



Industrial relations and social dialogue

Spain: Developments in working life 2022

Author: Oscar Molina (Centre d'Estudis Sociològics sobre la Vida Quotidiana i el Treball (QUIT), Autonomous University of Barcelona)

Research manager: Christine Aumayr-Pintar

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European Foundation for the Improvement of Living and Working Conditions

Telephone: (+353 1) 204 31 00

Email: information@eurofound.europa.eu

Web: www.eurofound.europa.eu

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Introduction

The economic and social context in 2022 has been characterised by the impact of the war in Ukraine, the increase in inflation rates and the changes in the labour market triggered by the reform passed in December 2021.

Despite the uncertain international scenario, the Spanish economy has maintained a high growth rate, estimated at 5.5% GDP for 2022. Moreover, the labour market has exhibited record-high employment levels together with a decline in the unemployment rate down to 12.87% in December 2022. As a consequence of the reform negotiated between social partners and the government, the temporary employment rate has fallen to a historic low of 17.93%, whilst the number of workers with permanent contracts increased by almost 1.6 million to a peak of 14.3 million. The reform has also led to an increase of open-ended discontinuous contracts, especially in seasonal activities like tourism, but also in the service sector (Doménech, 2022).

The increase in inflation has triggered a loss in purchasing power that has disproportionately affected low-wage groups. The policies implemented by the government to mitigate the impact of inflation have included among other measures price caps to energy, price subsidies, direct transfers, but also an increase in the minimum wage. These measures have managed to reduce inflation levels in the second half of the year, and this has contributed to sustain domestic demand. The minimum wage has maintained an increasing path, approaching it to the 60% of the average wage and helping to restore purchasing power of groups at the bottom of the wage distribution. By contrast, collective bargaining has tended to deliver wage increases below the increase in inflation (Banco de España, 2022).

Social dialogue has retained an important role during 2022, with many negotiation processes opened in different issues from incomes policies, minimum wages, health and safety, etc. However, contrary to previous years, it has failed to deliver agreements in key aspects like incomes policies or the minimum wage.

Political context

During 2022 there have only been two regional elections, in Andalusia and Castilla-León. In both cases, the centre-right People's Party (PP) won the elections, though in the case of Castilla-León, it formed a government coalition with extreme right Vox.

At national level, the coalition government remains in power and managed to pass the budget law for 2022 and 2023 with the support of nationalist parties in Catalonia and the Basque Country. Despite disagreements in some law proposals, the coalition has proved to be stable and has delivered some important reforms in the field of labour market and social policy, many of them after negotiations and consultations with social partners.

There has been total agreement between the coalition parties in relation to the measures implemented in order to manage the inflation crisis, with only one exception in the field of housing. The left-wing Podemos has strongly argued for controlling renting prices through setting maximum prices, a measure that the Socialist PSOE thinks has important drawbacks.

There will local and general elections in 2023. Polls suggest a victory for the PP party, but would be far from having absolute majority and would need to enter into coalition with other parties.

Actors, institutions and processes

Social partners

There haven't been major changes in social partner organisations in 2022. Moreover, none of the most representative trade unions and employer organisations at national level have experienced major internal re-organisation during 2022.

The most representative trade unions (Confederación Sindical de Comisiones Obreras, CCOO and Sindicato Unión General de trabajadores, UGT) and employer organisations (Confederación Española de Organizaciones Empresariales, CEOE and Confederación Española de la Pequeña y Mediana Empresa, CEPYME) remain involved in social dialogue in two ways. First, through their participation in the Social and Economic Council (CES). Secondly, through the different tables opened by the government to negotiate issues going from the minimum wage to public sector wages, incomes policies pact, etc.

Social dialogue bodies or frameworks

Social dialogue bodies haven't experienced any changes during 2022.

The Social and Economic Council, the main body for institutionalised social dialogue at national level, has continued developing the two main roles assigned to this institution. First, as a consultative body, it has issued several opinions on different law proposals, including Industrial Policy, Sustainable Mobility, Sexual Health and Voluntary Interruption of Pregnancy, Employment Law, among others. Secondly, it has elaborated several reports, including those on the Impact of the Pandemic on the Economic Governance of the EU and Women, work and care: proposals and prospects for the future conclusions and proposals.

At regional level, there haven't been any changes in the social dialogue bodies. Most regions have their own Social and Economic Council. Moreover, in some large cities there is a similar institution.

On the other hand, there haven't been any changes in 2022 in the different bodies where social partners have institutionalised participation in Spain, including FUNDAE (employment policies), social security etc.

When it comes to collective bargaining, the labour market reform passed in December 2021 contained two main elements in relation to collective bargaining. First, it restores the ultra-activity of collective agreements this meaning that until a new agreement has been reached, workers will still be covered by the terms included in the previous collective agreement. Secondly, it also aims at rebalancing the relationship between sectoral and company agreements that was modified by the 2012 labour market reform, by establishing the priority of company collective agreements in the regulation of wages and wage complements. The labour market reform changes this and restores the pre-eminence of sectoral collective agreements over company-level ones in relation to wages and wage complements.

Other working life related institutions

During 2022, negotiations have taken place around a new Employment Law, in charge of reforming the governance of employment policies in Spain, including among other aspects, the creation of the

Spanish Employment Agency (which will inherit the management of state-level employment programs and the coordination of active employment policies with the autonomous communities, as well as the management of unemployment benefits), replacing the Public Employment Service State (SEPE). This has been finally approved in January 2023 and will be implemented during the current year. This reform is intended will allow to give a new approach to public employment services and active policies. More specifically, this body will change its focus of action and will not only address job seekers, but also active workers who wish to improve their position and favour their working life. For this, the companies that use the public services will have the obligation to communicate their available offers. Moreover, in order to enhance inclusiveness of the new employment agency, it will expand the groups that will receive priority attention. This category will include people with limited intellectual capacity, people with autism spectrum disorders, LGTBI people, victims of gender violence, people in social exclusion, people over 45 years of age, migrants, asylum-seekers, women victims of gender violence, roma people or people belonging to other ethnic minorities, and workers from sectors undergoing restructuring (SEPE, 2022).

Governmental responses to inflation

The fight against the negative impact of inflation has become the main issue in the policy agenda of the government in 2022. Government responses to inflation have included several instruments and have come in three phases or packages (Uxó, 2022).

A first package of measures was passed in March 2022. The measures included in this first package were part of the National Plan of Responses to the Social and Economic Impact of the war in Ukraine (Consejo de Ministros, 2022a). The Plan plans to mobilize €16 billion of public resources, 6 billion of them in direct aid and tax reductions, and €10 billion through a new line of guarantees managed through the Official Credit Institute (ICO). The package includes the following measures:

- Any dismissal that occurs for reasons related to the increase in energy prices is considered unjustified
- A 15% increase in the Minimum Vital Incomeⁱ
- A minimum bonus of 20 cents per litre of fuel until the 30 June 2022.ⁱⁱ The government will apply a 15-cent reduction and the oil companies, a minimum of 5 cent reduction
- An extraordinary limitation of the annual update of the rent of housing lease contracts until 30 June 2022. Unless agreed otherwise, the lease price cannot exceed the variation of the Competitiveness Guarantee Index (IGC), currently located at 2%. If the lessor is a large holder, in no case will it exceed 2%
- The transport sector will be the main beneficiary of the minimum bonus of 20 cents per litre of fuel and freight and passenger transport companies will also receive €450 million in direct aid.ⁱⁱⁱ
- Reduction to one month of the refund period for the Hydrocarbons Tax and an additional bonus of 80% to the rate of the ship and the rate of merchandise in maritime connection lines between the Peninsula and the extra-peninsular ports belonging to the Port System of state ownership.
- The special regime enjoyed by renewable energy plants is updated so that they do not receive more resources than those that correspond to them according to current legislation. This measure will free up €1.8 billion that will be used to reduce the fixed part of household electricity bills.

The second package was announced in late June and early July 2022 (Consejo de Ministros, 2022b). This package extended some of the measures contained in the first package and included some new initiatives aimed at protecting consumers, workers and households, especially the most vulnerable, from rising energy prices.

The measures from the first package **extended** in the second one include:

- The VAT on electricity went down from 10% to 5% from 1 July 2022 until 31 December 2022, whilst other measures already applied were maintained, such as the extension of the social bonus discounts or the reduction of other taxes linked to electricity.^{iv}
- Extends the bonus of 20 cents per litre in the price of fuel until 31 December 2022.
- Maintains and extends most of the measures included in the first package, including: a) The 15% increase the Minimum Vital Income and non-contributory pensions (including retirement and disability) until 31 December 2023, b) Prohibition of the suspension of the

supply of electricity, gas and water; c) ceiling of 2% for the annual update of the rent of the habitual residence; d) suspension of evictions from habitual residence for vulnerable individuals and families is also extended. And the increase in energy costs will continue to be unable to constitute an objective cause for dismissal in companies that receive aid provided for in the Decree-Law.

- A direct transfer of €200 for wage-earners, the self-employed and the unemployed registered in the employment offices who reside in households with an income of less than €14,000, a single payment that can be requested during the month of July.^v
- Freezing of the maximum price of the butane cylinder until the end of the year at €19.55.

The **new measures** included in this second package include:

- A 100% reduction in the price of all monthly passes and any multi-trip land transport ticket provided by the State or state entities. This reduction in public transport fares was 30% for subscriptions from the autonomous communities or local entities, which may complete the measure with their own resources up to 50%. This measure was applied from 1 September to 31 December 2022.
- An extraordinary tax on large electric companies with the aim of taxing the so-called windfall profit. It will be in force in 2023 and 2024 and will affect the income obtained by these firms in the years 2022 and 2023. The government estimates to collect €2 billion per year from the “dominant groups in the electricity, gas and oil companies that are already beginning to benefit from the rise in interest rates”.
- A tax of an ‘exceptional and temporary’ nature will be created to large financial institutions. The government expects to collect €1.5 billion a year.
- A €100 increase in the grants and scholarships for students above 16 years, in the months of September to December 2022.

A third package was finally passed in December 2022 (Consejo de Ministros, 2022c). As in previous packages, this one extends measures previously passed and creates new ones.

- A reduction in the VAT from 4% to 0% on basic food, and from 10% to 5% for olive and seed oils and pasta
- A direct transfer of €200 for families with income up to €27,000
- A 8.5% increase in old age pensions

Among the measures that are extended

- Electricity and gas tax cuts are extended
- Evictions and releases for vulnerable households are suspended. In addition, the 2% limit on the annual updating of rental contracts is extended until 31 December 2023, and a 6-month extension is introduced for rentals that expire before 30 June.
- The 20-cent bonus per fuel litre is maintained only for the most affected groups and sectors, including transport, agriculture, shipping and fisheries.
- The 100% reduction in the price of all yearly train passes in short and medium distance lines.

ⁱ Eurofound (2022), [Temporary increase in the minimum living income](#), case ES-2022-14/2249 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱ Eurofound (2022), [20 cent reduction per litre of fuel refuelled](#), case ES-2022-14/2242 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱⁱ Eurofound (2022), [Public aids for the transport sector granted after strike action by employers](#), case ES-2022-14/2284 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

^{iv} Eurofound (2022), [Reduction of value added tax on electricity](#), case ES-2022-27/2794 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

^v Eurofound (2022), [Aid of €200 for workers, self-employed and unemployed people](#), case ES-2022-27/2793 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

Collective bargaining and inflation

How inflation features in wage negotiations

The adjustment of wage increases in collective agreements has become the key issue in collective bargaining in 2022. The evidence suggests that a) negotiated wages are struggling to adjust to the new inflationary scenario and b) are delivering increases below the inflation rate.

Since the beginning of 2022, there have been negotiations to sign a new peak cross-sectoral agreement between trade unions and employers in order to coordinate collective bargaining and provide a negotiated response to the inflation crisis. However, social partners have been unable to renew the agreement on collective bargaining signed by CCOO, UGT, CEOE and CEPYME in 2018, whose validity ended in 2020. This agreement proposed salary increases of around 2% plus one percentage point linked to concepts such as productivity, business results and absenteeism.

The unions want to renew this agreement with employer organisations and there have been several meetings over 2022. However, the differences in the positions of the most representative trade unions and employer organisations around the indexation of wages in order to protect the purchasing power of workers has hindered achieving an agreement. CCOO and UGT have opened up to wage increases taking into account, in addition to the inflation situation, the situation of each economic sector through an “objectivable” indicator, which could make it easier for negotiations with employers to end in an agreement. However, employer organisations have firmly opposed any ex-ante or ex-post form of indexation of wages.

The absence of a cross-sectoral framework for collective bargaining has led in some cases to an increase in conflict triggered by trade unions in their attempt to recover from losses in the purchasing power of wages. More specifically, the two largest union confederations, CCOO and UGT have recommended a 3.5% increase for 2022; 2.5% for 2023 and 2% for 2024. Moreover, they’ve recommended to include wage review clauses in collective agreements in order to maintain the purchasing power of wages.

The average wage increase negotiated in collective agreements registered during 2022 was 3.24% significantly lower than the average inflation rate for 2022, 8.4%. Since January 2022, the new agreements negotiated have included higher wage increases. Even though the number of workers covered by company level agreements is significantly lower to that of sectoral ones, it is interesting to observe how these agreements have registered higher increases.

Table 1: Average negotiated wage increases in collective agreements signed before 2022 and during 2022

	Collective agreements signed before 2022	Collective agreements signed in 2022
Total	2.60%	3.24%
Company	2.86%	3.94%
Sectoral	2.58%	3.18%

Source: Collective Agreements Statistics, Ministry of Employment and Social Economy

The number of collective agreements negotiated during 2022 has exhibited a decline, especially for national sectoral collective agreements. Employers' reluctance to sit and negotiate collective agreements including wage review or guarantee clauses, is the reason given by trade unions to explain this decline (Cinco Días, 2022).

In the case of the public sector, two of the three most representative trade unions and the government signed an important agreement in June 2022. The agreement, which has had the support of the CCOO and UGT, contemplates that the General State Budget for 2023 will include a 2.5% increase in wage of public sector employees. In addition, this rise may be increased by up to one additional point depending on variables linked to the CPI and nominal GDP. Specifically, if the sum of the Harmonized CPI for 2022 and the Harmonized CPI in advance for September 2023 exceeds 6%, public wages will rise an additional 0.5%.

The second variable contemplates a rise of 0.5 additional points if the nominal GDP equals or exceeds the estimate in the macroeconomic table that accompanies the General State Budget. This agreement, reached by an absolute majority, is the result of an intense and constant dialogue between the Ministry of Finance and Public Function with the representatives of public workers.

Therefore, the fixed salary increase during the 2022-2024 period is a fixed percentage of 8%, which can be increased to a maximum of 9.5% depending on various variables contemplated in the review clauses. In real terms, the salary revaluation could reach 9.8%, since the salary increase of each year is consolidated and, therefore, the increase is made on the salary increased from the previous year.

Examples of recent responses

According to the data from Collective Agreement Statics, the percentage of workers whose collective agreement included a wage guarantee clause, allowing negotiated wages to adjust before rising inflation, was only 21%. However, this has been increasing steadily during 2022 (Cinco Días, 2022). According to data from the Bank of Spain, around 45% of workers with collective agreement signed for 2023 have wage review clauses that will allow to increase wages in case of real inflation exceeding the forecasted one (Izquierdo and Soler, 2022; Izquierdo and Herrera, 2022).

Developments in working time

Changes to legislation

Despite the relevance it is gaining in the public discourse and the media, there haven't been changes in the regulation of working time during 2022. The December 2021 labour market reform didn't include any major change in the regulation of working time.

However, the government has been preparing during 2022 a law project on Time Use, a reform that was part of the agreement in the coalition government (El Diario, 2022). The objective of this Law Project is to finish with 'time poverty', that is, the extended working day or the difficulties to reconcile work and family life, among other problems in relation to working time in the Spanish labour market.

The Ministry of Employment commissioned a group of experts to prepare a report that included an analysis of the problems of rationalizing time, conciliation and schedules, and outlined a series of proposals (Congreso de los Diputados, 2013). This document has allowed to open a debate and will lay the foundations for a regulation that will affect time and people's lives. In this sense, three issues are discussed in order to empower worker's capacity over his workday: measures of agreed time flexibility and to compact the workday; bags of hours available to the employee; and plans to improve the use of time.

In the first case, what is sought is that the worker can have the capacity to rationalize his working hours. This happens by making the times as flexible as possible, for example the entrance and exit or, also, the lunch break. That is, the employee can enter or leave before or after work depending on needs, such as taking the children to school. The bag of hours would grant the employee a time at their free disposal that guarantees their breaks, holidays and absences, agreed within the framework of the collective agreement applicable. These bags already exist in reverse, for companies; in the automotive sector, for example, companies reserve an annual pool of hours to extend the hours of their workers at certain times of peak production. The third leg of these reforms has to do with the deployment of plans to improve the use of time (just as equality plans for companies), agreed upon in collective bargaining with the aim of establishing a mechanism to fight against this 'poverty'. Weather'.

- The impact of the law, however, goes far beyond the workplace, and aims to rationalize time in other spheres. It is proposed, for example, that in municipalities of a certain size, plans can be made to rationalize the time of public services such as transport or nursery schools that adapt to the rhythms of citizens and their needs. In this sense, public administrations could make proposals from the knowledge and experience of their own environment to draw up time rationalization plans that serve to improve the quality of life of its inhabitants.

Debates on duration and organisation

The debates around the duration and organisation of working time have been focused in 2022 on two aspects.

First, on the rationalization of working time and schedules, as envisaged in the Law Proposal that will be approved in 2023 (see above discussion in 'Changes to Legislation').

Secondly, on the reduction of working time, and more specifically, on the introduction of the 4-day working week. This is probably the aspect that has attracted more attention. In order to collect data about the real impact and implications of this policy, the government has launched a pilot project to evaluate the impact of the 4-day working week. The project was aimed at small and medium sized industrial companies who would reduce working time by at least 10%. The objective of the implementation of this plan is, once it is underway, to analyse its effectiveness and influence in improving productivity and proceed to improve it in the future. A precondition for a company to participate in the project is that the proposal and the implementation should be based on social dialogue between workers' representatives and the company (BOE, 2022).

Labour market shortages and social partners

The problem of labour market shortages has gained relevance in the political discourse during 2022. According to a survey by the Bank of Spain, companies that anticipate that the shortages will have a negative impact on their activity, has been increasing during 2022 and now account for 34% of the total (Izquierdo, 2022). The difficulty to hire has become the third reason for concern after energy costs and economic policy uncertainties.

The increase in labour shortages is led by the hotel and catering industry and construction, sectors with a high percentage of foreign labour, which would be compatible with a change in the composition of migration flows after the pandemic.

Labour market shortages contrast with a persistently high unemployment rate, that despite showing a decline during 2022, remains above the EU average.

Social partners however disagree as to the reasons behind labour market shortages. According to trade unions, these shortages are caused by low wages and poor employment conditions in sectors like construction or hospitality. Thus, the problem could be solved by improving conditions and making more attractive for a larger share of the workforce to work in these sectors. However, employers disagree, and claim that shortages respond to a mismatch between skills demand and supply. According to the government, labour shortages respond to bad employment conditions.

In order to address this problem, the government approved in July 2022 a reform of migration regulations that will allow thousands of foreigners to enter the labour market. The initiative, promoted by the Minister of Migration, aims to make it easier for employers to hire foreigners in their countries of origin and opens new ways for immigrants who already live in Spain to be able to work. The Minister of Migration also defended the reform as a formula to bring out the underground economy and alleviate labour market shortages in key sectors for the economy, from transport and construction, going through hospitality or digitization.

The priority of this reform is to expand and improve the hiring of foreigners in origin, especially collective hiring, limited until now to seasonal workers (Ministerio de Inclusión, Seguridad Social y Migraciones, 2022). As of the approval of the law, these workers will be offered a four-year work authorization that will allow them to be employed for nine months each year. If the workers return to their countries at each end of the season, they will be rewarded with a two-year, extendable residence and work permit, with which they will be able to live and work in Spain.

But the reform also introduces changes in the existing model to hire professionals from their countries. This process is determined by a list of hard-to-cover occupations elaborated by the government. However, this is not necessarily updated and as a consequence doesn't respond to the reality of the labour market. For instance, according to this list labour shortages are concentrated on ship personnel and elite coaches and athletes. The new regulation involves changing the way in which this list is prepared, updating it every three months, reducing deadlines and making contracting more flexible in sectors that will be determined, depending on the situation, by the Ministry of Economic Affairs.

Other important policy developments

Employment status and contracts

One of the important developments during 2022 has been the impact of the labour market reform negotiated with social partners in December 2021 and passed in the Parliament in February 2022. Among other things, this reform aimed at reducing the structurally high rate of temporary employment in Spain. In order to do so, the reform limited the causes for hiring on a temporary basis and placed back the open-ended contract as the default one. The reform also eliminates the contract for work or service disappears. Thus, the reform goes towards the existence of a single type of temporary contract, whose use must be duly motivated, hence recovering the causality principle that was removed in 1984. More specifically, fixed-term contracts should be used on because of specific production circumstances or to replace a worker.

In order to allow those sectors with a strong seasonal component to be able to adapt, the reform promotes the use of permanent-discontinuous contracts, that are open-ended, but allowing the worker the company to use it on a discontinuous basis.

The evolution of the labour market during 2022 has showed a strong impact of the reform, with a significant decline in the temporary employment rate, down from 25.4% in the last quarter of 2021 to 17.9% in the same quarter of 2022. Moreover, the majority of new labour contracts signed during 2022 have been on an open-ended basis.

Self-employed

The debate around self-employment in Spain has been focused in 2022 on the need to set up a new contribution system, based on their real income and not on a voluntarily chosen basis as was the case before. This has been a historical demand of self-employed associations, since it obliged them to contribute on a fixed amount and not depending on the revenues obtained.

In June 2022, the government presented the National Strategy to Promote Self-employment (ENDITA) (Ministry of Employment and Social Economy, 2022). The general aim of this strategy is to improve working conditions of self-employees in order to enhance their potential and generate employment and economic and social well-being. In the elaboration of the strategy participated the three largest associations of self-employed workers (Federación Nacional de Asociaciones de Trabajadores Autónomos, ATA, Unión de Asociaciones de Trabajadores Autónomos y Emprendedores, UATAE and Unión de Profesionales y Trabajadores Autónomos, UPTA).

One of the first measures coming out from the strategy was the new tax model for self-employed workers in Spain that would be applied gradually during a period of nine years until its total implementation in 2032. The model has 15 tranches of net income and contribution bases ranging from a minimum fee of €230 to €500. The objective of this reform is to equate benefits between the general social security regime and the Special Regime for Self-employed Workers (RETA). The average pension in the self-employed is 43% lower than the general, about €600 of difference.

The reform includes changes in other aspects. One of the most important is the oversight of the system by the Tax Agency. Every year, this body will update the income tranches. The role of the tax authorities will also be decisive when it comes to knowing and applying the different deductions to

which the self-employed worker is entitled when establishing their net income on which the contribution in tables will be applied. Moreover, the contribution ceiling for people over 47 years disappears. In order to facilitate the beginning of the self-employed activity, a reduced quota of €80 for the first year was set. This duration can be extended for another year, if the self-employed person records income below the Minimum Wage throughout the first year of activity.

Wage setting

In relation to wage setting, the most important policy developments during 2022 are related to the failed attempts by social partners to sign an income policy agreement in order to provide a coordinated response to the inflation crisis. The main reason for the failure of negotiations is the opposition of employers to include any form of ex-ante (indexation) or ex-post (review clauses) mechanism linking wage increases to inflation.

In April 2022, trade unions and employers maintained negotiations in order to sign an Agreement for Employment and Collective Bargaining (AENC), since the last one expired in 2020. CCOO and UGT proposed to employers a path to increase salaries in a four-year agreement that incorporates review clauses with the CPI, but that spread the weight of excess inflation from 2022 over the next three years. Specifically, CCOO and UGT proposed to the CEOE that salaries increase by 3.4% in 2022, 2.5% in 2023 and 2% in 2024. Additionally, on 1 January 2023, salaries should recover the 50% of the differential between the salary increase and the average inflation of this year; on 1 January 2023 they would recover another 25% and on 1 January 2024, the remaining 25%, until completing 100%. And in 2025, salaries would rise based on the CPI for December 2024, plus 0.25%. Before the difficulties to reach an agreement with

The employers have always opposed the idea of including any form of wage indexation either ex-ante or ex-post (wage review clauses). Their proposal includes an 8% increase over a three-year period linked to productivity developments and the situation in each the sector. More specifically, the proposal by employers implied that wages should rise by 2.5% in 2022, with a review of up to an additional 1% if productivity increases by 2% and employment by 4%; 2% in 2023, with an extra 1% if productivity grows 2% and employment 3%; and 1.5% in 2024, with a revision of up to 1% if productivity increases by 2% and employment by 3%.

The government has tried to mediate and help to reach an agreement several times. During the months of June, July and September, tripartite meetings took place, but again it failed. Both trade unions and employers claimed that the government didn't bring any concrete proposal to the negotiation proposal in order to help unblock it. Moreover, the announcement by the government of an increase in corporate taxes for large companies, together with an increase in taxes to banks and energy companies included in the anti-inflation policy packages, was heavily criticised by employers that use it in order to justify their opposition to an incomes policy agreement.

Before this situation, trade unions have relied on mobilizations in order to reach wage increases that help recover purchasing power of wages. Examples of these mobilizations include the metalworkers in Cantabria or A Coruña, where they've managed to get 4% increases.

Gender pay gap

Since 2018, the gender wage gap has been reduced by almost 5 points to 16.2%, according to the wage statistics of the Active Population Survey. The government has showed its commitment to further reduce this gap through a number of policies and initiatives. First, the Council of Ministers passed the institutional declaration on the occasion of the Day for Equal Pay. To move in this direction, the Ministries of Equality and that of Employment and Social Economy commit to “promote legislative measures that encourage co-responsibility between men and women, while strengthening public services and conciliation policies that facilitate the exercise of the right care” as a priority of these departments.

The government argues that two policies developed during the last two years have contributed significantly to reduce the gender wage gap. First, the increase in the minimum wage (CCOO, 2023). Secondly, the labour market reform passed in December 2021. The reform establishes the guarantee of stability in employment and the transformation of the labour market. Since women is the group more affected by temporary employment, the reform will also contribute to reduce the gender pay gap.

Health and safety

The Minister of Labour and Social Economy has signed a new agreement with employers and trade unions for the Spanish Strategy for Safety and Health at Work 2023-2027 (INSST, 2022). This document moves around two strategic pillars. First, the adoption of a comprehensive approach to prevention and collaboration. Secondly, the protection of the physical and mental health of workers.

Moreover, the Minister of Employment and Social Economy has also announced the opening of a social dialogue table to update the regulatory framework of the Occupational Risk Prevention Law with the aim of improving the integration of the preventive activity of companies, the introduction of the gender perspective in the management of risk prevention and reinforcement of the protection of workers against psychosocial risks.

Work–life balance

The government has been working during 2022 on two complementary policy projects with an impact on work-life balance. First, a new bill on Time Use (see Section on ‘Developments in Working Time’). Secondly, a new Family Law (Consejo de ministros, 2022d). A draft has already been presented and is currently under discussion. The new law moves around four pillars:

- The extension of social protection to families and support for upbringing. More specifically, the extension of the parenting income of €100 per month to a greater number of families with sons and daughters from 0 to 3 years of age. Among others, mothers who are receiving an unemployment benefit, contributory or not, and those who have a part-time or temporary job may benefit. Moreover, the benefits for large families will be extended to others such as single-parent families and single-parent families with two or more children. Some of these benefits have to do with the educational field -facilities to receive a scholarship or the reduction or exemption of fees and public prices- and with public transport, with discounts ranging from 20 to 50%.

- The guarantee of the right to conciliation. The new law will create three care permits: one for five days a year, paid, to care for a relative up to the second degree or a cohabitant, with or without a relationship; an eight-week parental leave, which may be taken continuously or intermittently until the minor turns 8 years old, and a leave of absence due to family force majeure that will be 4 paid days per year. Parental leave will be applied progressively and thus, in the year 2024 will be eight weeks.
- Full legal recognition of the different types of families. The law will generate a new framework for recognition and protection for LGBTBI families, for those with a member with a disability, and for multiple, adoptive or foster families.
- Protection of the rights of children and adolescents.

Lifelong learning and skills development

There have been two major policy developments in relation to lifelong learning and skills developments in Spain during 2022.

The first is related to the labour market reform passed in December 2021. The bill changed the regulation of all labour contracts, including the previous “training and apprenticeship contract”, which can now have two modalities. First, the alternating training contract, which can last between 3 months and 2 years, allowing several companies to participate in a contract for the same training programme. Secondly, a training contract for obtaining professional practice appropriate to the level of studies, for VET graduates up to 3 years after receiving the diploma (5 years in the case of people with disabilities). It can last between 6 months and 1 year (Ministerio de Educación y Formación Profesional, 2022).

As a result of an intense process of participation and social dialogue, the government passed in March 2022 a new bill to reconfigure the vocational and education training (VET) system in Spain. The new bill aims to transform the vocational training system in order to match the changing demands of companies and the labour market with new skills and qualifications. It is one of the milestones of the 2020 Plan for the modernisation of vocational education and training. It replaces the 2002 regulations and establishes a new VET model based on three main pillars: VET provision, validation of prior learning and vocational guidance

The new bill, which will be developed in the first half of 2023 establishes a single, modular and flexible system of formal vocational training from a lifelong learning perspective. The government intends to increase the number of VET places by 2023 to meet current and future demand. Compared to the 2002 system, built around the distinction between initial VET provided in training centres and mostly thought for young people, and the VET provided by companies and public employment services aimed at employees and unemployed respectively, the new system adopts a modular design. In particular, it offers a range of training courses of different lengths and learning volumes ranging from small units or micro-training based on acquiring specific skills (Grade A), apprenticeship modules (Grade B) to VET programmes (Grades C and D) and specialisation courses (Grade E). Thus, the VET provision is cumulative, certifiable and accreditable, allowing VET learners, as well as workers and unemployed people, to design and progress along their own training pathways to meet their personal needs, expectations and abilities. VET centres will provide training not just for young students, but also for workers and unemployed.

Other issues addressed by the new VET Law are: foreign language teaching, internationalisation of the vocational training system, enabling double degrees through international agreements and promoting bilingualism, encouraging participation in international innovation projects and partnerships for mobility experiences in another country during training.

Validation of prior learning

The new regulations reflect the new scenario established by Royal Decree 143/2021 on the recognition of prior learning acquired through work experience. It consolidates the 2021 reform, opening up a permanent procedure for the validation of professional competences acquired through non-formal and informal learning, and eliminating specific calls limited to certain units of competence. In addition, it advances new lines, such as addressing all existing units of competence, implementation through all vocational training centres; guaranteeing the necessary training offer to complement non-accredited competences; and encouraging the participation of companies in the accreditation of their workers' competences.

Vocational guidance and counselling

This Act establishes a comprehensive vocational guidance and counselling system, defining its mission, objectives, aims and provisions: personalised support and counselling for learners (young and adult, employed or unemployed), enterprises, VET organisations and institutions; covering the whole spectrum of vocational training provision and competence validation processes for all types of qualification offered in the new VET system; assisting the match between existing competences and those demanded in the labour market; establishing training pathways for individuals to effectively acquire the desired vocational competences.

Working life of Ukrainian refugees

Employment and working conditions

The number of Ukrainian refugees who have received temporary protection in Spain has been increasing over 2022, reaching 167,596 citizens by early February 2023, of which 63% are women and 37% men. However, the number of working-age Ukrainian refugees with residence permit and work authorization in Spain for temporary protection remains low; only 14% approximately of those in working age (18pprox.. 100,000) were registered with the Social Security General Treasury. These figures reported by the Social Security Minister are in line with those collected in an analysis by the Permanent Immigration Observatory (OPI), which coincide with the estimates of the Spanish Assistance Commission to the Refugee (CEAR) (El Pais, 2022a).

The Social Security Minister admitted that these figures are a matter of concern since they point out to the problems this group is experiencing in order to integrate into the labour market. The Ministry of Social Security point to a number of reasons behind this low number of Ukrainian refugees employed. First, the feeling of provisionality that reduces the incentives to seek for a job. A second problem is language. Finally, the Ministry also pointed out that many refugees with children have problems to reconcile work and family life, and in order to provide support to their children, decide not to work.

Of the nearly 13,900 employed Ukrainian refugees, 44% are men, even though they account for only 30% of all newly arrived adults. According to official data, the sector where they have found the most jobs is hospitality (17%), followed by construction (17%), commerce (10%) and information and communication (9%). 37% of its contracts are permanent, full-time, 22% part-time and 12% are permanent-discontinuous.

The government has developed several initiatives in order to support Ukrainian refugees in Spain. These include the website providing support to Ukrainian refugees regarding administrative issues linked to the residence in Spain, labour market among others, as well as the opening of support centres in several cities in Spain. Moreover, in June 2022, the Minister for Inclusion, Social Security and Migrations, announced a direct aid of €400 per month per family for those displaced by the war in Ukraine who are outside the public reception / support system. To this bonus, €100 will be added for each minor in charge. This instrument will be channelled through the autonomous communities and will be granted during the six months following the request.

Social partner initiatives to support Ukrainian refugees

The CEOE Foundation, from the most representative employer organisation in Spain, prepared an online platform that aims to centralize on a single website all job offers aimed at the thousands of Ukrainian refugees who are arriving in Spain as a result of the war. The [Companies for Ukraine](#) website was born with nearly 2,000 vacancies already available, offered by 450 companies from all sizes, sectors and regions.

The platform has three modules: one with information (which includes practical content of interest in Spanish and Ukrainian from the European Union, the Government of Spain, the Autonomous Communities and NGOs), a second one for training (in collaboration with the National online University UNED, aimed especially at acquiring language skills in Spanish, but which also includes

training modules provided by collaborating companies) and finally, the employment portal. The employment portal contains information on job vacancies and is offered in Spanish, English and Ukrainian. Some of the largest temporary employment agencies operating in Spain (Randstad, Jobandtalent, Adecco and Manpower) collaborate in this portal.

Commentary and outlook

Inflation and its impact on real wages has played a central role in policy developments in 2022. The government has implemented an ambitious plan with a twofold objective: bring inflation down and protect vulnerable households and individuals from its negative impact. The policy measures implemented have been very diverse and have included price caps, price subsidies, direct transfers, taxes, among others. In order to manage the inflation crisis, the government has involved social partners in two key policies. First, in the negotiation of an incomes policy agreement. Secondly, in the negotiation of the increase in the statutory Minimum Wage. None of the two social dialogue processes delivered an agreement, thus showing diverging views among social partners. In the case of the incomes policy agreement, trade unions looked for a three-year agreement establishing wage increases and the inclusion of wage review clauses in collective agreements. However, employers opposed the introduction of any form of ex-ante or ex-post indexation. In the case of the minimum wage, employers considered the increase proposed by trade unions and the government excessive and were worried about the reduction of margins for collective bargaining.

Collective agreements during 2022 hasn't kept pace with inflation developments. Negotiated wage increases during 2022 remain well below the average inflation rate, at around 3-3.5%. The limited extension of wage review or guarantee clauses in collective agreements is one of the reasons for this. Since the increase in the statutory minimum wage for 2023 has been 8.5%, a compression in the wage distribution will happen, hence further contributing to reduce earnings' inequalities. There is evidence of new agreements signed introducing wage review clauses, thus helping to recover purchasing power.

In addition to managing the impact of inflation, the government has worked on several reforms and proposals in diverse issues, including working time reduction and conciliation of work and family life, vocational training and education, health and safety, among others. The reduction of working time has played an important role during 2022 and the results of the pilot project implemented by the government will provide the basis for new policies.

During 2022 the impact of the labour market reform passed in December 2021 has been remarkable, with a sharp decline in temporary employment, both in the private and public sectors. This, together with an almost 50% increase in the statutory minimum wage since 2019 has contributed to improve the labour market position of some vulnerable groups, including women, young people and migrant workers.

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