



AGREEMENT ON PROPOSALS FOR TRIPARTITE NEGOTIATIONS TO STRENGTHEN ECONOMIC GROWTH AND CREATE JOBS

The Spanish economy has entered a phase of growth. However, the duration and intensity of the crisis and its impact on jobs still present a major challenge for the future of Spain. The Government and social partners consider that we are faced with a situation demanding vigorous action to help bolster growth and speed up the creation of stable, quality employment.

Social dialogue must play a key role in this context. Negotiated agreement forms part of our social tradition, aligning the efforts made by all parties in the same direction. It will contribute to greater economic growth, increased employment and a balanced distribution of profits, efforts and burdens to strengthen social cohesion. The economic improvement must cut across the whole of society; no one must be left on the sidelines. The success of our country in its recent democratic history has always been linked to the capacity to recognise the time when negotiated agreement to benefit citizens as a whole was key to overcoming the problems we faced. That is why in March the Government and the social partners once more showed our commitment to social dialogue.

Under this new scenario we have put forward a plan for the development of an ambitious schedule of negotiations, with the aim of using a renewed social dialogue to boost measures aimed at consolidating the positive trend in the economy and jobs, guaranteeing our social model, and introducing measures that strengthen and improve the Welfare State and our competitiveness within the Monetary Union.

To so do, the Government and social partners have made the commitment to tackle the following proposals for which the necessary financial resources will be allocated:

1. The European Union

The Government and social partners agree on the need to combine policies that ensure the sustainability of the public accounts with policies to boost economic activity and productive investment that can contribute to the growth of the economy and create jobs, guarantee adequate social protection, make progress in the fight against social exclusion, while providing a high level of education and training.

We thus agree on the need to boost the adoption of formulas and solutions in the renewed European institutions to make the process of fiscal consolidation compatible with policies of growth, boost economic and social progress for all European citizens and help create stable, quality employment.

To make progress along this path within the framework of the Community institutions, we consider it necessary to strengthen the process of ongoing dialogue between the European Council, the Council, the Commission, Parliament and the social partners, in particular with respect to the direction to be taken with the objectives of the European Semester. At the same time dialogue and participation by the social partners will be boosted as part of the preparation of the National Reform Programme, at a national level.

In addition, it is necessary to deal with the reality of migratory movements to Europe as part of a common strategy of regulation of flows, cooperation with the countries of origin and a shared responsibility for the EU borders, all based on a firm commitment to respect for human rights.



Within this context, the Government and Social Partners agree the following:

To strengthen the process of negotiated agreement with the social partners with the European Council, the Council, the Commission and the Parliament:

Together with the social partners, the Government undertakes to boost social dialogue in the EU on a permanent basis; and in the current framework of objectives for the European Semester, to promote European policies that support the economy and productive investment to create jobs and guarantee adequate social protection.

2. The Employment Plan and a boost to activity

According to data from the Labour Force Survey (EPA) for the second quarter of 2014, the long-term unemployed account for 62.1% of the unemployed aged between 16 and 64, and 54.9% have completed studies to no more than compulsory secondary education (ESO) level. The percentage of long-term unemployed among those over 45 years of age is 71% (EPA, 2Q2014). A large proportion of these unemployed people are also former workers in activities that have been hard hit by structural adjustments, and that will not therefore recover simply with an improvement in the economy.

It is possible to recover job opportunities for this group with the necessary public support, but it requires an effort of occupational retraining to prevent the situation from becoming one of structural unemployment. This plan is therefore also an instrument to combat inequality and support people at risk of poverty and/or exclusion. Training must be geared as a priority towards finding jobs in the sectors and activities that have the biggest impact on the strengthening of the model of production generating the highest added value and that helps improve competitiveness based on greater productivity and quality of production.

Within this context, together with the long-term unemployed, people aged over 45 deserve special treatment, given the rate of long-term unemployment in this group. The following specific measures are proposed:

2.1. Long-term unemployed who have to improve their employability and level of protection in situations of need

The Government and social partners agreed to implement a plan in October 2014 to restore employment and improve protection with specific guidance, training, retraining and/or recognition of work experience, with the aim of making it easier for people to find jobs, particularly the long-term unemployed.

There will also be a greater effort to link active employment policies to the system of unemployment protection in order to reduce the time that people are unemployed.

Working with the autonomous regions, the plan will create a profile of the needs of jobseekers and create job-placement pathways through a range of training possibilities that are appropriate to each candidate and/or the certification of work experience. The aim will be to improve qualifications or refocus occupational skills to make it easier for the unemployed to find a job as quickly as possible.

Among other measures, the programme will include training aimed at obtaining professional certificates or that includes a commitment to a job on completion. The Social Partners will participate in the identification of the qualifications of most needed, among them those linked to environmental services (green jobs), personal service (white jobs) and information and



communication technologies.

Priority will be given to the unemployed with family responsibilities who live in a home with no income from work, who are long-term unemployed and/or who have a low level of training. The group of people aged over 45 will be a target for particular attention.

The programme will be prepared to be consistent with the annual employment plans and agreed with the autonomous regions as part of the Sectoral Conference on Employment and Labour Affairs.

The Government and the autonomous regions will try to ensure that there are sufficient funds to define the profile of the needs of jobseekers, provide adequate employment guidance and define the training and labour intermediation services.

In particular, the Government undertakes to work with autonomous regions on the call for proposals needed for recognition of the qualifications of people who provide services as part of the System of Dependency Care by the end of 2015.

2.2. The fight against youth unemployment

In February 2013, following a process of dialogue and participation with the social partners, the Government of Spain presented a Strategy for Entrepreneurship and Youth Employment with 100 measures aimed at reducing youth unemployment. So far it has been the fundamental instrument used to boost youth employment and entrepreneurship as part of a strategy for promoting economic recovery.

Subsequently, the European Council meeting on 22 April 2013 agreed the Recommendation on establishing the Youth Guarantee, which urges Member States to ensure that all young people aged under 25 receive a job offer, continuous education, apprenticeship or period of work experience within four months of becoming unemployed or ending their formal education. Its application may be gradual for the countries with the greatest budget difficulties and the highest level of youth unemployment.

On 4 July 2014, the Government, in collaboration with the autonomous regions, approved the implementation of the National Youth Guarantee System, with the necessary funds coming from the Youth Employment Initiative and the European Social Fund, as well as new incentives for permanent employment contracts and training contracts.

Within the area of youth employment, the Government and social partners have agreed to participate in the following areas:

Development, evaluation and monitoring of the National Youth Guarantee System

The Government and social partners, in coordination with the autonomous regions, have agreed to work on the implementation, monitoring and evaluation of the National Youth Guarantee System, through the institutional participative mechanisms already in place in the National Employment System, the European Social Fund and the Public Employment Services, among others. The aim is to guarantee equal access to the new system by all citizens, regardless of their place of residence, and to improve the employability and ability to find jobs of young people aged under 25 who are not working, studying or training.

Specifically, it has been agreed to evaluate the effectiveness of actions developed to find jobs for the unemployed, as well as proposing new actions and measures that improve the employability of young people and encourage access to employment.



Dual Vocational Training

With respect to dual vocational training, the coordination with the autonomous regions has to be strengthened, and a joint evaluation of the situation of Dual Vocational Training in Spain has to be carried within the scope of tripartite negotiation.

That is why the Government and social partners have agreed to set up a working commission to analyse dual vocational training and propose ways of improving its implementation in Spain by the end of 2014.

In this way, we have agreed to work together and help develop stable relations between vocational training centres and the business world with the aim of achieving a fluid exchange of knowledge, as well as a constant flow of students, improving the process of learning and the chances of finding a job.

The twofold aim is to bring training closer to the needs of business and also develop a stable framework for practical training followed by opportunities for jobs that speeds up and improves the ability of young people to enter the labour market.

Bilateral international agreements

Mechanisms have to be established for participation by the social partners in the respective countries to define, monitor and evaluate the bilateral agreements designed to provide training and jobs for young people and other Spanish workers abroad.

2.3. Improvement in the intermediation process

The distribution of competences in active employment policies is a challenge that requires a considerable effort of coordination and cooperation between the regional public employment services and the State Public Employment Service. With the start of the economic recovery, the public employment services represent a key element for boosting the labour market and helping the unemployed to improve their chances of finding a job.

At the same time, work has to continue between the public employment services and job placement agencies, whose main activity will be complementary to that of the public services.

It is also essential that the public employment services should understand the needs of companies, to be able to assist those looking for jobs. For this reason, the social partners should collaborate in their respective areas to identify these needs.

To this end, the Government and social partners have agreed on the following measures:

Modernization of the public employment services

The aim is to strengthen their capacity to provide personalised quality services that are effective and efficient, and that improve the employability of workers and their chances of finding a job. To this end, the Government, in collaboration with the autonomous regions through the Sectoral Conference on Employment and Labour Affairs, undertakes the following:

To make progress on and implement in the shortest possible time, the provision of personalised services for jobseekers, with particular attention being paid to the needs of companies and to the preparation of a standard professional profile of all jobseekers through individual evaluation.



- Furthermore, preparation of personalised job pathways according to the workers' profiles will be promoted, as included in the future Common Portfolio of Employment Services, giving preference to those groups with the greatest difficulties in finding jobs: the long-term unemployed, the unemployed with a low or inadequate level of training and the unemployed of over 45 years of age. Priority within these groups will also be given to people with family responsibilities and/or the unemployed in households with no income from work.
- To boost the understanding of the public employment services about the current and future job requirements of companies. Both perspectives will together help design a more effective range of training services in each area.
- Together with the autonomous regions, evaluate the programmes run by the public employment services from the point of view of the level of permanent jobs they are able to find. The programmes must have quantifiable objectives set from the start, as well as having indicators for monitoring that allow an evaluation on completion.
- To boost the role of the social partners.

The aim is to increase coordination of the public employment services through the Spanish Strategy of Activation for Employment 2014-2016. To do so, information on the initiatives carried out by each public service will be guaranteed through the Annual Employment Policy Plans. The Programme of Good Practices between the Public Employment Services will also be strengthened and extended, thus favouring the joint use of success stories and their adaptation and extension to other areas.

Intermediation between job supply and demand

The Government and social partners have agreed to strengthen the work of guidance and intermediation offered by the public employment services together with the autonomous regions and in agreement with the Sectoral Conference. The aim is to make it easier for people to enter the labour market, discover the real needs of companies and match available funds to needs by designing effective public training through the measures agreed with the social partners in social dialogue.

Agreement has been reached to boost labour intermediation through collaboration between the public and private agents, thus mobilising all the resources for employment, and ensuring all the guarantees are in place for the beneficiaries. Public-private partnership will be complementary in nature and supervised and evaluated regularly, with the participation of the social partners, in order to analyse its effectiveness, and particularly its effects with respect to the unemployed who are in a situation of greater need.

At the same time, the next calls for proposals in the Framework Agreement with Job Placement Agencies should take into account the results of the evaluation process, whose fundamental aim will be to check the quality of intermediation carried out in terms of stable jobs and the level of compliance with the guarantees included in the current design, as well as the effectiveness of these guarantees in preventing actions that are incompatible with the purpose of this labour market tool. The idea is to analyse collaborative projects with job placement agencies that are effective in achieving the public labour-market objectives. The job placement agencies completing their evaluation successfully will be asked to continue with their work.

Among the projects developed at national level, particular attention will be paid to the placement of groups with the greatest difficulties in finding a job: the long-term unemployed with limited training; beneficiaries of the PREPARA programme; and unemployed people aged over 45.



In addition, within the framework of the Employment Activation Strategy, incentives will be given to the regional public employment services to organise collaborative projects in their respective areas of competence, according to their specific territories and needs of the workers.

Continuous monitoring will be guaranteed in the whole process, as will the exchange of information and the information obligations that must be met by private agencies, together with a system of payment by results to create incentives for stable, quality jobs.

Employment and Self-Employment Portal

The search for jobs using the Internet is highly fragmented in our country. The aim of the Employment and Self-Employment Portal is to combine all the job offers and take advantage of the scope of information and communication technologies to boost intermediation and job search, bringing together all the job offers from the regional portals and the Ministry of Employment and Social Security.

The portal will also be able to incorporate the offers from other public and private portals that sign up to the initiative, while at all time respecting the framework of competences of the autonomous regions and the activity of private portals.

The Employment and Self-Employment Portals are already up and running. The Government and social partners aim to work to convert the portal into an effective job finding tool.

2.4. The fight against dualism

The Spanish labour market has been characterised historically by a marked dualism. That is why the fight against labour market dualism continues to be a priority. Temporary employment affects nearly a quarter of the labour force (23.2%), compared with an average of 15.2% in the Eurozone (Eurostat data for 2013). To lower the levels of temporary employment, the Government and social partners have agreed to continue the fight against labour market dualism through the following measures:

Boost the fight against fraud and improve information mechanisms

The Government undertakes to strengthen the fight against fraud through the Labour and Social Security Inspectorate, and to improve the information available to employers and workers to prevent the inappropriate use of temporary employment.

It also undertakes to continue its work in bringing to light jobs in the underground economy.

Action plan against labour-market dualism

The Government and social partners have agreed to set up a working group to prepare an action plan by the end of 2014 to fight dualism in employment contracts. It will analyse a number of questions such as:

- The most appropriate mechanisms to ensure the right forms of contract are used.
- The inadequate and/or fraudulent use of temporary contracts.
- Turnover and the use of successive of temporary contracts.
- The consequences of temporary contracts on job security and training.



2.5. Special Plan for Equality between Men and Women in the Area of Work and against Wage Discrimination

Through the Ministry of Health, Social Services and Equality and the Ministry of Employment and Social Security, the Government has undertaken to prepare and implement the Special Plan for Equality between Men and Women in the Area of Work and against Wage Discrimination, with the participation of the social partners. The plan is part of the Strategic Plan for Equal Opportunities 2014-2016 on equality in the labour market, through a significant number of measures grouped into different lines of action:

- To promote the equality of men and women in access to employment and in companies.
- To combat the wage gap.
- To promote female entrepreneurship.
- To promote job equality in the public sector.
- To promote the employability of women who belong to particularly vulnerable groups.
- To ensure fiscal policies support the incorporation of women into work.

2.6. The Spanish Strategy for Safety and Health at Work

The balance of the Strategy for Safety and Health at Work 2007-2012 is positive. In 2007-2010, the number of accidents at work fell in Spain by 24% (according to the latest available data from the standardised index published by Eurostat).

However, regardless of this favourable trend, according to the latest data available on working conditions and labour relations published by the Ministry of Employment and Social Security, each year there are around 500,000 accidents at work resulting in time off (471,000 in 2012), over 450 fatal accidents and over 15,000 medical reports notifying of occupational diseases (data as of 2012). These figures have to be cut significantly.

At the same time, we have to guarantee there is an adequate register of occupational diseases to ensure better social protection and prevent expenditure from being passed on to the National Health System. To do so, the appropriate procedures and training for healthcare professionals will be organised to classify the diseases, in collaboration with the autonomous regions.

In addition, all the specific measures aimed at improving and promoting the study and investigation of occupational diseases will be adopted, together with their detection and communication. This is based on the premise that it is prevention of diseases is more important than cure.

The Spanish Strategy for Health and Safety at Work

In accordance with the above, the Government and social partners have agreed to finalise and approve the Spanish Strategy for Health and Safety at work as quickly as possible, with the appropriate finance, making Spain one of the pioneering countries in Europe to respond to the EU Strategic Framework on Health and Safety at Work 2014-2020. This requires the involvement and commitment of all parties, particularly the employers' organisations and trade unions, to ensure that preventive policies are given a real place in the labour environment.



In particular, the aim will be to strengthen the participation of the social partners and the involvement of the employers and workers in improving Health and Safety at Work. A boost will be given to the identification of the pathologies involved in working activities.

2.7. Reform of the law governing the Labour Inspectorate

The Government and social partners have agreed to engage in a process of dialogue on the reform of the law governing the Labour Inspectorate so that it takes into account the changes in work organisation and labour relations, as well as the processes of transferring competences in this area to the autonomous regions.

There must also be a guarantee of the autonomy currently enjoyed by the National Institute for Health and Safety at Work, and the functions that it now carries out.

3. Training for employment

After more than 20 years of developing the system of vocational training for employment, the main values are the extension of the culture of training in the working environment and increased access to training.

Despite this work, the conclusions of the Council for Social Dialogue on the development of the Fourth Agreement for Vocational Training for Employment 2006 show various weaknesses that should be tackled. These include: insufficient coordination in the system as a whole; the lack of strategic planning for vocational training for employment; the limited links with the reality of the business world, particularly in the training required by SMEs; the lack of availability of a system of integrated information; the lack of evaluation of its impact; and an inefficient definition of the role of the agents involved in the system.

The economic recovery requires a transformation of this reality to improve the skills levels of workers and to contribute to the competitiveness of Spanish companies. That is why we have to improve the current situation of the qualification mismatch in Spain.

→ Renewal of the Tripartite Agreement on Training, in accordance with the principles agreed in the Council for Social Dialogue

The Government and social partners want to transform the system of vocational training for employment on the basis of social dialogue, to guarantee three strategic objectives above all:

1. A guarantee of the exercise of the right to training by workers, employees and the unemployed, in particular the most vulnerable.
2. The effective contribution of training to company competitiveness.
3. Efficiency and transparency in the management of public funds.

To this end, the system must be governed by the principles agreed in the Council for Social Dialogue set up for this purpose:

1. The exercise of the individual right to vocational training for employment, the guarantee and equal access to workers and companies to a training linked to their needs.
2. Anticipation of the requirements and changes in the model of production, as a fundamental way of improving the quality and effectiveness of training.



3. The unity of the labour market and free movement of workers in the development of training actions.
4. Collective bargaining and social dialogue as instruments to develop the system of vocational training for employment in the area of work; and the participation of the social partners in running the system, in particular in the design, planning, programming, control, monitoring and evaluation of the training, particularly the training for employed workers.
5. The quality, effectiveness, efficiency and transparency in management, as well as the commitment of all the agents involved with the aim of bringing prestige and recognition to the system of vocational training for employment.
6. Stability, security and certainty to allow strategic planning and promote investment in training resources.
7. Organisation of the system through inter-administrative coordination and cooperation within the framework of the legal competence of the State, allowing flexibility and optimisation of resources allocated to the system.
8. A boost to the training programmed by companies for their own workers, with the participation of the legal representatives of the workers, as an easy and flexible way for companies and workers to respond to their most immediate and current needs.
9. Strengthening of the systems of information, monitoring and control, permanent evaluation of all the stages of the training process, including adequate measurement of its impact and the commitment to continuous improvement, within the framework of instruments that are agreed and where central government, trade unions and employers' organisations are represented.
10. Access to sufficient, stable and equitable finance, respecting the single pool system and the fact that the money is earmarked from the Social Security contributions for vocational training. Training must be managed through a system of equal competition open to all training providers, whether public or private, who are accredited under current law, for all the training programmes in the different public administrations.

In accordance with these 10 principles and to comply with the objectives set out, the Government and social partners undertake to sign the Fifth Agreements on Vocational Training for Employment and to carry out any legal changes needed to allow the system to develop and adapt it to current needs.

Equally, we undertake that the new model will be operational and applicable to the whole system of vocational training for employment in the area of the labour market, starting on 1 January 2015.

4. Collective bargaining

The Government and social partners agree that collective agreements are basic labour institutions that establish the conditions of work and determine remuneration.

At the same time, in the bipartite area, we agree to promote collective bargaining where the income from work and capital that participate in value generated by companies adapt to changes in the specific economic circumstances of each area of negotiation.

Collective bargaining is the natural area for the development of labour relations that in



particular are the natural arena for relations between the trade unions and employers' organisations. CCOO, UGT, CEOE and CEPYME reaffirm the commitment reached in the Second Agreement for Employment and Collective Bargaining 2012, 2013 and 2014.

For this reason, the social partners consider it necessary to make progress towards a new "Agreement for Employment and Collective Bargaining". With a commitment to improving the general conditions of the economy, it should continue to favour competitiveness in a balanced fashion, while boosting collective bargaining and the use of internal flexibility mechanisms as an alternative to job destruction. These mechanisms aim for an extra-judicial solution to conflicts derived from the form of managing the collective agreements, favouring the development of elements of participation and consultation.

With these general objectives, the trade unions and employers' organisations propose to deal with the negotiation of a new general agreement on collective agreements to replace the one in force on its expiry. Within this framework an analysis is being carried out to bring changes in wages into line with the process of recovery in employment.

Similarly, the Government and social partners consider it necessary to carry out a joint evaluation of the role of the official minimum wage and its future evolution, before December 2014.

Equally, they agree to make available training aimed at providing skills for the social partners in collective bargaining, which is increasingly specialised and complex.

Improved information available on collective bargaining

The joint work of the government and social partners should lead to an improvement in the information available on collective bargaining.

Map of Collective Agreements

The Government and social partners have agreed to work together to complete the Map of Collective Agreements at national and regional level. In a systematic, orderly and detailed fashion, the map will reflect all the collective agreements that exist in Spain, including those that are not applied, with the aim of obtaining useful and updated information, accessible to the public, on their currency and effects.

To provide negotiators of collective agreements with specific economic information

The Government undertakes to ensure that companies are obliged to include the code of the collective agreement to which they are subject in the information they submit to the Social Security System.

Once implemented, the system will allow the Government to periodically provide negotiators with all the economic and tax information, where appropriate, related to the agreement and contained in the administrative registers. Negotiators will thus have available the forecasts of the relevant economic variables for the purpose of negotiation, using the available administrative information as a basis.

To guarantee workers and workers' representatives access to complete information on Social Security contributions

The legal reform of the system of settlement and income from Social Security contributions provides an ideal opportunity to specify the best way of guaranteeing a new system of access



to information on contributions by workers and their representatives.

5. Social Protection

As we exit the crisis and begin our recovery, the Government and social partners also agree that we have to improve the social protection of all those people who are furthest removed from the labour market and/or at risk of social exclusion so that growth and opportunities can be extended to everyone.

It is therefore urgent to find specific formulas for social protection and access to jobs for people who continue to be unemployed, who have abandoned their studies in the previous cycle of expansion and who today, in most cases, have family responsibilities and low or inadequate qualifications.

Within the framework of the new period of programming 2014-2020 of the European Social Fund, an Operational Programme for Social Inclusion and the Social Economy has been planned at a national level. It has a budget of over 800 million euros for aid over the next 7 years, which should become an effective lever for social protection and the improvement of job opportunities for those most vulnerable. Thus the Government has already adopted measures in this area and has now agreed with the social partners to work together on the following:

5.1. Improving the effectiveness and efficiency of the social protection mechanisms Map, complete with social benefits

The Government undertakes with the social partners to boost collaboration by the Ministry of Employment and Social Security, the Ministry of Health, Social Services and Equality and the autonomous regions, to prepare a complete map of social benefits and unemployment subsidies for the whole of the country, so that work can be carried out on coordination, improvement to the system of benefits and more effective and efficient use of available resources.

The preparation of this map will be carried out without prejudice to the definition of the social protection measures included in this document, and should be tackled before the end of 2014.

The aim will also be for the public administration services to provide all the information needed in the Register of Public Social Benefits.

5.2. Greater levels of social protection

The Government and social partners agree to make progress on the levels of protection in certain benefits, using the available public funds, among them those from the European Social Fund and the Fund for European Aid to the Most Deprived.

Minimum income or basic jobseekers' income

As part of the analysis of the model of social benefits, the Government undertakes to evaluate together with the autonomous regions and social partners the current model of minimum jobseekers' income or basic income, to guarantee they cover all those persons who are in a situation deserving of protection and to improve their employability.

This must basically be aimed at people who live in one of the 740,500 homes without any income from work (EPA 2Q2014). A discussion group will be set up with the participation of the social partners to tackle this question within a maximum period of 6 months, coordinating the areas of social protection that are the competence of Central Government and of the



autonomous regions, with particular attention being paid to any possible gaps in coverage that may be identified.

Protection for the long-term unemployed in a situation of special need

At the same time, while the actions and measures such as those proposed in the Plan for Employment and Boost for Activity have their full effect, the Government and social partners agree to make progress in temporary protection measures.

In particular, we undertake to extend in October the mechanisms for protection linked to the employment policies for the long-term unemployed in a position of special need to enable them to return to employment without losing the necessary social protection.

Beneficiaries must duly accredit they are actively looking for work, and are willing to participate in any job-search actions that may be proposed by the employment services.

Guarantee for FOGASA management

In 2007-2011 the labour market generated an increase in requests for benefits from the Wage Guarantee Fund (FOGASA), which has meant a challenge for its management. The number of registered cases rose from 59,100 in 2008 to 205,000 in 2011. The context of necessary budget consolidation and legal changes affecting both the main source of revenue for the institution and the amount of benefits put FOGASA into a situation that undermined its capacity to respond to the rights of its beneficiaries. The aim now is to guarantee the updating and complete elimination of the pool of cases still pending, thus complying with the guarantees that the institution offers workers.

The Government and social partners agree to make progress in the FOGASA viability plan that has been implemented to guarantee the updating of the processing of requests for benefits from the institution, as well as payment in 2014 of the benefits pending for all the workers who are or will be beneficiaries.

5.3. The Sustainability of the Welfare State

Equally, the Government and social partners agree to make progress in the sustainability and development of the Welfare State, in particular the public pension system, the National Health System and the System for Dependency Care.

The public pension system

The Government and social partners have agreed to maintain an open dialogue within the framework of the public pension system.

Health and Social Services

They also agree to maintain and continue the process of social dialogue with respect to the sustainability and sufficiency of the National Health System, the Dependency Care System and social services, as well as the appropriate development of mechanisms for coordination in the social and healthcare areas.

6. The importance of acting on the productive model to improve competitiveness and employment



The economic crisis has made clear the key role of industry as a generator of growth and jobs. It has demonstrated that countries with a greater weight of industry in their gross domestic product have been able to resist this adverse economic cycle better, losing fewer jobs, increasing their exports and thus helping offset the fall in domestic demand and improving their balance of payments.

The industrial sector (manufacturing + energy) accounts for 15.9% of GDP in the Spanish economy and generates more than two million jobs (2013 data). Industry is the sector that makes the biggest effort in innovation and R&D, at 48.3% in 2012, according to the latest available statistics on R&D activities from the National Institute for Statistics (INE). Industrial exports account for around 19% of GDP (DataComex, 2013).

The industrial sector can and should play a key role in the process of recovery of the Spanish economy. Over the next few years it has to become one of the motors of our economy, contributing solutions to the main challenges faced by our economy, and reaching the target proposed by the European Commission of accounting for 20% of GDP by 2020.

To contribute to create a favourable environment to the development of the industrial sector a social agreement is needed on the main elements of industrial policy required to make Spanish industry more competitive as an economic motor and generator of quality employment.

Agenda for strengthening the industrial sector in Spain

As included in the Agenda for Strengthening the Industrial Sector prepared by the Government with the participation of the social partners, work will be done on the following lines of action to strengthen the sector and improve industrial competitiveness:

- To stimulate demand for industrial goods with a multiplier effect on the economy.
- To improve the competitiveness of the key factors of production.
- To ensure the supply of stable, competitive and sustainable energy within the European Union.
- To strengthen the stability and uniformity of the Spanish regulatory framework.

To increase the efficiency of innovation and R&D, its market orientation and openness to the challenges of society.

- To support the growth and competitiveness of Spanish SMEs.
- To adapt the educational model to the needs of the system of production.

To increase the proportion of unconventional finance in industrial companies.

- To support the internationalisation of industrial companies and the diversification of markets.
- To guide Spain's capacity for influence to the defence of its industrial interests.

In addition, there is agreement on acting on the productive model, incorporating services including added value, information and communication technologies (ICT) and environmental services, as well as boosting emerging sectors and sector-specific policies to improve productivity and competitiveness.



7. Boost to the social economy and social responsibility

At the close of the second quarter of 2014, there were 32,363 cooperative and workers' partnerships in Spain registered in the Social Security System, giving direct employment to 333,879 people. In addition, the special employment enterprises and Special Employment Centres provide jobs to around 75,000 people who are at risk of exclusion or have some type of disability and thus have special difficulties in entering the labour market. In addition to all these figures, there are also the thousands of jobs generated by associations, foundations, mutual societies, fishermen's associations and other "singular entities" also forming part of the Social Economy.

This form of employment is stable, as reflected by the figures that indicate that 75.5% of contracts in cooperatives and workers' partnerships are permanent. The entities in the Social Economy have also demonstrated greater resistance during the years of crisis. According to the data for registrations in the Social Security System, between the fourth quarter of 2007 and the fourth quarter of 2013, job destruction in cooperatives has been nearly 6 percentage points below the total figure.

This greater resistance has become a strength in recent months, as shown by the fact that in the last year 703 new cooperatives have been created in Spain. Between the first quarter of 2013 and the first quarter of 2014, cooperatives have created 7,112 new jobs. As a result of the above, the Government and social partners have agreed together with the main organisations in the Social Economy, to promote the following actions:

Strengthening the sector

The Government, with the support of the social partners and the enterprises representing the Social Economy, will continue to work to boost the entry of new partners into cooperatives and workers' partnerships through incentives in the area of employment and Social Security, as well as through aid that can be organised in coordination with the autonomous regions.

Programme to boost enterprises in the Social Economy

The Government, together with the social partners, CEPES and the rest of the enterprises representing the Social Economy, will implement a Programme to Boost the Enterprises in the Social Economy. It will have funds from the Ministry of Employment and Social Security and the European Social Fund, aimed at promoting entrepreneurship within the Social Economy, as well as business consolidation. This programme will also include the internationalisation and innovation of enterprises in the Social Economy.

Corporate social responsibility

Social responsibility is a tool that can contribute to improve the capacity of the Spanish economy to recover. On this basis, the Ministry of Employment and Social Security has boosted the Spanish Strategy for Corporate Social Responsibility within the State Council for Corporate Social Responsibility. The aim is to guide and support the development of practices in this area for all companies, the public administration services and the different public and private organisations.

The Government and social partners undertake to boost the Strategy in the State Council for Corporate Social Responsibility following the principles included in the Strategy and through actions aimed at the following objectives:



- To boost the commitment of companies and the public administration services to the needs and concerns of Spanish society, among them the generation of employment and social cohesion.
- To help strengthen the models of sustainable management that make companies more competitive and the public administration services more efficient, through standardised, transparent and negotiated incentives.
- And finally, to boost those Social Responsibility programmes that drive the international credibility and competitiveness of the Spanish economy, together with sustainability and social cohesion, and quality and stable employment.

8. Budget and fiscal policy

The Government and social partners agree that the present structure of public income and expenditure does not always correspond to the needs of Spanish society and economy. We consider that the task of finding and eliminating duplication and unnecessary expense, together with more efficient and equitable use of available resources, should be led by all levels of government, with the participation of the Government of Spain and the territorial administrations, as well as the economic and social agents.

We also agree that the problems of the efficiency of public expenditure cannot hide the fact that income is insufficient in terms of GDP. This situation must be corrected based on improved tax revenues through a modification of the tax system and actions against fraud and tax evasion.

An improvement in the system should make it possible to fund more projects, including the measures contained in this agreement.

Tax reform

The tax system should be simpler, sufficient and fair in terms of distribution of the tax burden. It should be capable of reducing the deficit in a context that should favour the generation of economic growth and finance public services, ensure the sustainability of the public system of pensions and social benefits, support improved competitiveness, boost job creation and protect the weakest members of society.

With the aim of achieving these objectives, the Government undertakes to maintain a process of constructive dialogue with the social partners on the tax reform underway. In particular, the Government undertakes to study together with the social partners the aspects that define the taxation of severance pay.

The fight against fraud

The Government and social partners agree to carry out urgent actions over time against fraud and tax evasion.

These measures will be accompanied by awareness campaigns and appropriate information.

Wage and employment policies in the public sector

In turn, within the framework of social dialogue, the Government and social partners consider it necessary to tackle wage and employment policies in the public sector and define a strategy for their future. Specifically, the drive for internal flexibility and the fight against labour market



dualism should be the subject of social dialogue.

At the same time, we have agreed to launch the Collective Negotiation Council for the Civil Service and develop the Basic Charter for Public-Sector Employees.

The Government and social partners agree on all the initiatives in this document. They will be developed by defining the objectives, the potential number of people affected by the measures and the expected results, which will be monitored using the available indicators.

We also agree to reinforce the current model of institutional participation with the aim of improving its transparency and effectiveness.

Madrid, July 29, 2014