

ECONOMY, LABOUR
AND SOCIETY

REPORT
ON THE
SOCIO-ECONOMIC
AND LABOUR
SITUATION

SPAIN 2021
(EXECUTIVE SUMMARY)

CONSEJO ECONÓMICO
Y SOCIAL ESPAÑA

Law 21/1991, on the Creation of the Economic and Social Council.

Article 7. Functions:

1.5. To prepare and submit to the Government, within the first five months of each year, a report setting out its considerations on the socio-economic and labour situation of the Nation.

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CONSEJO ECONÓMICO Y SOCIAL **ESPAÑA**

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REPORT ON THE SOCIO-ECONOMIC AND LABOUR SITUATION IN SPAIN IN 2021

Adopted at the ordinary session
of the plenary assembly of the Economic
and Social Council on 25 May 2022

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PRESENTATION

Antón Costas

President of the Economic and Social Council

Lessons and challenges for 2021

The Law on the Creation of the Economic and Social Council (CES) of 17 June 1991 establishes, among the functions of the Council, that it must draw up and submit to the Government, within the first five months of each year, *a Report setting out its considerations on the socio-economic and labour situation of the nation*. The Report corresponding to the year 2021, the 29th since the first one in 1993, has been drawn up by the corresponding Working Committee, chaired by the Councillor Mr Raymond Torres, and approved by the CES Plenary on 25 May 2022.

The main differential value of the CES Report is to offer a diagnosis and a shared vision among the sixty-one members of the Plenary on the socio-economic and labour situation in Spain in 2021, as well as on the main challenges for the future, as a result of institutionalised social dialogue.

The 2021 Report has two new features. While maintaining all the wealth of data and analysis of previous editions, it is shorter and more manageable. In addition, each of the three chapters (Economic outlook; Employment and labour relations; Quality of life, protection and social inclusion) incorporates two challenges for the future in the form of small monographs.

* * *

Reading this report provides useful lessons for meeting the new challenges for 2022 and beyond.

Unlike previous crises, the COVID-19 humanitarian and economic crisis brought innovative responses, both at the EU and domestic levels. At the EU level, in addition to joint action on vaccine procurement, the COVID-19 crisis led to the creation of the *Next Generation EU* (NGEU) funds and their financing through the issuance, for the first time, of EU debt. All of this represents, without fear of exaggeration, a “*Hamiltonian moment*” in the construction of the European Union. After the impact of the American War of Independence, Alexander Hamilton, the first US Secretary of the Treasury in George Washington’s administration, launched new industrial and innovation policies which, together with the issuance of a new federal financial asset, gave a definitive impulse to the unification and construction of the United States. A similar “*Hamiltonian*” thrust can be expected from the strategic industrial policies promoted by the NGEU and their financing with EU debt to advance the construction of the European Union.

Also in the field of domestic economic, labour and social policies, some useful lessons can be drawn from reading this Report.

The first is **that when there are fair rules for sharing the costs of crises, damage is lessened, recessions are shorter and recovery is quicker**. The comparison with the 2008 financial and sovereign debt crisis is very illustrative. In that crisis, the absence of fair cost-sharing rules, where fiscal austerity placed the bulk of the bill for the crisis on households and businesses, together with the destruction of jobs and business fabric, meant that the recession lasted five years and full recovery was delayed by a decade. Now, with fairer cost-sharing rules (the ERTes and other mechanisms to help families and businesses) the social and business damage was lower, the recession shorter and the recovery faster. As we can see, there is a virtuous circle between fair rules for sharing the costs of the crisis and growth.

The economy grew by 5.1 per cent in 2021, compared to a fall of 10.8 per cent in the previous year. Even so, it failed to fully recover from the supply and demand shock, showing a less vigorous recovery than expected, with GDP at the end of the year 3.8 per cent below that in the fourth quarter of 2019, lagging behind the rest of the EU economies. However, the weakness of the recovery contrasted with the performance of tax revenues, which reached record highs, with the strong dynamism of employment, which recovered pre-pandemic levels, and with the good performance of exports.

The second lesson is provided by the **behaviour of labour relations during the pandemic. Social dialogue and concertation** have been key elements in responding effectively to the crisis. During the 2020-2021 biennium, no fewer than fourteen social agreements were signed, in such important areas as delivery workers through digital platforms (“riders”), dependency, pensions, conflict resolution and labour reform. These agreements followed the fundamental axes of the bipartite dialogue, when they did not derive directly from it.

In this regard, Chapter II provides a comprehensive overview of the role played by social dialogue as a key factor in an inclusive recovery. This has resulted in a significant improvement in the labour market following the pandemic hit. Employment recovery was completed in the last part of 2021, with unemployment and enrolment figures in the first months of 2022 underpinning it. Only the number of hours worked seems to be lagging behind. Moreover, following the labour reform, another fruit of social dialogue, there has been an extraordinary increase in permanent contracts and a significant drop in the temporary employment rate. It is still too early to assess the medium-term effects, but so far the results are encouraging.

Concertation is consistent with what democratic economic policy theory recommends in situations of uncertainty. Like a dense fog, uncertainty makes people face what John Rawls, the great philosopher of justice, called a “veil of ignorance” that prevents them from knowing how they will stand in the future. In these circumstances, political economy recommends seeking consensus; that is, moving forward together.

Consensus takes time and effort, because it is the balanced outcome of mutual frustrations. But once reached, it lowers the costs of conflict (lost working hours), improves cooperation and the working climate, and increases productivity. The result is an increase in competitiveness.

The third lesson to be learned from reading this Report is in the area of social policies. **Social protection and social inclusion policies were an important pillar of the recovery.** The extension of most of the measures adopted in the midst of the pandemic, aimed at mitigating the impact on workers and enterprises, led to a rapid recovery in activity and employment. In turn, the recovery led to extraordinary growth in social security contribution revenue, which reached record highs, allowing the Social Security deficit to fall to 0.9%, the lowest since 2012. The lesson is that, when well designed, a virtuous circle emerges between social protection measures, economic growth and the sustainability of Social Security.

* * *

Looking ahead to 2022 and beyond, the diagnosis offered by the CES Report on the evolution of the Spanish economy moves between two opposing trends. The first, and for the moment the strongest, is pushing it towards recovery. At the heart of this trend is the attenuation of the impact of the pandemic, the release of excess accumulated savings, the rebound in tourism, the continuity of the extraordinary measures to support economy and employment, including the ERTes and other measures resulting from social dialogue and the *Next Generation* European funds.

This expansive trend has been joined by an increasingly intense and adverse one in the opposite direction, caused by the sharp rise in the price of energy and other basic raw materials, disruptions in global supply chains and, more recently, geopolitical tensions.

However, the most recent forecasts of the European Commission still point to a growth of the Spanish economy of 4 per cent in 2022. This is one of the largest gains of all Member States. Among the drivers of this growth are the recovery of tourism, the good performance of exports, the dynamism of employment and the expected momentum of the Recovery, Transformation and Resilience Plan.

This growth scenario is clouded by inflation expectations. The upturn in the CPI throughout 2021 (which has intensified in 2022) has led the Government to launch a plan to respond to price increases. Regarding this plan, the Report notes that the most relevant measure to control price increases is likely to be the setting of a maximum gas price for electricity generation, a measure already approved by the European Commission. This is something that, in addition to helping to contain inflation, will also result in a reduction of windfall profits in the energy sector.

On the contrary, the Report states that the extraordinary bonus for all users of 20 cents per litre of fuel has already proved ineffective in its objective of reducing pric-

es, as well as being a regressive fiscal measure that also clashes with the objective of decarbonising the economy.

The CES points out that it is necessary to prevent sustained inflation rates from leading to higher second-round effects, in the absence of a possible income pact that would allow costs to rise in a balanced way. In this respect, it should be remembered that the risks do not come, for the time being, from the wage side. In 2021, agreed wages fell by 1.4 per cent in real terms, i.e. net of inflation, and agreed wages up to April increased by 2.4 per cent (provisional figures), i.e. six points less than the CPI for that month.

* * *

The 2021 Report identifies six **challenges for the future**, two in each of the three chapters.

Chapter one, on the economy, first identifies the challenge of the **Recovery, Transformation and Resilience Plan**. The Report insists on the transformative dimension of the Plan on the productive fabric and on the quality of employment. It is not just a question of investing for recovery, but of investing to achieve a transformative recovery. At the same time, it also recalls the objectives of territorial cohesion and equality in employment. Hence the recommendation to apply for the loans foreseen in the *Next Generation* funds. But the Report also points to weaknesses. One of them is slow implementation, which helps to explain the weak leverage role of fiscal policy in 2021. It also points to some management problems and bottlenecks that hinder its transfer to the real economy. Finally, it points to the key role that the CES could play in accompanying the deployment of the funds and promoting cooperation and coordination between all the actors involved.

In a decade's time, when we look back, we will see that the reforms and investment programmes associated with the RTRP constitute the fourth wave of transformative economic modernisation carried out in the economy in the last century and a half: the first took place during the reforms of the liberal six-year period of 1868; the second, liberalisation during 1959-1960; and the third coinciding with Spain's entry into the European Community. As in those three previous stages, the result of this fourth wave of modernisation and transformation must be a vibrant economy and a fairer society.

The second challenge for the future in the field of the economy is that of **energy transition**. In this area, Spain has significant strengths in terms of both natural resources and the ecosystem. This is perhaps one of the most interesting points of the Report, which also identifies levers to take advantage of these assets, and insists on the need to guarantee a fair transition with quality employment throughout the country. In this sense, decarbonisation must learn the right lessons so as not to make the same mistakes as the deindustrialisation of the end of the last century, which lastingly damaged the prosperity of previously prosperous small and medium-sized cities.

The second chapter, on the labour market and labour relations, identifies two further challenges. The first is the trend towards a **mismatch between labour supply and demand**. Greater dynamism appears in activities other than those that experienced the greatest losses in the pandemic. This has an impact on the mismatches observed in the labour market. Hence the importance of more effective and efficient training and active policies, and special attention to the conditions of workers and the adequacy of wages associated with available jobs.

The second challenge is the **impact of digitalisation on work**, with the emergence of new forms of employment and organisation of production, and the growing importance of platforms and teleworking. In this area, social dialogue is one of the fundamental keys to meeting this challenge.

Chapter three (which discusses quality of life, social protection and social inclusion) identifies two further challenges. The first is that of **inequality in the aftermath of COVID-19**. The pandemic leaves strong social scars that need to be closed before they become chronic. The lives of the most vulnerable people continue to be affected in all their dimensions: housing, consumption, food, opportunities, educational achievement of children and young people. These circumstances of hardship are now aggravated in the context of rising energy and food prices. The Report highlights that, according to FOESSA data, despite the efforts made by the Administrations, 20.9 per cent of Spanish households are in a situation of social exclusion, compared to 16 per cent in 2018. In this sense, the Report warns of the risk of energy and food poverty. Hence, it proposes promoting the approval of specific measures to support vulnerable families.

Inequalities (of income, of access to basic goods and services, of opportunity, of employment) remain a major challenge in our society. This requires increasing investment in social protection and broadening the stages of the economy where it is applied. Measures should not only fall at the redistributive stage. Action is also needed at the distributional and pre-distributional stages. On the distribution side, we need to create good jobs, for more people and in more parts of the country, especially in small and medium-sized towns and rural areas. Since good jobs are created by good companies, we need to improve the productivity of SMEs and increase the number of competitive business projects. In the area of pre-distribution we need to improve education, dual vocational and university training, and lifelong learning, through active employment policies in close proximity to employers.

The second challenge identified in chapter three is that of **demographic change**. Risks are evident in terms of quality of life in old age, increased dependency ratio and sustainability of social protection. But Spain also has elements of strength, such as high life expectancy at birth, at 65 years of age and in good health, the social and labour integration of immigrants and the existence of solid intergenerational solidarity networks.

* * *

In closing this presentation, I would like to *thank* all those who have been involved throughout the process of deliberation, drafting and approval of this Report.

First of all, I would like to thank the members of the CES's *Working Committee*. Throughout 26 meetings, held between November 2021 and May 2022, they have made a successful effort to reach a consensus on the diagnosis and challenges of the socio-economic and labour reality of our country in 2021. In this sense, this Report is one of the best expressions of the permanent social dialogue that takes place within the institution.

Secondly, thanks must be extended to the *participants in the* various working meetings of the Committee, whose contributions have enriched the criteria and work of the Committee. The following persons appeared at the sessions for the drafting of Chapter I: Mr Jorge Sicilia, chief economist of BBVA; Ms Cristina Herrero Sánchez, president of AIREF; and Ms Sara Aagsen, Secretary of State for Energy. The following appeared at the sessions of Chapter II: Mr Jordi Curell Gotor, Deputy Director for Labour Mobility and International Affairs, Directorate General for Employment, Social Affairs and Inclusion of the European Commission. And in the work of Chapter III they have appeared: Ms Olga Salido Cortés, Permanent Lecturer at the Faculty of Political Science and Sociology (UCM), and Mr Julio Pérez Díaz, Permanent Scientist at the CSIC (Institute of Economics, Geography and Demography. Centre for Human and Social Sciences).

Last but not least, the members of the CES's *Research Department*, whose knowledge, expertise and efforts facilitate the efforts of the Working Committee and make it possible for the Report to be approved by the CES Plenary.

ANTÓN COSTAS

President of the Economic and Social Council

CHAPTER I
ECONOMIC OUTLOOK

After the strong impact of the Covid-19 pandemic in 2020, the economic outlook for 2021 opened the way to a gradual recovery process of varying intensity between countries, sectors and even population groups. The main driving forces during the year were the progress in vaccination (mainly in Western countries), the improvement in consumer confidence (as consumers began to use the savings accumulated during the previous year) and the continuity of the extraordinary support measures, reinforced by the definition of recovery plans (among which the European *Next Generation EU* was one of the most important).

Widespread economic recovery, but uneven

However, this momentum was countered by new waves and variants of the virus and by mismatches between demand and supply, mainly caused by tensions and bottlenecks in global supply chains, and the rise in the price of a number of goods, mainly energy, which by the end of the year had led to significant inflationary pressures. Although on the geopolitical front the year brought progress on fiscal matters (with an agreement on the global taxation of multinational companies) and COP-26 was reactivated, no effective and equitable distribution of vaccines worldwide was achieved, interest in the relocation of production and strategic autonomy increased and, although the United States returned to the multilateral stage, its tensions with China were only partially defused.

The world economy managed to grow by 6.1 per cent in 2021, with trade as the main driver of the recovery. All EU partners returned to positive growth rates in 2021, confirming the improvement driven by progress in vaccination, by the measures taken during the crisis and by the favourable expectations generated around the *Next Generation EU* plan, a first step towards the creation of European macroeconomic stabilisation tools. However, they did so at different rates, due to the evolution of the pandemic itself, the different impact on their production systems of the relapse into containment measures due to the new variants, the different intensity of the support measures, as well as the lack of manpower, supply problems and the increase in energy prices.

The upturn in inflation during the year, and the confirmation of its persistence, forced the ECB to accelerate the normalisation of its monetary policy, announcing the

end of the public asset purchase programme and anticipating a first rate hike, despite the risk of low effectiveness, given that a significant part of the inflationary tensions originate in supply, which could undermine the recovery.

The improvement in the international economic context, together with the success of the vaccination process, the dynamism of employment and the prolongation of the expansionary tone of demand policies led the Spanish economy to grow by 5.1 per cent, compared with a fall of 10.8 per cent the previous year, with an upward profile as the year progressed. Nevertheless, the Spanish economy advanced three tenths of a percentage point less than the EU average, being the partner furthest away from its pre-pandemic GDP level.

The Spanish economy embarked on a weaker-than-expected recovery path

The year closed with a decrease in the deficit to 6.9 per cent of GDP, due to the dynamism shown by public revenue in the wake of the economic recovery, as well as the substantial moderation in the increase in public spending, largely as a result of the reduction in items linked to combating the effects of the crisis on the productive fabric, employment and household incomes.

Indeed, although extraordinary measures continued to be applied during 2021 (public guarantees from the ICO, temporary tax deferrals and bankruptcy moratoriums, aid to the most vulnerable households or extensions of the ERTE-Covid, the special allowance for cessation of activity and temporary unemployment benefits), their intensity was reduced due to the recovery of activity and employment.

In June, the Recovery, Transformation and Resilience Plan was approved to contribute to the recovery of the Spanish economy and boost the process of structural transformation of the economy. However, in the early stages of its implementation, a number of weaknesses became apparent, resulting in a more restrained implementation than would have been desirable, given the ambition of the Plan and its narrow timeframe (see Box 1 on the Recovery, Transformation and Resilience Plan).

Domestic demand recovered its traditional driving role in the Spanish economy, thanks mainly to the evolution of household final consumption expenditure and, to a lesser extent, gross fixed capital formation. However, this recovery fell short of expectations due to the delay in the recovery of consumption of those services most affected by the pandemic, the concentration of savings in households with a lower propensity to consume or an increase in the propensity to save for precautionary reasons. Moreover, although the economic recovery of Spain's main trading partners was reflected in exports, the incomplete recovery of international tourism limited the boost of foreign demand.

On the supply side, the recovery of both output and employment in the different productive sectors was very uneven. The average GVA of two of the major industries, the primary sector and the construction sector, declined in 2021, while that of manufac-

turing and services advanced moderately, but failed to reach pre-pandemic levels. Disruptions in supplies (due to problems of shortages or breaks in supply chains) and the rising cost of raw materials, intermediate goods (mainly technological components such as microchips), transport and energy marked the evolution of the sector throughout 2021 and affected business investment decisions. Employment, as measured by the LFS, managed to recover fully and in industry and services even surpassed pre-pandemic levels.

The end of the year revealed a number of imbalances that would determine the progress of the recovery, with the rise in prices being one of the most worrying, due to its effects on the purchasing power of households and the competitiveness of companies. December's CPI rose by 6.5 per cent and although the price increase is perceived as transitory by the main national and international organisations, core inflation has shown signs of accelerating since the last quarter of the year, becoming more evident in the first months of 2022. This has raised concerns about possible second-round effects, in the absence of an income pact to spread cost increases in a balanced way, and about the impact of the ECB's policy shift on the real economy.

The invasion of Ukraine by Russia at the beginning of 2022, a new generalised supply shock with asymmetric impacts, completely changes the economic outlook and has led to a downward revision of all forecasts regarding the pace of recovery and the urgent launch of a response plan to the war, which foresees the mobilisation of up to EUR 16 billion: 6 billion aimed at mitigating the increase in energy costs and 10 billion in ICO guarantees for the most affected sectors. One of the most important measures in the Plan was the setting of a maximum gas price for electricity generation to control price increases. An extraordinary bonus of 20 cents per litre of fuel was also envisaged for all users, which has proved ineffective in its objective of reducing prices, as well as being a regressive fiscal measure that clashes with the objective of decarbonising the economy.

Ukraine's invasion ushers in a period of greater uncertainty....

In any case, this abrupt change in the economic outlook and its potential impact on public finances have made all the more evident the need to reform the EU's framework of fiscal rules in order to be able to articulate national discretionary fiscal policies in the face of unexpected shocks and to allow gradual fiscal consolidation paths for the most indebted countries such as Spain.

The uncertainty about the duration and intensity of the war (and, therefore, about the price levels that may be reached or the dampening impact of the shock plan), geopolitical factors (related both to the conflict itself and to China and its Covid-zero policy, or the consequences of Brexit), or the evolution of the pandemic itself, make it necessary to talk about possible scenarios rather than forecasts about the future behaviour of the economy. This uncertainty could affect the expected positive impact of the Recovery Plan, conditioning the necessary digital and ecological transformations (see Box 2 on the challenge of the energy transition in Spain).

*...but high growth
of the Spanish economy
is forecast for 2022*

Nevertheless, the most recent forecasts of the European Commission point to a growth of the Spanish economy of 4 per cent in 2022, which is the highest growth of all the Member States except Ireland, Portugal and Malta, and would be explained fundamentally by the recovery of tourism, the increase in exports (with an expected gain in market share), the dynamism of employment and the impulse of the Recovery Plan.

BOX 1. SPAIN'S RECOVERY, TRANSFORMATION AND RESILIENCE PLAN

In June 2021, the **Recovery, Transformation and Resilience Plan: «Spain Can»** (RTRP) was approved in the framework of the NGEU.

Target

To support the rapid recovery of the Spanish economy once the health crisis has been overcome, but with a long-term vision, driving the process of structural transformation towards sustainable and resilient growth from an economic-financial, social, territorial and environmental point of view.

Financial allocation

Initially, the funds from the European Recovery and Resilience Mechanism are EUR 69.528 billion in the form of transfers, although it can call up to a total amount of up to EUR 70 billion in loans.

Opportunity

A unique and unprecedented opportunity to transform the productive system and overcome the structural imbalances of the Spanish economy by investing in those factors that contribute to improving the efficiency of the productive system, especially human capital and R&D&I, and to tackle structural reforms aimed at correcting the distortions that persist in the labour market and in the regulatory and institutional framework in which business activity takes place.

Ecological transition

Digital transformation

10 lever-policies
30 components
110 investments
102 reforms

Social and territorial cohesion

Gender equality

Challenges and recommendations

Choice and design of the model**Priorities and objectives**

Green and digital transitions, absolute priorities, but only qualitative information on expected achievements, without precise amounts. Sufficient and accurate information on investments, but less detail on reforms.

Timeframe for implementation

Ambitious timetable, with implementation and receipt of disbursements concentrated in the first three years. Need for agility. Many projects are multi-year in nature and require time to unfold their effects.

Instruments for the development of the plan

Royal Decree-Law 36/2020, which articulates a model of governance that is agile, simple and respects the EU regulatory framework. Some of its provisions have been delayed in time, such as the Register of companies interested in the PERTEs (Strategic Projects for Economic Recovery and Transformation).

Transparency, information and monitoring

The plan's website has progressively added tools for information dissemination, but needs more transparency and access to structured and systematic information in order to be able to regularly assess the pace of implementation. No knowledge of the results of the expressions of interest, neither participation, nor sector, nor size of the companies, nor criteria applied. Lack of sufficient information to assess participation in projects (as a criteria guide).

It is still necessary to set up the announced contracting platform that will bring together all the calls for tender under the Plan, at state, regional and local level.

BOX 1. SPAIN'S RECOVERY, TRANSFORMATION AND RESILIENCE PLAN

(continuation)

Challenges and recommendations	Financial ambition of the Plan	<p>Despite its ambition, Spain only requested, in the first instance, non-refundable transfers in order not to compromise its fiscal position.</p> <p>It has been confirmed that it will activate the request for loans through a sufficiently justified amendment to the recovery plan, opening a new negotiation process with the European Commission.</p> <p>Appropriate to take advantage of the loan request to include, in the interests of a fair transition, mechanisms to compensate for the costs involved in some of the proposed reforms that have not been considered so far.</p>
	Problems and weaknesses in implementation	<p>Challenge for Public Administrations to manage simultaneously the NGEU, public budget and funds of the Multiannual Financial Framework 21-27.</p> <p>Implementation of the PRTR in 2021</p> <p>Major management and implementation challenge due to narrow timeframe. Difficulty of access to integrated official data, due to dispersion of information sources and lack of information structure. Need for a single centralised official source to collect all information, such as the planned management and monitoring information system, which is not yet operational.</p> <p>Contrast between the good pace of budget execution and the poor flow of funds to the real economy.</p> <p>Doubts about the effective participation of companies, especially SMEs.</p> <p>Tenders have been gaining speed. But more than 50 per cent came from public companies and the destination has been infrastructure and construction. 9 PERTEs have been approved until April 2022. Advisable to speed up implementation given their driving force for the economy as a whole.</p> <p>Many of the milestones met in 2021 were reforms already underway or envisaged prior to the development of the PRTR.</p> <p>Problems and weaknesses in the implementation of investment projects</p> <p>Lack of agility.</p> <p>Incorporating digitisation into administrative procedures.</p> <p>Weaknesses in the design and content of calls for tenders.</p> <p>High bureaucratic burden and fragmentation of calls for proposals, which makes access difficult for SMEs and self-employed and hampers public administration's management.</p> <p>Tight deadlines for the submission of projects.</p> <p>Need to apply more innovative elements to calls for proposals, avoiding pre-PRTR inertia.</p> <p>Percentage of co-financing of subsidies (40% on average) may constitute an entry barrier for SMEs. Advisable to adjust according to size, sector or activity.</p> <p>Lack of qualified staff in public administrations. Bottleneck, especially in territorial administrations. Lack of human resources planning according to actual capacity.</p> <p>Lack of qualified personnel in companies, which slows down participation in the PRTR. Promote support and accompaniment for companies, especially SMEs (technical assistance offices).</p>

BOX 1. SPAIN'S RECOVERY, TRANSFORMATION AND RESILIENCE PLAN

(continuation)

Challenges and recommendations	Mismatch between the plan and desired objectives	<p>Non-homogeneous weight of the main axes.</p> <p>Generic nature of many of the reforms, their impact will ultimately depend on their actual implementation.</p> <p>Little attention to the challenge of social and territorial cohesion and the gender gap.</p> <p>Mainstreaming of the gender equality objective has not been done in a uniform way or with a comprehensive approach.</p> <p>Lack of ex-ante assessment to ensure that resources go to transformative projects and objectives with social returns («social taxonomy»), ensuring additionality of resources or detecting overlaps.</p> <p>Ensuring social cohesion through the incorporation of social criteria in public procurement.</p> <p>The Plan could also have targeted young people in a cross-cutting manner, especially given its transformative nature.</p>
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Governance

The RTRP is a national project that requires the involvement of all economic and social agents, all levels of government, and the public administration as a whole.

It would have required a political, social and territorial consensus and the adoption of the Plan by society as a whole, with the necessary present and future stability to face the challenge of its implementation without conditioning it to the electoral cycle.

A more active involvement of the social partners prior to the elaboration of the plan would have been desirable. This involvement could now focus on monitoring progress and articulating projects that have not yet been launched, as well as on assessing achievements and expected impacts.

Role of the CES/ESC

Although it was not initially involved in giving an opinion on the Plan as part of its advisory role, the preparation of the revised plan accompanying the loan application would be an opportunity to seek their views.

In addition, there is scope for institutionalising greater involvement, both at the implementation and monitoring stage, and subsequently by contributing to evaluation, especially in its own areas of competence.

Source: own elaboration.

BOX 2. ENERGY TRANSITION IN SPAIN

Objective

The energy transition aims to achieve zero net CO₂ emissions by 2050, ensuring a secure and economically, socially and environmentally sustainable supply. Energy efficiency, integration of renewables into energy systems and development of decarbonising technologies are key.

Spain's strengths

Abundant renewable resources: wind, solar and hydro; a competitive business ecosystem favourable to the energy transition; an aware citizenry, and a roadmap for the transition.

Main risks

Not getting the pace right. A slow transition jeopardises the timely achievement of emissions targets, increasing the likelihood that environmental risks will become irreversible, while an excessively rapid and disorderly transition can lead to economic, employment and social dislocations that generate public disaffection and unrest.

Opportunities

To achieve a productive model that guarantees sustained, inclusive and sustainable growth in the medium and long term.

- **GDP growth** (over 1.5% per year according to PNEIC) through new investments in production chains and energy savings.
- **Net job creation:** in renewable energies, energy efficiency and electrification would offset losses in other sectors.
- **Reducing energy dependence:** limiting external vulnerability, easing the balance of payments and improving price competitiveness.
- **Industrialising change in the production model.** Opportunity to promote its circularity.

Challenges and recommendations

Encouraging sectoral transformation***Paradigm shift in the electricity sector: decarbonisation, distribution, democratisation and digitalisation***

Modifying the electricity markets for greater legal certainty and for adequate signals of the benefits of the energy transition, promoting storage (especially green H₂), speeding up the procedures for the deployment of renewables, improving information and transparency for citizens who are called upon to be active agents in this transition.

Towards less carbonised transport

Improving energy efficiency. Different needs and solutions for light transport (electric vehicles) versus heavy transport (alternative fuel applications such as hydrogen). Selective aid for fleet renewal.

Achieving an adequate deployment of fast charging infrastructure. Sustainable urban mobility plans.

Decarbonisation of industry: a challenge with opportunities

Electro-intensive industries: to be integrated as an active player in a decarbonised energy system, with the development of carbon capture and storage technologies or industrial applications of renewable hydrogen.

Status of electro-intensive consumers. Mitigate the impact of high prices during the transition.

Automotive industry: paradigm shift: more emphasis on servitisation and less labour-intensity. Need to be included in the Fair Transition Strategy.

Strategic role of the agricultural sector

It adds to the challenge of implementation of the new CAP. For small farms it will mean renewing assets and investing in new technologies in a situation of severe profitability problems.

Decarbonisation of buildings

Reconverting the real estate sector: rehabilitation, regeneration and urban renewal. Driving investment to incorporate self-consumption with renewable energy sources in public buildings and the residential sector.

BOX 2. ENERGY TRANSITION IN SPAIN (continuation)

Challenges and recommendations	<p>Securing the fundamental levers for transition</p> <p>Innovation Overcoming problems affecting R&D&I in general: low levels of investment in public and private R&D, insufficient coordination between administrations and regulatory fragmentation, low innovative absorption by SMEs and insufficient supply of skills and qualifications.</p> <p>Digitalisation Extending digitalisation to the operation of electricity distribution grids. Deploying ICT infrastructures in synergy with the physical transmission and recharging grid. Integrating ICT in new buildings and renovation projects. Optimising the use of smart meters. Ensuring inclusive digital developments. The digital sector must make an effort to limit its direct impact on the environment.</p> <p>Funding Alongside public investment, promoting private investment supported by an adaptation of the financial system to this challenge. Challenges: absence of a globally homogeneous taxonomy, whereas many Spanish entities are global in nature; stress tests depend on data that are not always available (SMEs or households) or the information is not sufficiently comprehensive or systematised; improving the financing of intangible assets due to their essential role in the energy transition.</p>
	<p>Ensuring a fair transition in employment</p> <p>The need to integrate people whose professional future is compromised by the energy transition. To invest in re-skilling and accompanying measures. To include other sectors (automotive, agriculture, transport services, engineering, etc.) that also face changes that may affect employment and local territories or communities in the Fair Transition Strategy. To have an adequate governance of change in the framework of social dialogue.</p>
	<p>Leaving no one behind</p> <p>Ensure a fair energy transition: For small businesses, they need to see the benefits trickle down; they need to be an active part of the transition; they need to take advantage of new business opportunities and enjoy a better access to external financing. It should be based on digitalisation without divides, solving digital exclusion due to unequal access between rural and urban areas, digital backwardness of SMEs or differences in ICT use caused by socio-demographic factors. Also in rural areas, ensuring adequate environmental and territorial integration of renewables; guaranteeing the protection of fragile environmental values or those of interest for the conservation of the environment, whether natural areas or areas of agricultural or livestock activity. Involving local communities in decision-making. From a gender perspective. Women are also affected through the impact this reconversion has on territories or local communities. Ensuring the full incorporation of women in the energy transition represents a challenge full of opportunities to take advantage of their talent. And economically inclusive; as one of the risks of the transition is the worsening of energy poverty, especially since the pandemic.</p>

The success of the energy transition will depend on good governance of the economic, employment and social challenges involved; otherwise it could generate resistance to change and jeopardise the political progress needed to drive it forward. This requires social dialogue, inter-institutional cooperation at all levels of government and appropriate channels for greater citizen participation.

Source: own elaboration.

CHAPTER II
EMPLOYMENT AND LABOUR RELATIONS

The year 2021 was one of recovery in European labour markets after the strong impact of the COVID-19 pandemic. In Spain, the recovery was completed during the last part of the year, with figures in the first months of 2022 that consolidate it and even speak of a more positive trend. Only the number of hours worked was lower, which reflects the persistence of some of the effects of the pandemic on activity.

Labour market: gradual recovery

Behind the good results lies the protective effect that both the ERTes and the measures to support the self-employed and, in general, to support economy and employment, had throughout 2020 and in 2021. The balance of the ERTes is very positive and has led to their redesign at the end of the year, within the framework of the tripartite social dialogue, to make permanent the experience gained from their application in the pandemic as an alternative to the extinction of jobs (with the anticipation of their deployment in the face of generalised and cyclical crises, or in sectors particularly affected by structural change).

Despite this improvement in employment, already above pre-pandemic levels, the exit from the crisis is proving uneven, and presents certain elements of concern. Among those specific to the labour market: labour participation is still lower than in 2019, especially among young people; more people would like to work and are available for work but are not actively seeking employment; and the incidence of unemployment is more concentrated among young people and at medium and low levels of education and training.

These three elements are interrelated, and are in turn associated with higher net job creation in economic activities other than those that experienced the largest losses in 2020. This is not only because some effects and constraints from the pandemic have persisted in activities such as hotels and catering and personal services, but also because processes of structural change have continued, even accelerating, with greater decline in some branches (e.g. textiles and clothing) and greater dynamism in others (professional, scientific and technical; education; health). This is translating, on

the other hand, into a faster pace of change in the structure of occupations, more polarised into high and low skills, and has a bearing on the mismatches observed in the labour market (see Box 1 on supply and demand mismatches).

The question is how to prevent these trends from widening the already visible gaps in this structure, with a worse relative position of women, relatively older people and immigrants. And also how to anticipate and balance their effects on the territory, in the midst of the ecological and digital transitions underway. Thus, it is necessary to incorporate elements of fair transition and equity, as proposed in the RTRP itself. But we should also discuss shorter-term measures, in which it is essential to include more effective and efficient active policies.

The recovery drove high growth in salaried employment in 2021, with almost 640,000 more people in the private sector and 100,000 more in the public sector (all of them women, continuing the feminisation of the sector), although in the former case still insufficient to offset the loss recorded in 2020. The other occupational statuses analysed by the LFS also grew.

There was also an upturn in temporary employment, which is attributed to the public sector (with a rate of 31 per cent, 7 points higher than in the private sector), which reduces the scope of the recovery as an explanatory factor. The first quarter of 2022 has widened this gap to 10.4 points, both because of the drop in temporary employment in the private sector following the labour reform and because of its new rise in the public sector, which falls mainly on women (with a rate of 38.5 per cent). In this regard, it is worth recalling here the stabilisation measures that are beginning to be implemented within the framework of Law 20/2021.

We will have to wait to see how the medium-term effects of the reform unfold, but there are already indications of the beginning of a real change in the hiring culture. The first quarter of 2022 shows a 1.2 point drop in the temporary employment rate in the LFS. Permanent contracts, for their part, grew extraordinarily between January and April of this year, and temporary contracts fell, bringing the weight of the former to almost half of the total recorded in April.

Active labour market policies (ALMPs) regained some prominence in 2021 in a context of recovery to address the serious consequences of the pandemic on the labour

Towards effective and efficient labour market policies

market. However, it was an atypical year in which, within the framework of the RTRP, the challenge was to articulate a new agile and efficient ALMPs scheme, capable of increasing their effectiveness and efficiency and responding to current and future challenges, anticipating the needs of the productive fabric and adequately guiding the decisions of the working population and companies.

All this was embodied in the reform of the ALMPs contemplated in the RTRP (reform 5 «modernisation of the ALMPs» of component 23), which included planning

instruments such as the new Employment Strategy or the Youth Guarantee Plus Plan and regulatory amendments to the Employment Act and the Vocational Training for Employment Act, as well as regulation of the common activation programmes for employment of the National Employment System or the Programme for the Promotion of Agricultural Employment. The digitalisation of the SEPE («State Public Employment Service») was also envisaged in order to reinforce its efficiency, within the framework of the digitalisation of public administrations.

It remains to be seen whether this new scheme, still to be completed with the reform of the Employment Act, manages to unfold its full potential, although the ex-ante assessment of its suitability to the challenges and objectives to be faced does not indicate a substantial change that would help to overcome the traditional weaknesses of the ALMPs. In any case, a planned, systematic and exhaustive evaluation system is needed to assess the impact of the measures implemented over time.

The RTRP also enabled an additional contribution for active policies in 2021, which was added to the initially established budget and which, in any case, was still insufficient to deal with the high volume of unemployed population. Compared experience with other countries also pointed to the need to rebalance the structure of spending, giving greater weight to activation measures and strengthening their link with protection measures. It was therefore essential to reinforce personalised guidance and training in order to meet the qualification and requalification needs of the labour force and thus respond to the demands of the productive fabric and the needs for digital adaptation.

In total, more than EUR 6.6 billion were available for active policies, of which EUR 920 million were Plan resources aimed at financing specific actions and to which were added the resources that the autonomous communities and local authorities allocate to promoting employment in their territories.

In the 2020-2021 biennium, a process of dialogue between the social partners and the Government led to the signing of fourteen social agreements, some of them aimed at tackling the consequences of the emergency caused by the health crisis and others at undertaking structural reforms, mainly in two areas: the labour market and the pension system.

*Social dialogue in Spain:
continuity of the process*

Throughout 2021, eight tripartite agreements were reached between the Government and the most representative state-level employers' and trade union organisations: the last three Social Agreements in defence of employment (IV, V and VI ASDE); the Agreement on the labour rights of people engaged in delivery through digital platforms («riders»); the Agreement for the full implementation of the Dependency Care System; the Agreement on the first block of measures for balancing the system, reinforcing its sustainability and guaranteeing the purchasing power of pensioners in compliance

with the Toledo Pact and the RTRP; the Agreement on measures for labour reform; and the Tripartite Agreement on Autonomous Settlement of Labour Disputes.

The main labour regulations approved in 2021 followed the fundamental axes of the tripartite social dialogue, with a part of them directly deriving from it. So, the three Royal Decree-Laws aimed at ensuring the continuity of the employment support framework launched in 2020 (Royal Decree-Laws 2/2021 of 26 January, 11/2021 of 27 May and 18/2021 of 28 September), and the agreed labour reform (Royal Decree-Law 32/2021 of 28 December). In addition, two laws regulating two different forms of work organisation in the context of digitalisation were adopted, which also stem from two tripartite social agreements: Law 10/2021 of 9 July on remote work and Law 12/2021 of 28 September amending the revised text of the LET to guarantee the labour rights of persons engaged in delivery through digital platforms (see Box 2 on digitalisation and work). Moreover, Spain ratified the 1996 revised European Social Charter.

In 2021, the activities of the administrative supervisory bodies and those of the labour law enforcement bodies continued to develop. In the first of these areas, the Strategic Plan for the Labour and Social Security Inspectorate 2021-2023 was approved. In the second, the activity of social courts experienced a boost after being disrupted during 2020 by the health crisis, with an increase in the volume of court cases resolved (41.7%).

In 2021, according to provisional registration data, there were 3,367 collective agreements with known and registered economic effects for that year, affecting 937,160 companies and 8,745,986 workers. With respect to 2019 full year, 60.8 per cent of collective bargaining had been concluded concerning 76.7 per cent of potentially covered workers, a volume of completed bargaining similar to that for 2020 and somewhat lower than in previous years in a not fully normalised context.

The wages agreed in all collective agreements increased again in 2021, reflecting a revised wage variation of 1.70 per cent, a similar level to 2020 and 2018, and lower than in 2019. These are, however, provisional and global figures that will continue to vary and that conceal differences by major functional areas, by time periods and by wage brackets. Once again, wage bargaining took place in a complex context, due, among other reasons, to the upward trend in inflation, which meant that real agreed wages, discounting the average CPI for the year, lost purchasing power (-1.38 per cent).

The 606 strikes in 2021 were 24 per cent more than in 2020, but 16 per cent less than the 2015-2019 average. They involved 199,026 workers, slightly more than in 2020, but again 15.8 per cent less than the average for the five-year period 2015-2019. The economic impact of these

The most relevant labour regulations in 2021 derived from social dialogue

Overview of collective bargaining

Strikes rebounded in 2021 compared to the more atypical year of 2020

disputes was relatively limited, 422,815 days not worked, even lower than in 2020 and even lower than the average of the previous five years (-34.9 per cent).

In 2021, the number of cases processed by SIMA-FSP was 467, an increase of 9.4 per cent compared to 2020, thus approaching the average of the previous five years. The number of disputes brought before autonomous resolution bodies at the regional level also increased with respect to the previous year (by 20.9%), reaching 4,496 collective disputes in 2021.

And also the disputes brought before the autonomous resolution bodies

The new EU Strategic Framework 2021-2027 was adopted in June, with three key priorities: anticipating and managing change in the new world of labour, improving the prevention of work-related accidents and diseases, and increasing preparedness for potential future health threats. Derived from one of the axes of the European Framework, a crash plan against fatal accidents at work was adopted at domestic level.

Health and safety at work

In a context of increasing mobility and productive activity, an upturn in the number of occupational accidents with and without sick leave was observed in 2021. Likewise, the total incidence rate increased compared to 2020 to 2,671 accidents per 100,000 workers. Among the employed population, this rate rose to 3,023.9 accidents per 100,000, an increase of 13.3 per cent, while the rate for fatal accidents at work fell (-6.25 per cent). Occupational diseases also increased in 2021, up 11.47%.

BOX 1. SUPPLY AND DEMAND MISMATCHES IN THE LABOUR MARKET. THEIR RELATIONSHIP WITH EMPLOYMENT POLICIES

Concern: Is there an unmet demand for employment?

The evidence shows that this is not a quantitatively significant problem, but it may become so in the near future, both because of changes in labour demand generated by major processes, such as digitalisation, environmental commitments and objectives or demographic changes, and because of the need to replenish the workforce.

The presence of these mismatches undermines the efficiency of the economy, reduces growth potential and, in a context of high and persistent unemployment, widens inequalities between people and between territories.

Evidence: Is the growing trend of mismatches worrying?

In Spain

- Spain's vacancy rate is the lowest in the EU, although it has steadily increased during 2021. In the fourth quarter of 2021, there were 109,000 unfilled positions (67 per cent in SMEs).
- The indicator on vacancies offers a general approximation to this problem, although it has limitations and in fact, figures could be even higher as they do not reach the primary sector where the existing information, dispersed and unofficial, also points to difficulties in filling posts.
- Businesses are increasingly concerned about labour shortages in industry, construction and services in the wake of the pandemic. 8 per cent of companies in industry, 12 per cent in construction and 11 per cent in market services report labour shortages.
- Moreover, there are permanent mismatches: the rigidity in the Spanish evolution of vacancies over the last economic growth cycle is evident. Unemployment is higher in Spain, which explains the lower relative volume of vacancies, but they hardly change, reflecting a chronic problem in the efficiency of the labour market, which grows in upturns and eases in downturns but does not abate.
- The Quarterly Labour Cost Survey, which lists the reasons for not opening jobs, except for the majority reason that there is no need, indicates that almost 3 per cent are due to the cost of recruitment and a further 2 per cent to other reasons such as lack of suitably trained or qualified candidates or the rejection of suitable candidates, either because the economic conditions are considered inadequate or because of some other type of circumstance related to the job.

How much employment is needed and where?

Short-term

- **By activity:** increases of between 75 and 50 per cent of vacancies are found in construction and information and communications, whereas in professional, scientific and technical activities, transport and trade, increases are around 30 per cent. In non-market services, increases are found in education and notably in health and social services (not only due to the pandemic).
- Specifically, in the agricultural sector where activity is dominated by small and medium-sized family farms, but there is an important contingent of wage labour associated with specific moments in the production cycle, which require a very high degree of proximity in their coverage.
- **By qualification and skills:** in skilled jobs, a large group of technical occupations with an intermediate and specialised level of qualification in services and industry and in vocational training qualifications, either at intermediate or higher level.
- STEM professions, both ICT and engineering and associated with the profound change in occupations brought about by digitalisation; but also, in the short term, in a large group of technical professions with an intermediate and highly specialised level of qualification, in all sectors.

**BOX 1. SUPPLY AND DEMAND MISMATCHES IN THE LABOUR MARKET.
THEIR RELATIONSHIP WITH EMPLOYMENT POLICIES** *(continuation)*

In the medium and long term

- Many of the mismatches already visible will be accentuated, as the expected economic growth to be driven by the RTRP will generate more replacement demand in all activities and more new demand in the face of the digital and ecological transitions.
- Cedefop's forecasts of employment needs point to a sharp increase in these mismatches, with a large volume on the labour demand side, both because of the increase generated by new activities driven by digitalisation and environmental commitments, and because of what is needed to replace jobs in a different demographic context, with ageing workforces and with a spatial distribution of the young population more concentrated in urban areas and in certain regions, which may make this replacement more difficult.
- This means preparing the labour supply for it by training and re-skilling a huge number of people, both in general skills, mainly those derived from digitalisation, and in the specific skills needed for the different occupational groups (and activities).

Factors involved in these mismatches

The skills deficit or mismatch in the labour force.

The need to adapt to far-reaching changes (digitalisation, decarbonisation, population dynamics).

Labour costs and workers' remuneration.

Considerations on the perception, especially of the young population, of the different activities and occupations, which determines the relative attractiveness of the demand.

Working conditions associated with the job, particularly its duration and its specific spatial location, and even more so considering that geographical mobility in Spain is very low except for short-term and typically seasonal jobs.

Availability and permeability of national supply to international demand (and vice versa). Talent drain.

Challenge

Clear potential for immediate improvement in mismatches and the need to anticipate and tackle more extensive problems in the medium term.

In both cases, supply-side actions need to be considered, mainly through active labour market policies.

Intermediation

- The intermediation of public employment services is essential to achieve the best match between job supply and demand. Private employment agencies also participate in this process through public-private partnerships.
- It is necessary to reinforce intermediation, i.e. the adequate matching of supply and demand within appropriate time frames, the provision of relevant information for each case, the support to companies and individuals in the search processes, and observatory and foresight work and the forward-looking translation into education and training policies.
- To fundamentally reformulate the role and performance of the observatories, in particular the Employment Observatory of the SEPE.
- To boost the effectiveness and efficiency of public employment services, the role of public-private partnerships, personalised attention and guidance for the unemployed and companies, and the governance of the employment system.
- New technologies provide an opportunity for the development of intermediation.

**BOX 1. SUPPLY AND DEMAND MISMATCHES IN THE LABOUR MARKET.
THEIR RELATIONSHIP WITH EMPLOYMENT POLICIES** *(continuation)*

Vocational qualification and re-qualification

- Forecasts point to the demand for higher levels of qualifications and skills in all occupations, which will increase the demand for training. Moreover, a significant proportion of these jobs will require intermediate skills, for which a relative shortage has been identified in Spain.
- All these estimates focus on education policies on the one hand, and on vocational training for employment within the framework of active policies on the other. In this respect, the promotion of «reskilling» and «upskilling» of the labour force linked to professional qualifications stands out.
- The changes in the demand for skills and competences that employment must face in all sectors must be projected in the design of training and guidance policies focused on the productive system. The need to anticipate these changes in a model where the participation of companies must be central.
- Focusing the contribution of human capital as a lever of competitiveness, especially in the context of digitalisation, in a cross-cutting approach that spans the education and vocational training system, the scientific domain and R&D&I.
- Improving the skills associated with digitalisation by providing the workforce with specific and continuously updated competences in a lifelong learning approach.
- As well as other transversal competences, where cognitive and critical skills, teamwork and communication skills stand out, which are in turn based on key competences.

Source: own elaboration.

BOX 2. DIGITALISATION AND WORK

Digitalisation and organisation of work: an underlying transformative trend

The digitalisation of the economy, as a major underlying trend, is projected mainly onto the digital transformation of companies, in many cases generating new digital business models. But, at the same time, it is transforming work, its organisation, the conditions under which it is provided and, sometimes, the application of the legal employment relationship itself.

The effects of economic digitalisation on work are reflected in the emergence of new forms of employment and work organisation, the former including work on digital platforms and the latter including teleworking. Because of their effects on productive organisations and on the labour market, both emerging forms are contributing to major changes in the labour market.

Working on digital platforms

Data (COLLEEM survey) point to an expanding reality in Europe, with Spain occupying top positions.

The available empirical evidence points to a growing share of people who have ever earned income from the provision of work through digital platforms: from 9.5 to 11 per cent of the working population between 2017 and 2018 in the European Union, and from 12.0 to 18 per cent in Spain, which leads the ranking on this indicator.

As primary source of employment, this type of work accounted for 1.4 per cent of the working population in the 16 participating European countries in 2018. Spain, with 2.6 per cent, was among the top countries for this source of employment.

The composition of this employment mostly involves young people with a high level of education, and to a large extent professional tasks, which can reinforce its potential.

Possible areas of impact on organisation and working conditions:

- Qualification of the employment relationship (salaried or self-employed).
- Transparency and certainty of working conditions.
- Regularity of work and income, remuneration levels.
- Protection of health and safety at work.
- Collective representation.
- Access to social protection.
- Algorithmic work management.

Teleworking

Quantitative progress and significant change in the reality of telework in Spain.

For its part, telework has seen a significant quantitative leap in the context of the pandemic crisis and there are elements that point to its eventual consolidation. In Spain, the share of salaried teleworkers has risen from an average of 3.4 per cent (2015-2019) to more than 12 per cent in 2020, a proportion that was maintained in 2021 (LFS data). Figures which, together with certain qualitative elements, point to its possible consolidation at high levels, with a more variable composition in terms of intensity or frequency.

In addition to its higher frequency among women, associated with activities and occupations, and its predominance in the core age groups (35-44 years), the educational level plays a very relevant role in teleworking, which increases as the level of educational attainment rises, inter alia associated with competence in digital skills.

Possible areas of impact on organisation and working conditions:

- Exercise of management and control powers.
- Data protection.
- Guarantee of digital rights.
- Digital disconnection.
- Protection of health and safety at work.
- Collective representation.

Diagnosis

BOX 2. DIGITALISATION AND WORK (continuation)

Cross-cutting effects of digitisation at work

Evidence still limited but considered significant.

Beyond the above, the expansive dynamic of digitalisation extends transversally to the entire productive fabric. After a first stage of implementation of new technologies (ICT) in companies, in recent years a new trend may be taking shape based on the great connectivity made possible by the Internet and connected electronic devices, which allows, among other things, the use of social networks, the generation of big data, the use of data analytics, algorithms and artificial intelligence, etc., with more profound transformative effects.

These trends are still in their infancy at European level: only 5 per cent of companies (Eurofound, with data from the European Enterprise Survey, 2019). However, there are signs of a far-reaching future development for work organisation and management. The European social partners therefore consider it appropriate to explore at an early stage the options for using such tools to combine economic performance and good working conditions.

In Spain, the application of European funds within the framework of the PRTR may enable significant advances in the digitalisation of the economy in the coming years, which in turn may accelerate this type of transformation in the organisation of work.

Possible areas of impact on organisation and working conditions:

- Data protection.
- Guarantee of digital rights.
- Digital disconnection.
- Algorithmic work management.
 - Access to employment (recruitment systems).
 - Classification and career advancement.
 - Assignment of tasks.
 - Evaluation of work/performance/objectives, and remuneration.

Gaps in knowledge of these new realities and trends

All these new realities and trends are still insufficiently known, and among them, especially the work provided through digital platforms. Field studies based on surveys of companies and workers are still scarce, incipient and methodologically limited. It is therefore advisable to facilitate better quantitative and qualitative knowledge of all this in Spain by promoting studies and statistical evidence, ad hoc surveys or by expanding existing surveys, in order to generate knowledge about these trends that will enable them to be monitored and policies to be adopted.

Opportunities and risks

- A digital organisation of work can lead to significant organisational improvements for companies, if not to the very existence or viability of the business model itself. At the same time, it can provide opportunities to improve working conditions. But it can also bring new risks for health and safety at work. Digitalisation at work can lead to increased vulnerability for certain groups of workers, especially in service provision in low-skilled occupations, and also within some new forms of employment.
- In short, digitalisation has the potential to create better jobs, to generate decent work, but also to open new labour gaps or to widen existing ones if action is not taken through the right instruments and labour policies. There is consensus that the benefits of this process will not flow automatically and that maximising the opportunities and addressing the challenges it represents will require strategies and measures to be adopted through a shared approach.
- It is therefore advisable to integrate the treatment of these new realities into the instruments of labour relations, including collective bargaining, autonomous dispute resolution systems, vocational training for employment (in particular by raising the level of digital skills), and occupational risk prevention.

BOX 2. **DIGITALISATION AND WORK** (*continuation*)**The social dialogue response: European Union and Spain**

All of this underlines the importance of the role of social dialogue in these matters, at both European and national level.

European Union

The European Framework Agreement on Digitalisation (EFA) has set the course for a shared approach and for an early stage treatment of these new trade-offs between the necessary flexibility to allow the development of the digitalised economy, new business models and new forms of employment, while at the same time creating more and better jobs and avoiding the deterioration of working conditions. It is therefore key to promote its effective implementation in the coming years in the Member States. Actually, at least half of the Member States have identified collective agreements and collective bargaining agreements that address the adoption of digital technologies with a people-centred approach.

Spain

The Agreement on telework (ATD) has facilitated the adoption of a legal framework likely to provide certainty and confidence, with an important role for collective bargaining to adapt. It is to be hoped that collective bargaining will play a greater role in helping to consolidate a trend towards the increasing take-up of telework.

For its part, the Agreement to guarantee the labour rights of persons engaged in delivery via digital platforms («riders agreement») has made it possible to adopt, also on the basis of consensus, a framework that establishes a presumption of employment for these activities and, at the same time, an instrument to improve transparency in the algorithmic management of work.

The role of collective bargaining

The still few field studies that have investigated the treatment of these contents in collective agreements in Spain point to a still limited but growing proportion of these clauses, particularly in certain aspects of labour relations linked to technological change. But they also point to the absence of a systematic and more thorough treatment of such matters, with predominance, with some exceptions, of programmatic statements.

As a result, collective bargaining, especially in functional areas with the greatest potential for digital transformation, has significant scope to address the implications of this whole process of change in its content, taking advantage of the opportunities and facing the challenges arising from it.

Source: own elaboration.

CHAPTER III

QUALITY OF LIFE, PROTECTION AND SOCIAL INCLUSION

The social situation in 2021 continued to be marked by the continuity of the pandemic and the extraordinary measures adopted to deal with its consequences, as well as by the uneven effects of the crisis. The quality of life in the first part of the year continued to be conditioned

by the restrictions arising from the state of emergency due to COVID-19 and the different experiences of the population depending on their place of residence, given the territorial variability of the incidence of and responses to the pandemic. The package of measures deployed managed to mitigate their effects and was accompanied by a considerable increase in the main items of social spending. The exceptional nature of life in the midst of a pandemic that had not fully subsided throughout 2021 affected all important dimensions of people's quality of life, from those relating to housing and its surroundings, to educational attainment and its circumstances, through to consumption choices.

After the slowdown in **access to housing** in the previous year, within the anomalous context of restrictions on mobility and uncertainty, in 2021 solvent demand for home ownership became more dynamic, with a better evolution of sales in a good context of financing. However, the cost of housing continues to hinder the residential emancipation of young people. Households with lower incomes and more vulnerable households as well as those living in rented accommodation have more problems of overburdening and are particularly vulnerable to homelessness. Behind the decline in evictions during 2021 is the extension of tenant protection and rental measures, as well as those adopted to protect particularly vulnerable mortgagors. In any case, evictions continue to occur and residential exclusion affects one in five households, highlighting the need to implement effective public housing policies. The new Housing Plan 2022-2025, which aims to create social rental housing, raises expectations of improving the current limited stock.

The experience of the pandemic has increased concern not only for the quality of housing but also that of its surroundings, in terms of **environmental sustainability** and energy efficiency, in parallel with greater environmental awareness among citizens. The approval of Law 7/2021, of 20 May, on climate change and energy transition, together with the funding linked to the implementation of the Recovery, Transforma-

A social situation still marked by the pandemic and the response to it

tion and Resilience Plan (PRTR), will give further momentum to a number of initiatives of interest to improve the quality of life in cities and municipalities, such as the Safe, Sustainable and Connected Mobility Strategy 2030, given that making progress in promoting the use of public transport and reducing pollution in cities continues to be a challenge after the disruption caused by the pandemic. Likewise, improving water planning and management in the process of adapting to climate change, conveyed through instruments such as the National Plan for Water Treatment, Sanitation, Efficiency, Saving and Reuse, is essential to achieve water security, the protection of biodiversity and socio-economic activities in a country particularly affected by the risk of drought, such as Spain.

As part of the Strategy to combat **energy poverty**, a series of measures were approved in 2021 to support vulnerable consumers and to promote the refurbishment of buildings and homes through tax deductions for improving their energy efficiency, financed by the RTRP. However, it should be borne in mind that the risk of energy poverty, which is heightened in colder climate zones and among lower income households, may be exacerbated in the context of rising energy prices, which prompted the approval of the most recent support measures for vulnerable consumers.

The organisation of the **education system** continued to be conditioned during 2021 by the impact of Covid-19 and the preventive measures in schools and training centres, with face-to-face attendance gradually recovering. The question of how this crisis has affected student performance and learning remains open, although there is some academic consensus that the effect is higher among students in the worst socio-economic situation. On the other hand, in the wake of the pandemic, the digitalisation of teaching processes has been consolidating, thus highlighting the need to improve digital skills and access to digital learning.

Comparatively, Spain continues to be above the EU-27 average in terms of enrolment in pre-primary education, having made a significant investment effort in 2021 in enrolment in the first cycle of pre-primary education. Spain's comparative situation is worse, however, with regard to the proportion of 20-24 year olds with an upper secondary level of education, early school leavers, or enrolment in vocational training which, despite their improvement over the last decade, continue to pose major challenges.

In Spain, the concentration of lower levels of competencies, as well as high rates of grade repetition, chronic absenteeism, and dropout occurs among students with more vulnerable social profiles. For this reason, Organic Law 3/2020, of 29 December, which amends Organic Law 2/2006 of 3 May on Education, lays the foundations for combating school segregation, and investments aimed at reducing school failure and early school dropout, through the Programme for Educational Guidance, Advancement and Enrichment (PROA+) and the Personal and Family Guidance and Support Units. On the other hand, the insufficient increase in the supply of public vocational training

places and its imbalance by specialities continue to generate a mismatch between the growing demand for these studies and the needs of the labour market. This situation has led the educational administrations to reinforce, modernise and make vocational training courses more flexible with the approval of Organic Law 3/2022, of 31 March, on the Organisation and Integration of Vocational Training (LOFP) or the Plan for Vocational Training. Finally, compared to the EU average, there is a higher proportion of low achievers and lower participation of low-skilled adults in lifelong learning, with little progress in both cases.

It is worth noting that, although below the EU-27 average, public investment in education in 2020 grew by 4 per cent, with an increase in public spending on scholarships and study grants, concerts and subsidies, and a significant increase in the number of students benefiting from scholarships and study grants. Private spending on education also grew which has a negative impact on equity and raises questions about its connection with the quality of the education system. Although the university public pricing scheme was modified in 2020, it does not seem to have had a substantial impact on pricing.

Spain has continued to undertake important legislative reforms, with changes in 2021 to assessment, promotion and qualifications at various levels, as well as to the curricula for pre-primary, primary, compulsory secondary and baccalaureate education, and the Organic Law 1/ 2022 on Vocational Training of 31 March has been approved. In addition, some aspects of the organisation of university teaching and institutions were reformed, while work continues with the various sectors involved on the preliminary draft of the Organic Law on the University System.

In terms of **consumption** patterns and habits, the slight recovery recorded in 2021 should be taken into account, in a context of rising prices for basic goods such as energy and food, further aggravated in 2022 by the war in Ukraine. The process of digitalisation of everyday life, which has increased considerably with the advent of the coronavirus, tends to facilitate access to the consumption of goods and services, but at the same time reveals difficulties in both public and private services, showing the existence of significant gaps. In 2021, the reduction in face-to-face services had a particular impact on access to medical appointments and financial services, which particularly affected the elderly population, causing discomfort and leading to an agreement to try to alleviate the problem in the financial sector.

On the other hand, the rise in energy prices also had an impact on household consumption, with the average bill rising by 40 per cent in 2021. The adoption of measures to cushion the impact of price rises focused, on the one hand, on protecting all households, with the reduction of Value Added Tax (21 per cent to 10 per cent) and, on the other hand, on supporting those in vulnerable situations.

The durability of goods has a direct impact on the household economy and, more broadly, on environmental sustainability. The two-year warranty and five-year repa-

rability period for consumer goods in Spain was extended in 2021 to three and ten years respectively with the reform of the Consumer Protection Law, a step forward in terms of consumer safety and economic circularity.

Social protection and social inclusion policies continued to be an important pillar of the recovery in 2021. First, Social Security continued to support social and economic policy by prolonging most of the measures approved in the previous year, aimed at cushioning the impact of the Covid-19 crisis on companies and workers. However, the impact of these measures on the financial situation of the Social Security system was lower than in the previous year, due to the upturn in economic activity and the increase in employment. This latter factor led to extraordinary growth in revenue from social security contributions, which reached record highs, helping to reduce the system's deficit to 0.9% of GDP, the lowest level since 2013.

Social protection continued to support the recovery in 2021

In any event, spending on contributory **pensions** accelerated with respect to the previous year with the improvement in the epidemiological situation, both because of the partial resolution of the problems that arose in the processing of pension registrations and because of the lower impact of the disease on mortality among the elderly and, therefore, on pension withdrawals.

The contributory system covered nearly 9 million pensioners in 2021, with an average pension of 1,034 euros per month. Just over 60 per cent of pensions in force are retirement pensions, with an actual age of access (64.7 years) that continued to approach the legal age (between 66 and 65 with at least 37 years and three months of contributions), while at the same time guaranteeing access to flexible retirement formulas, both early (39 per cent of registrations) and, to a lesser extent, delayed (5 per cent).

In the regulatory sphere, the process of reforming the pension system continued in 2021, in view of the major challenges it faces in terms of sustainability and sufficiency. Based on the Agreement of the Social Dialogue Table on the first block of measures to balance the system, strengthen its sustainability and guarantee the purchasing power of pensioners, at the end of the year Law 21/2021, of 28 December, on guaranteeing the purchasing power of pensions and other measures to strengthen the financial and social sustainability of the public pension system was approved, the preliminary draft of which was approved by this Council. In addition, the process of amending the legal framework for occupational pension plans was initiated (Draft Law on the Regulation for the Promotion of Occupational Pension Plans), also with the opinion of the Economic and Social Council. The development of supplementary social provision improved slightly in 2021 following the onslaught of the pandemic, but only in the occupational schemes segment, with the overall sluggishness of recent years continuing.

The **unemployment protection** system in 2021 has remained a central element of social protection for those most affected by the crisis. The recovery in employment over the course of the year has led to a fall of almost one million people receiving unemployment benefits, to 1.8 million in December (slightly less than in the same month of 2019). This decline has occurred mainly among those receiving benefits under temporary layoff plans (ERTE), which fell from an average of almost 900,000 in 2020 to just over 100,000 in 2021. Of concern, however, is the significant decline in the coverage rate (85 per cent in 2020 and 60.9 per cent in 2021), and the rebound in welfare benefits, which now account for 47.6 per cent of total benefits. This return to high levels of welfare provision, as was the case in the pre-pandemic period, would be indicative of a reduction in the system's protective adequacy, given the shorter duration and lower amount of benefits.

These system data highlight the persistent high weight of temporary employment, given the clear prominence of the termination of temporary contracts among the causes of registration in the system, as well as the difficulties in finding a job, especially for women and the older population, as reflected in the high weight of the welfare level of protection, especially in the subsidy for the over-52s, and in the Active Insertion Income. Consequently, alongside the protective aspect, activation should become more important, in order to achieve the return to employment of the working population that may have been most affected by the crisis, especially bearing in mind that job creation is not only concentrating on economic activities and occupations different from those most affected by the pandemic, but also on skilled and more specialised occupations.

In 2021, Spanish society, through the **National Health System** (SNS), gave a forceful response to the Covid-19 crisis with a vaccination campaign of extraordinary magnitude: in April 2022, 92 per cent of people over 12 years of age were already fully vaccinated (40.3 million people), exceeding the EU average. In the meantime, the pandemic continued to put a heavy strain on healthcare structures, with a heavy burden of added disease rate at all levels. Specialised care continued to absorb a high volume of hospital and Intensive Care Unit admissions, while primary care services were close to collapse with the growing number of patients and the assignment of new tasks, such as case tracing. Data on waiting lists in specialised care show a significant reduction in 2020, due to the drastic limitation of consultation requests in the first year of the pandemic, and a considerable increase in 2021, particularly for specialists (77 per 1000 population), surpassing the rate recorded in 2019. But above all, society had to come to terms with the high cost in human lives, which exceeded 100,000, although it is likely that the real number of deaths from Covid-19 is much higher as various sources have pointed out. In total, 11.5 million cases were recorded, 511,000 people were hospitalised and 49,000 were admitted to the ICU.

The health crisis has forced a greater effort in public spending, which in 2020 increased by 11.7 per cent compared to the previous year, with a considerable increase in the Public Health function, which accounts for the smallest proportion in the health spending structure. Nevertheless, in 2021 important steps were taken in some very relevant areas, such as the approval of the Digital Health Strategy, the Organic Law 3/2021 of 24 March on the regulation of euthanasia and the advances in the application of CAR-T therapies in the SNS.

In the area of **dependent adult care**, in 2020 the expenditure certified by the Spanish Autonomous Communities (regions) amounted to EUR 9.6 billion, a slight increase (7.3 per cent) over the previous year. But the increase in resources and beneficiaries has run parallel to the decline in the average amount per person assisted, which is partly explained by the incorporation into the system of less serious cases from 2015 onwards (Grade I), whose care involves lower costs. In December 2021, 1.2 million people were beneficiaries of the System for Autonomy and Care for Dependency, 8.7% more than in 2020. The crash plan facilitated the reduction of waiting lists by 17%.

On the other hand, in the field of social inclusion policies, the number of households benefiting from **minimum income support** increased considerably during 2020. In fact, some Autonomous Communities have modified or adapted their provisions to extend the coverage or the amount of the benefit, in response to the strong increase in demand. The average amount reached 470 euros per month, with significant differences between regions. However, one of the main questions about the effectiveness and functioning of these benefits has to do with the complementarity of the minimum income support of the Autonomous Communities and the Minimum Living Income (IMV). The lack of updating and the different sources of information on both types of assistance make it difficult to know this for the moment. As of March 2022, the number of households benefiting from the IMV amounted to 428,000 households and 1.1 million people (43 per cent children), a figure that is still far from the 2.3 million initially estimated.

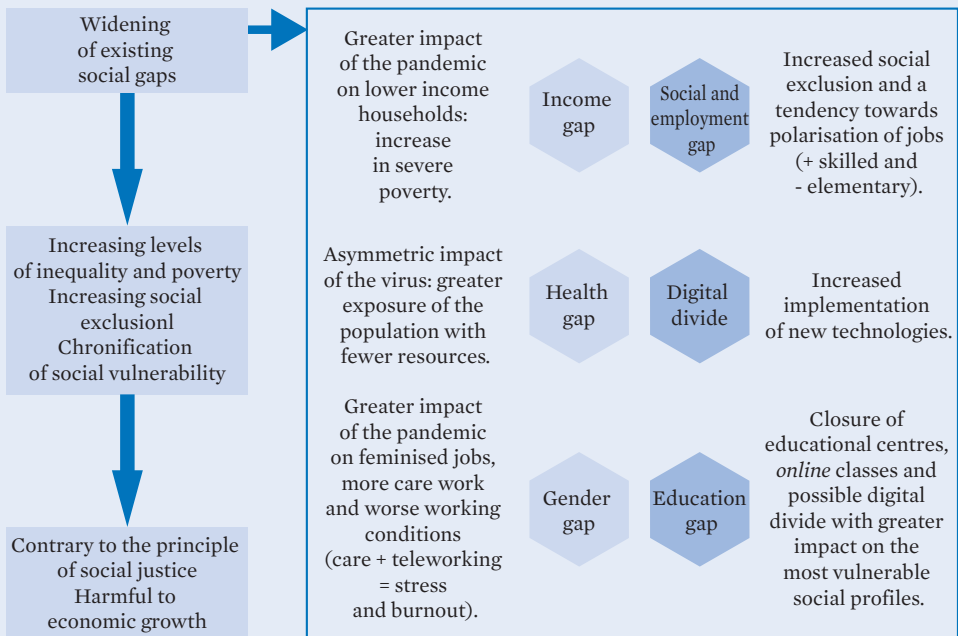
BOX 1. INEQUALITY AFTER COVID-19: CHALLENGES FOR RECOVERY

Target

Understanding the social impact of the pandemic to better manage policies to move towards an inclusive and sustainable recovery.

Spain's strengths

Important buffer effect of social protection policies that were strengthened during the pandemic by the development of a package of exceptional and emergency measures, mostly agreed in the context of social dialogue, aimed at maintaining employment and household incomes.

Main social risks of the pandemic in the short and medium term**Opportunities: the essential role of policies for a more equal future**

European funds open a new window of opportunity to undertake far-reaching measures from a holistic perspective.

BOX 1. **INEQUALITY AFTER COVID-19: CHALLENGES FOR RECOVERY***(continuation)***Challenges for the Welfare State****Need to increase investment in social protection and broaden their retributive scope**

The Welfare State in Spain has been a key element in improving the living conditions of the population through the development of a wide range of monetary transfer policies (such as unemployment and pensions) and public services (such as the universalisation of education and health). However, *its capacity to prevent inequality is limited relative to other countries:*

- Level of social protection expenditure below the European average: 23.7 per cent of GDP in 2019, compared to 27.7 per cent in the EU-19.
- Differential distribution of social protection expenditure: lower relative weight of benefits for the most vulnerable population.
- Limited scope and sufficiency of non-contributory benefits: until the creation of the IMV, there was no last-resort protection network comparable to that of other European countries. The IMV is a step forward, although there are concerns about its effectiveness and complementarity with regional minimum incomes.

Protecting families with children: key to preventing the intergenerational transmission of poverty

Protection of families with dependent children shows a low level of expenditure (1.3 per 100 per cent of GDP) and 40 per cent lower than in the EU-19, even though child and youth poverty is among the highest in the EU.

Combining redistribution with pre-distribution/social investment: it is better and more efficient to «prepare than to repair»

Emphasis on *social investment* for the future (human capital, children, families and gender equality) to provide the population with the necessary mechanisms to face the challenges posed by globalisation, the knowledge society, digitalisation and the ecological transition.

Inequality and potential growth: the role of education, lifelong learning and the labour market
The increase in the educational level of the population has been combined with greater educational equity, but the *education system maintains structural aspects* that negatively affect educational training (grade repetition, early school drop-out, school segregation) and *that show a higher incidence among students from lower-income households.*

- *Need to improve support for disadvantaged learners, as well as ensuring flexible opportunities for skills enhancement and lifelong re-training with the ultimate aim of boosting employability.*
- *Need to further improve the functioning of the labour market* (for more details, see Chapter 2).

Social cohesion with a gender perspective

The unequal distribution of time dedicated to domestic and care work, the lack of progress in co-responsibility, together with other socially and culturally rooted factors, continue to limit the participation and valuing of women's work, as well as their possibilities for promotion in the professional, social and economic spheres.

Further progress is needed to develop a sufficiently extensive, affordable and high-quality public care network so that, as a result of an unbalanced distribution of care work, one of the two sexes is not particularly penalised in terms of labour market participation.

Social policies should move towards levels of spending and efficiency similar to the EU average, but as part of a comprehensive strategy for social cohesion that addresses the production model, the labour market and redistributive policies, including fiscal policy as well as social and labour policies.

Source: own elaboration.

BOX 2. DEMOGRAPHIC CHANGE AND SOCIAL WELFARE

Target

Adequately managing the repercussions of demographic change for the maintenance and improvement of the key pillars of welfare, social cohesion, the intergenerational pact and territorial structuring.

Spain's strengths

One of the world's highest life expectancies at birth, at 65 and in health. Delayed baby boom. Favourable socio-occupational integration of immigrants. Strong intergenerational solidarity networks.

Main risks

Difficulties in maintaining an adequate standard of living in old age and the sustainability of key dimensions of social protection (pensions, long-term care and health) due to the rising demographic old age dependency ratio and the growing demand for age-related benefits and services.

Opportunities: to achieve an adequate quality of life and opportunities throughout the life cycle, within the framework of an open, inclusive, egalitarian, diverse and territorially cohesive society, reinforcing intergenerational equity.

- Increasing the social participation of older people.
- New care economy: impacting on reducing gender inequalities and job creation.
- Expansion of sectors linked to demand shifts («silver economy»).
- Reduction of age and territory digital divide.
- Childhood, youth and support policies for the creation of homes.

Challenges**Adaptation to a society with an increased presence of older people*****Bringing years back to life and reducing inequalities***

Continuing progress in life expectancy and adding quality of life to the years by promoting public health policies, encouraging healthy habits and lifestyles, improving early diagnosis and treatment of diseases and taking greater account of environmental, gender and socio-educational factors. Transformation of the health system from an acute care model to prevention and tackling of chronicity.

Strengthening the foundations for the sustainability of social protection and its adaptation to population ageing

Tackling the increase in public spending associated with ageing as a whole will require strengthening the sustainable financing of the system, so that, together with the adoption of structural reforms (including tax reform), it will be necessary to increase employment, employability and labour productivity, taking advantage of digitalisation and technological changes so that they translate into more and better jobs. Tapping the productive potential of society as a whole by activating as many people as possible, including women and prematurely expelled workers.

An ageing workforce: age management and active ageing

New approaches to capitalising on experience, managing diversity and non-discrimination based on age, lifelong learning, incentives to stay in the labour market and addressing new challenges in occupational health and safety. Addressing supply-side issues, generational change and knowledge transfer in strategic sectors that will face numerous retirements at the same time.

Flexible formulas for active ageing based on voluntariness, bringing the effective age closer to the legal retirement age and making work and pension compatible.

Longevity and heterogeneity of situations: from «gerontolence» to the ageing of ageing

Reconceptualisation of old age and appreciation of the economic, social, cultural and political contribution of older people.

Within this group, the increase in the proportion of very old people points to the care crisis: the need to provide professionalised, accessible and quality care systems that reduce gender inequalities.

BOX 2. **DEMOGRAPHIC CHANGE AND SOCIAL WELFARE** (continuation)**Difficulties in household formation, fertility decline and unintended delay*****Supporting youth emancipation and household formation***

Mix of policies that favour the personal autonomy and employability of young people in the fields of education, active policies, access to housing, taxation, equality and social inclusion policies.

Overcoming barriers to effective equality of women and men

Promoting an environment favourable to co-responsibility and the development of instruments to reconcile work, personal and family life; filling gaps in terms of infrastructure and care («new care economy») and encourage a social organisation favourable to parenting.

A society with fewer children and young people

Strengthening policies to support children and families, especially the most vulnerable ones, such as single-parent families.

Effective planning of educational and training resources due to decreasing demand, ensuring quality and equity.

Rethinking housing policies, urban planning, mobility and the urban agenda

Adaptation to new patterns in household formation: smaller size, increasing weight of older people and single-person households.

Migration, effects and opportunities***Immigration, an engine of growth and social change***

More immigration will be required to mitigate the consequences of the demographic challenge, fostering the working age population and increase the level of employment. Need for greater progress in common migration, asylum and refugee policy in the EU, which favours socio-occupational integration, activation, recognition of qualifications and development of migrants' skills. Policies for managing diversity, coexistence and interculturality. Promoting equal opportunities, especially for second generations. Attracting and retaining talent.

Improvement of the reception system for international protection petitioners, in cooperation with the European Union.

Emigration abroad and mobility in a globalised context

Policies to maintain cultural, employment, political and economic links with Spain and, where appropriate, return.

Internal migrations and a «depleted Spain», the challenge of advancing equality in access to rights and services

Equal access to services, equality between women and men in all areas, the generation of entrepreneurial opportunities and the promotion of economic activity in areas with greater difficulties in competing in globalised markets, as pointed out by the CES, among other recommendations, in its CES 2|2021 Report on A Living and Sustainable Rural Environment.

Addressing the causes of the displacement of young people from certain inland regions in relation to the mismatches in the supply of employment.

Taking advantage of the momentum given by the RTRP to the Demographic Challenge Action Plan to accelerate its implementation.

Intergenerational solidarity must remain one of the foundations for recovery. Addressing demographic change requires a cross-cutting approach that ensures more opportunities for youth and household formation, while ensuring adequate and sustainable social protection in old age, in the framework of an open, inclusive, egalitarian, diverse and territorially cohesive society. The RTRP roadmap and the reforms linked to it represent a unique opportunity to boost adaptation to demographic change, which require a high level of consensus in the framework of social dialogue.

Source: own elaboration.