one’s manager is socially frowned upon, or that the ‘presentism’ culture is much more extended in the Spanish market.

On the other hand, at the end of February 2015, the Spanish Cabinet of Ministers’ approved a measure for supporting work-life balance among the self-employed (Royal Decree Act 1/2015). The beneficiaries of this measure are the self-employed who need to reduce their
daily working time (i.e. diminish the number of working hours) due to care for children (younger than 7 years old) or dependent relatives, and hire someone to help them. These self-employed can benefit for 100% reduction in their Social Security contributions for a period up to 12 months as a maximum (they will not have to pay any contributions at all). This means savings worth up to 3,000 Euros per year per person. It is important to highlight that a requisite to get this discount is that the self-employed hires an employee (full-time or part-time), and that this employee should remain employed for at least 12 months. (Source: Ministry of Employment website, February 2015).

Rights to request special working time arrangements, place of work etc.

In December 2015, a social court in Madrid pronounced sentence in favour of a worker who wanted to modify his arrival time at work in order to have time to take his child to the nursery school. The sentence obliged the company to delay one hour the arrival time of the worker (from 8 am to 9 am), basing its argument on the prevalence of the protection of the family before work organisational matters. The key question was that if the company did not adapt the work schedule, the worker would not have any option to take his child to the nursery school. Although this sentence does not set court precedents, the sentence creates a basis for future similar disputes (source: news in ElMundo newspaper).

On the other hand, also in December 2015, the Ministry of Finance and Public Function extended the possibility of requesting for a ‘continuous/intensive working day’ (instead of a ‘working day with a lunch break’, or ‘jornada partida’ in Spanish) for civils servants with children of up to 12 years of age. As published by the State Bulletin on 10th December 2015, they can have 6 and half hours of continuous work, working between 8am and 3pm, for a longer period during the year, from the 1st June till the 30th September. Until then, all civil servants had the possibility to enjoy the ‘continuous working day’ from the 15th June to the 15th September, but thanks to this modification, civil servants with children would be able to extend their continuous working day 30 days more, improving work-life balance (source: article in CincoDias newspaper).

The role of collective agreements

In Spain, women are more likely than men to take care of children and dependent relatives, and to reduce their working time or ask for unpaid leaves for such reasons. A ‘cultural change’ is required to promote the implementation of more and better work-life balance measures. A report on Work-Life Balance in Spain published by the Family Policy Institute in December 2015 concludes that work-life balance is not working well in Spain, mainly due to factors such as long working hours, growing distance between home and workplace, etc., which is aggravated by the fact that existing work-life balance measures are still deficient. Regarding flexible working time, the report indicates that it is purely subject to collective agreements and/or to acceptance by the employer, without a general framework that can facilitate it. Thus, the report suggests that, in general, a better legal, social, labour and fiscal framework which facilitates work-life balance should be enhanced.

In Spain, work-life balance rights are regulated by the Workers’ Statute (‘Estatuto de los Trabajadores’ in Spanish). Collective agreements can extend or precise these rights. In some cases, it is the Workers’ Statute that establishes that these rights should be determined by collective agreements. Thus, some companies may offer more advantageous conditions than the basic rights of the Workers’ Statute.

In March 2016, USO (‘Unión Sindical Obrera’) trade union published a report on work-life balance, where they criticise that work-life balance responsibilities are mainly assumed by women. For instance, in 4Q 2015, 72% of part-time jobs were held by women. Also, in 2015, there were 45,564 requests for unpaid leave (‘excedencia’ in Spanish) to take care of relatives; 91.5% were requested by women, and only 8.5% by men. Organic Law 3/2007 for the Equality between women and men established that companies with more than 250 employees should approve their own ‘Equality Plans’, which are a collection of measures.
aimed at achieving equality of treatment and opportunities between women and men and at abolishing any type of discrimination. However, these plans are not compulsory for smaller companies, and it is widely known that the largest part of the Spanish business network is formed by SMEs, so the effect of the measure is limited. In addition to this, the report proposes that it is necessary to modify ‘timings’, so as to better coordinate school and working time, for instance. Furthermore, it is highlighted that there is a great difference between the length of the maternity leave (16 weeks) and the length of the paternity leave (2 weeks in 2016; to be extended to 4 weeks); the report argues that granting the same rights to both men and women is essential to promote co-responsibility and equality among genders. Thus the report suggests that conciliation clauses should be included in all collective agreements and not only in company equality plans.

Finally, the report gives some examples of clauses included in equality plans and collective agreements aimed at facilitating work-life balance, namely: working time flexibility (adapting entry and exit times, without reducing the number of hours worked); promotion of ‘continuous/intensive working day’ (instead of a ‘working day with a long lunch break’, or ‘jornada partida’ in Spanish); adapting work shifts; facilitating telework and videoconferences to avoid journeys; paid leave for attending sick relatives or taking them to the doctor, to do paperwork ...; financial aids for nursery schools or nursing homes; training during working time hours; etc.
The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social, employment and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75, to contribute to the planning and design of better living and working conditions in Europe.