



*The 8 February, 2011.*



# **FLEXIBILITY AND SECURITY IN THE CONTEXT OF THE CRISIS AND RECOVERY**

## **SPAIN**

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# REASONS FOR UNEMPLOYMENT IN SPAIN



## **Economic situation**

- Deficiencies in our national productive structure.
- High external deficit
- Lack of competitiveness

## **Spanish labour market**

- Specific aspects of the Spanish labour market
- Insufficient implementation of reforms
- Collective negotiations

## **Weakness of the Spanish labour market**

- Extreme sensibility of Spanish labour market



# REFORMS IMPLEMENTED



- **Reform labour market - Law 35 /2010, 17 September 2010 (RDL 10/2010, 16 June 2010)**

## **Objectives**

- Reduce the duality of the Spanish labour market
  - Enhancing internal flexibility in companies
  - Stimulate companies to hire a specific group of employees
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- **Reform social security system - Economic and social agreement of 2 February 2011**

# TEMPORARY CONTRACTS

- **Unnecessary time limit → 3 years**
- **Places more restrictions on succession of contracts**
- **Increase costs of the extinction of temporary contracts**

**Progressive increase from 8 to 12 days salary per working year:**

- ✓ **8 days for contracts signed before 31/12/2011**
- ✓ **9 days for contracts signed after 01/01/2012**
- ✓ **10 days for contracts signed after 01/01/2013**
- ✓ **11 days for contracts signed after 01/01/2014**
- ✓ **12 days for contracts signed after 01 /01/2015**

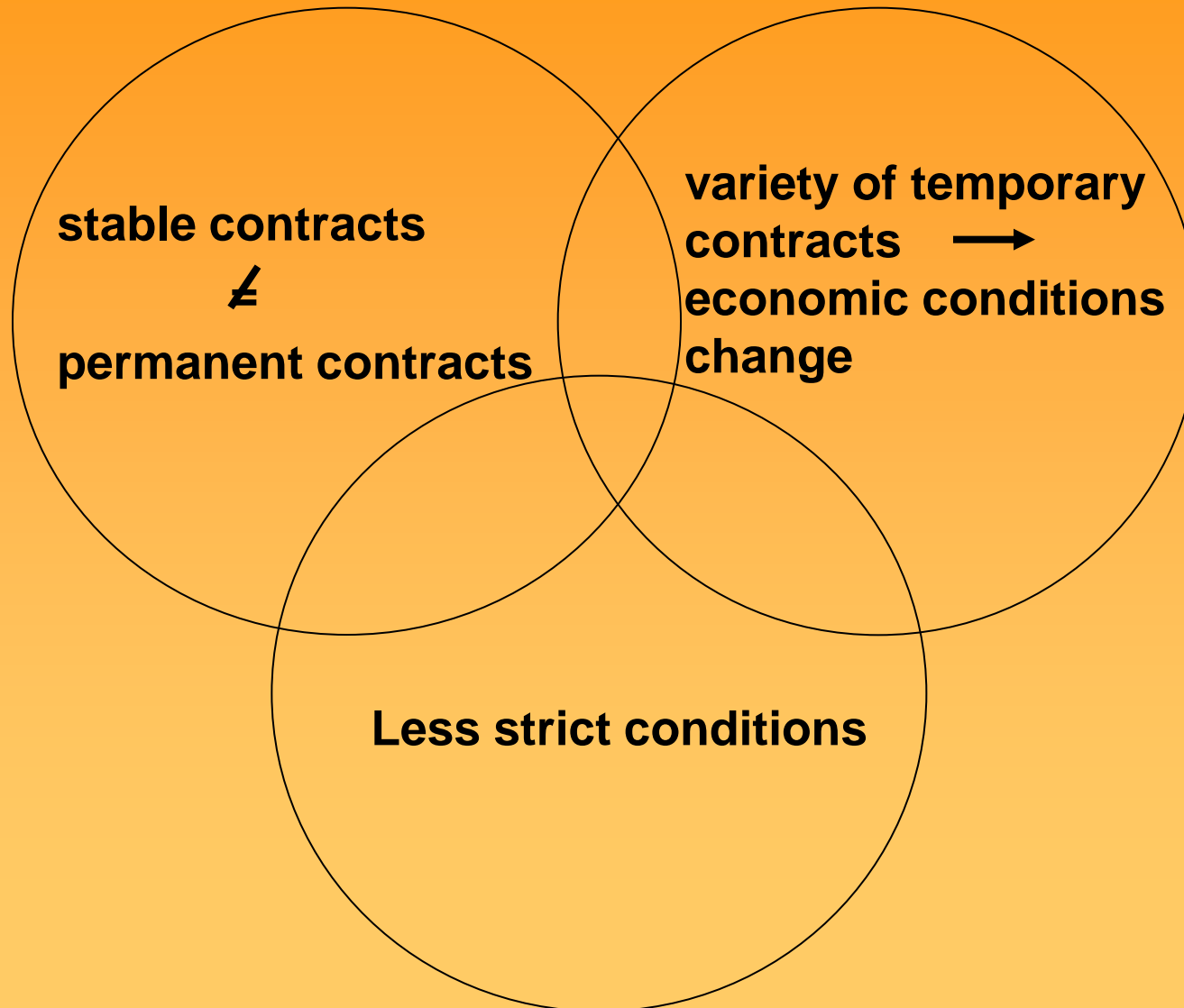


# PERMANENT CONTRACTS

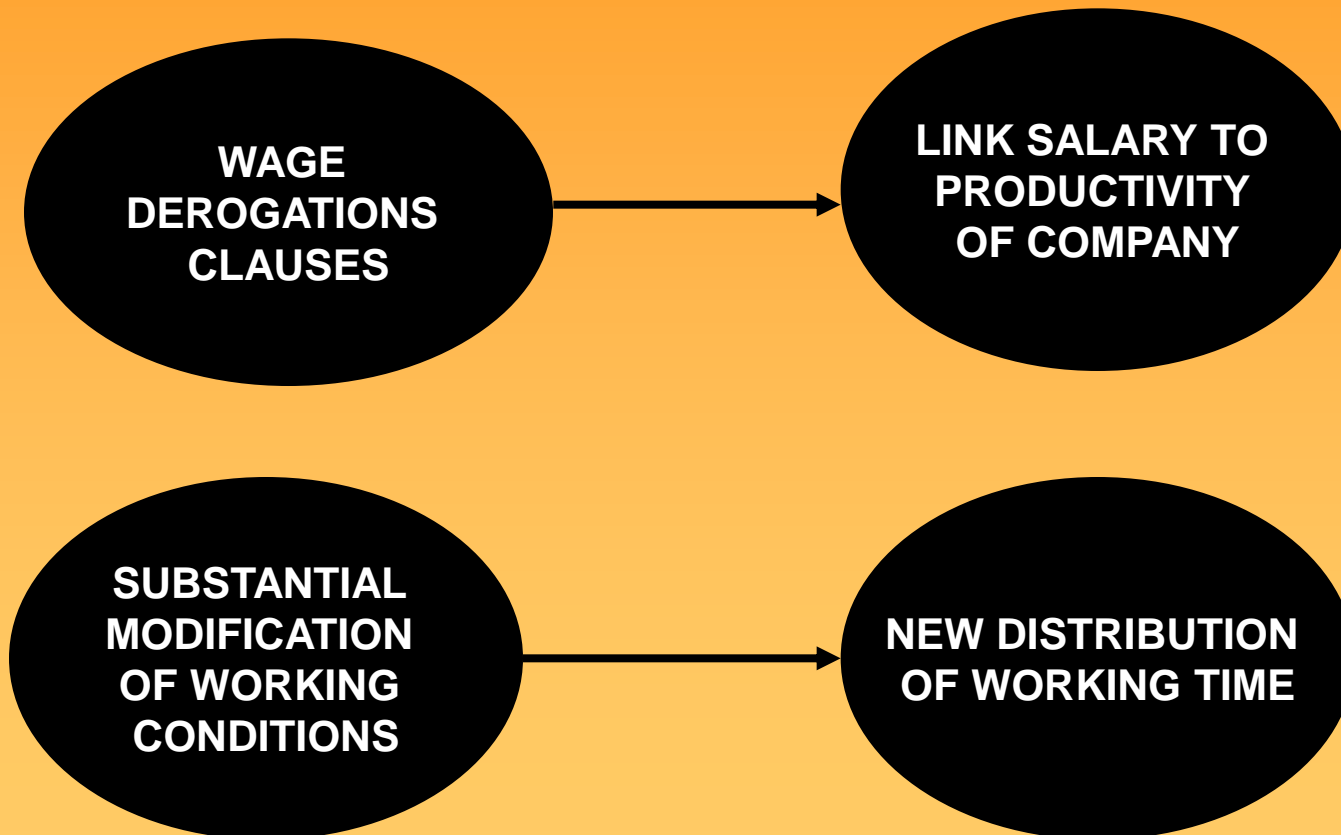


- **Normal dismissal → 45 days per year**
- **Objective dismissal → 20 days per year**
- **Objective criteria → clarify**
- **Individual and collective dismissal → reform is insufficient**

# MORE FLEXIBILITY



# INTERNAL FLEXIBILITY





# ECONOMIC AND SOCIAL AGREEMENT- 2 FEBRUARY 2011



## Reform social security system

- Normal retirement at 67 – career 37 years
- Retirement at 65 – career 38.5 years
- Early retirement at 63 - career 33 years
- In case of company in crisis, retirement at 61 – career 33 years



# CONCLUSIONS

- More ambitious and take far reaching measures necessary
- Link between salary and productivity/results of company
- Quality of work and employment goes hand in hand with economic performance
- Further actions → flexicurity