

## **EGGE – EC’s Expert Group on Gender and Employment**

### **Supplementary information regarding policies to promote gender equality and employment**

#### **Spain**

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**Supplementary information regarding policies to promote gender  
equality and employment : Spain**

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**REPORT FOR THE EUROPEAN COMMISSION'S GROUP OF EXPERTS ON  
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# **1.Information on the Observatory for Equal Opportunities of women and men.**

## **1.1. Introduction.**

The objective of this brief report is to provide information on the Spanish Observatory for Equal Opportunities for Women and Men. The relevant issue is that it can be considered as an institutional mechanism for gender mainstreaming in Spain. Given its short history, it is still difficult to assess the future impact and its achievements. Consequently, the main part of this report will be devoted to the description of the observatory. However, some information on the actual working and a historical perspective of the proposal is used to make a provisional evaluation of its potential effect on gender equality.

## **1.2. The proposal in a historical perspective.**

The creation of an observatory of equal opportunities is first mentioned in the III Plan of Equal Opportunities between Women and Men, 1997-2000 (III Plan para la igualdad de oportunidades entre mujeres y hombres 1997-2000, page 22). It appears as action 1.3.8 for the achievement of objective 1.3 on promotion of research on women and gender. It is in the area of education, but not in employment (in the area of communication and the media it also appears the creation of an observatory of advertising; see page 62). The observatory has as a general purpose, the knowledge of all types of gender inequality.

On the other hand, the observatory is also acknowledged in subsequent NAPs. To increase the amount of gender differentiated statistics used to be one of the ideas associated with the plan to create the Equality observatory (p.47 1999 NAP, guideline 19). In 1999 the development of statistical information on women and the setting up of an equality observatory coincides with the follow up of a strong impulse of gender mainstreaming in the 1998 Spanish NAP, that has become weak in its subsequent progress. In the NAP 2000, appears the setting up of the observatory, but no budget was assigned at this time.

Finally, the NAP 2001 establishes the observatory, stating that it is an instrument to correctly implement the principle of gender equality in all actions of the Spanish 2001 NAP (pages 39-40 of the Spanish NAP) (Moltó and Valiente, 2001:19).

### **1.3. Objective and functioning.**

The observatory of equal opportunities (Observatorio de la Igualdad de Oportunidades entre mujeres y hombres) was set up on 6<sup>th</sup> October 2000 by Royal Decree Law 1686/2000. The main purpose, explicitly stated in its first article is to build an information system that allows the diagnosis of the situation of women relative to men and the effects of equality policies. The collection, analysis and dissemination of information on the position of women in the labour market and social protection and policy proposals are the objectives of the observatory. However, the observatory is also in charge of surveying the treatment of women by the media in advertisements and other related matters. The collection and dissemination of information not only on the situation of women relative to men, but also on measures proposed by different bodies of public Administration (central and local governments). It is also meant to be a communication body between the public administration and society, as well as with international institutions.

The observatory is integrated within the Ministerio de Trabajo y Asuntos Sociales (Ministry of Labour and Social Affairs). Even if the Women's Institute, which is also within the Ministry of Labour, will be involved in the management of the observatory, through the second vicepresident and the secretary of the observatory, there are a total of 48 members. Among them there is one representative of the equal opportunities bodies of the regional governments, one representative of the Spanish federation of municipalities, six representatives of NGO's, the General Director of migrations, youth and family directorates, the subdirector of social and labour statistics, and of the National Institute of Statistics, as well as of the Labour Inspectorate and the Center of Sociological research. Finally, all ministries are represented by subdirectors (or persons of equivalent rank).

The functioning of the observatory is organised in plenary meetings and working groups. Three working groups have been set up: one on employment, one on education and the other one on social exclusion. The first plenary meeting was on 21<sup>st</sup> November 2001. The working groups have started their meetings on 2002. The first one to meet on was the group on social exclusion, followed by employment. The meeting of the working group on education will take place on 18<sup>th</sup> April 2002. In the meeting of the social exclusion group it was agreed to tackle the minimum pension problem and to

study the situation and regulations as well as to provide indicators and statistical sources to make the follow up of this subject.

No specific budget for the observatory exists. In fact, it is explicitly stated in the Royal decree law that the Ministry of Labour and Social Affairs will support the observatory with its own budget and personnel and that no increase in the budget is allowed. However, the Women's Institute in charge of the management of the observatory assigned 90,000 euros in 2002 for the three working groups.

#### **1.4. Concluding remarks.**

A change of emphasis from a general information system to a more specific one centred on employment is observed from the initial idea of the observatory appeared in the III Plan in 1997 to the actual idea when it was created in 2000.

It should be valued as positive the creation of the observatory as a permanent body for the collection of information and analysis of trends of gender inequality. It is also very important that the composition of the observatory includes representatives of different ministries in charge of policy of different areas and of statistical and research bodies.

However, in order to prevent any loss of efficiency in the functioning of the observatory, the following suggestions are made: (i) given the broad objective of the observatory, a careful planning of tasks with different time horizons should be made, and the corresponding budget assigned; (ii) though the basis for mainstreaming is established, it is important that all the representatives of the ministers have the direct responsibility for involving gender issues in all the policies of their departments. (iii) the development of gender indicators should be integrated in the national system of information and indicators; (iv) Finally, in order to increase the communication between the public administration and society, it is necessary to publicise the observatory and its activities. The web page of the women's Institute would be a good place. However it did not say anything yet (15 April 2002). Neither the statistics regularly published in the web page are integrated yet within the observatory, but still are apart.

## **2. Information on Royal Decree Law 5/2001.**

### **2.1. Introduction**

The objective of this brief report is to provide information on the Royal Decree Law 5/2001, that was later on approved as Law 12/2001 of the labour market reform. The main objective of this law is the generation of stable employment. In fact, special emphasis in stable employment was made in the previous labour market reform of 1997 (Law 63/1997)<sup>1</sup>.

Law 12/2001 is the follow up of measures related to the new indefinite contract of employment promotion with a lower firing cost and the flexibilisation of part-time contracts through the use of complementary hours. The main features of the labour market reform are commented next followed by some evaluations and concluding remarks.

### **2.2. Characteristics of the labour market reform 2001.**

The main features of the labour market reform 2001 are the social security rebates for indefinite contracts and the new regulation of part-time contracts. Both have particular effects on the situation of women in the labour market.

The indefinite contract of employment promotion is extended to a higher number of categories of persons with special difficulties of access to employment. Unemployed women 16-45 are allowed a 25% social security rebate during 24 months. This rebate is higher for women younger than 45 unemployed for less than 6 months (35% social security rebate during 24 months), and even higher for women older than 45 unemployed for more than 6 months (70% social security rebate for the first 12 months and 60% for the remainder 12 months). This also applies to unemployed women in occupations where they are under-represented<sup>2</sup>. This rebate can go up to 100% for long term unemployed mothers of children up to 2 years old and for substitution contracts of maternity leave. In the last case, the rebate is applicable not only to the contract that substitutes but also to the substituted employee.

The main novelty of part-time contracts is that overtime is not allowed, except in particular situations. However, for employees on part-time indefinite contracts, it is

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<sup>1</sup> A detail account of the labour market reform 2001 can be seen in Moltó and Valiente (2001), pages 11-12.

possible to agree with the employer a maximum of 15% of usual working hours in a full-time contract as complementary hours, unless otherwise stated in the collective agreement applicable (with an absolute maximum of 60%). In addition, part-time employment on indefinite contracts is also subject to the social security rebates under the conditions just mentioned above. It is also interesting the compatibility between the maternity subsidy and part-time employment (Royal decree 1251/2001).

Finally, short term temporary contracts (less than 7 days), increases the employer social security contribution in 36%.

### **3. Concluding remarks.**

The Labour market reform launched by the Government, without the agreement of the social partners, by Royal Decree Law 5/2001 on 2 March 2001 was finally approved by Law 12/2001, on 27 June 2001. The trade union Comisiones Obreras (CC.OO., 2001 b), criticised the whole procedure due, on the one hand, to the urgency character of the Royal decree law that prevented achieving an agreement between the social partners. On the other hand, they criticised the improvisation of the Government for the presentation of a total of 45 amendments to the project of the law.

As a consequence, CC.OO. (2001 a) made suggestions in order to improve several aspects of the labour market reform, before its final approval. A good deal of attention was devoted to the regulation of part-time contracts, given the subsequent changes of definition of a part-time contract in relation to full-time employment<sup>3</sup>. Another important issue was that of complementary hours in part-time contracts, particularly in relation to the voluntary character and the possibility to reduce or suspend the amount of agreed complementary hours due to family responsibilities. It is also mentioned in that report the fact that temporary contracts should be preferably converted into indefinite ones, over their use, even under the new regulation of 8 days severance payment for per year worked. It is however highly valued the economic incentives to the employment of women, where practically any unemployed woman can be at the social security rebates programme.

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<sup>2</sup> According to Secretaria General de Empleo (2002), it was predicted that 225,000 women 16-45 years old (33% of them on part-time contracts), would benefit from the social security rebates.

<sup>3</sup> A part-time contract is considered when the working time in relation to a full time contract was 2/3 before 1994, simply less than full-time in the period 1994-1998, 77% from November 1998 to March 2001 and finally less than a full-time job from March 2001 onwards

In fact, not only the recovery of indefinite contracts, but also the female share has been improved as a consequence of the improvement of economic incentives for the contracts of employment promotion in the case of women. (In 2001 50% of the unemployed provided with an employment promotion contract were women, in contrast with only 38% in 1999; CCOO, 2001c, page 50). However, in 2001 after the labour market reform, women kept the same share of 40% in the transformation of temporary contracts into indefinite contracts. According to CC.OO. (2001c), this shows the importance of positive actions to achieve equality by establishing economic incentives for contracting women. In the employment promotion contracts the incentives are in the form of a higher social security rebate in the contracts for women than in the contracts for men<sup>4</sup>, while no differential treatment appears in the transformation contracts.

Finally, the labour market reform 2001 has not achieved a significant increase on part-time contracts. The percentage of part-time employment on total employment is around 8% in 2001, the same than after previous regulations of this employment form in 1998. The difference with respect to the EU average in the percentage of part-time, which is approximately a half in Spain, is due to the lack of interest of both the employers and the employees. Other forms of precarious employment are used by the employers to obtain more flexibility. Also a significant proportion of the employees declare that they are on a part-time job because they did not have the opportunity to get a full-time job. However, despite the fact that the last labour market reform do not significantly increase its share on total employment, it is true part-time indefinite contracts increased 18.5% from 2000 to 2001. This is mostly due to the transformation of full-time contracts into part-time contracts of long duration (more than 77% but less than 100% of normal working hours). From the previous regulation of 1998 to the present regulation that abolishes the 77% limit, they increase at a rate of 136.8% in the same period (Martín Urriza and Zarapuz , 2002).

In sum, it is necessary to continue to promote women's employment, as the Law 12/2002 does, but stronger impulse is needed because there is still a long way to go, given the relatively low activity rate and relatively high unemployment rate as compared to European standards.

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<sup>4</sup> The difference in the social security rebates of employment promotion contracts for different categories of unemployed men and women is always 10 percentage points more for women in full-time contracts than for men.

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