

# SPAIN



Key policies to promote longer  
working lives

Country note 2007 to 2017

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# KEY POLICIES TO PROMOTE LONGER WORKING LIVES IN SPAIN<sup>1</sup>

(Situation 2007 to mid-2017)

*Spain could do more to increase the employment rate of older workers. According to the Late Career Scoreboard at the end of this report (Table 1), despite recent increases the rate remains below the EU average (in 2016, 39% among those aged 50-74, compared with 45.4%). In particular, as synthesised in Table 2, Spain could take action to launch public awareness campaigns to prevent age discrimination; encourage good practice in collective labour agreements and by individual employers in managing an age-diverse workforce; review the use of seniority wages; and help balance professional and family responsibilities. That said, Spain has in fact done much to prevent welfare benefits being used as alternative pathways to early retirement. The country has also taken steps to enhance participation in training; set up mechanisms for recognising and validating skills; and strengthen workplace health and safety. Finally, although Spain has raised the statutory retirement age, the country could do more to also raise the full-pension retirement age.*

## 1. Rewarding work and later retirement

### 1.1. Enhancing incentives to continue working at an older age

#### Introduction

The Spanish pension system is made up of three pillars. The public pension system (first pillar) consists of a single, earnings-related benefit based on the contribution level, with a means-tested minimum pension. There is also a non-contribution means-tested level, which replaces the previous special social assistance scheme (OECD, 2017a).

The complementary private pension system is voluntary and structured into occupational pension funds (second pillar) and individual funds (third pillar), with individual pension plans. The majority of occupational pensions are found in large enterprises, particularly in the financial and electrical sectors and multinationals; they are rarer in small and medium sized enterprises (SMEs). This is due to occupational pension plans tending to result from collective bargaining between companies and workers, and trade unions having greater negotiation powers in large companies. More pensions are of the third pillar than the second: 63% of the value of pension funds corresponds to individual plans, and the rest to occupational plans (European Commission, 2015).

A new Adjustment Pensions Index (IRP) is applied from 2014, and a Sustainability Factor (FS) will be introduced in 2019 and be applicable to new pension benefits. This factor takes into account increases in the life expectancy of new pensioners. The earnings base is equal to earnings over the 21 years preceding 2018. From 2022 onwards the earning base will be calculated from the past 25 annual earnings, uprated in line with prices apart from the last two years (OECD, 2017a).

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1. This note has been produced by the Ageing and Employment Policy Team with a contribution from Nicola Duell.

Following the pension reform of 2011, the statutory retirement age for a full pension benefit was increased from 65 years to 65 years and 6 months in 2018 if an individual has less than 36 years and 6 months of contributions. In 2027 the statutory retirement age will be 67 for both men and women. From 2017 however, retirement with a full pension will still be possible at 65 if an individual has paid 38.5 years of social security contributions (against 36.5 years today).

Despite prospects of rapid ageing in Spain, from 2027 people who will have contributed for at least 38.5 years will still be able to retire at age 65 with a full pension – this is the normal retirement age in the OECD baseline case (OECD, 2017a). This future normal retirement age remains below the OECD average of 65.8 for men and 65.5 for women, and substantially lower than projected in Denmark (74), Italy (71) and the Netherlands (71).

### *Facilitating phased retirement*

Partial retirement is possible four years before reaching pensionable age (from 61 years and 6 months in 2018); it requires 33 years of contributions. The maximum reduction in working hours is 50%, or up to 75% in the case of a substitute worker being hired on a full-time basis with a permanent contract. Social security contributions must be made for full working hours even if the work is actually part time. From 2027, when the 2013 reform fully goes into effect, partial retirement will be possible at 63 with 36 years and 6 months of contributions, or at 65 years with between 33 years and 36 years and 6 months of contributions. Both the new and the partially retired employee will contribute fully to the pension system once the transition period ends in 2023. These contributions will be considered when the worker enters into the regular old-age pension scheme. Prior to the 2013 reform, those partially retired contributed only for the portion of the working day effectively worked.

Partial retirement before a worker reaches the statutory retirement age does not entail costs for either the employer or the employee, since all the cost is financed by social security. Currently it is being used as a form of an early retirement. In 2016, around 10% of the new old-age pensions are partial pensions, and the average length of the partial pension take-up is four years before pensions are converted into regular old-age pensions.

### *Better combining of pensions and work income*

There have been severe disincentives to combining work and a full pension in Spain, although some obstacles were reduced with the 2013 reform. Combining is possible in all OECD countries, and in most of them pensioners have no working restrictions once they are eligible for a full pension. Only seven countries, including Spain, apply limits to the earnings above which combined pension benefits are reduced (OECD, 2017b). In Spain, since March 2013 it is possible for individuals eligible for a full pension<sup>2</sup> to combine retirement benefit receipt and work in the private sector. In this case, and for the duration of such a situation, the pensioner will receive 50% of the pension. Once the work is over the pension will be restored to the full amount, with any revaluations that may have been made. Furthermore, a new measure taken to promote longer working careers is to allow combining of the full old-age pension with self-employed activities in two cases: when the total annual income received does not exceed the national minimum wage calculated on an annual basis, with no social security contributions being payable on such income; and when the self-employed hire at least one worker. Moreover, those combining work and pensions do not earn additional pension entitlements although they pay a special “solidarity” contribution of 8%; the payment is not due from those continuing to work and deferring the pension.

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2. Above the statutory retirement age (65 years and 6 months in 2018), or age 65 with 36.5 years of contributions.

Workers older than the statutory retirement age also have the option of accessing “flexible retirement”. This makes it possible for them to reconcile a retirement pension, once awarded, with a part-time contract (for a working day reduced by between 25% and 50%). It subsequently entails a pension reduction in direct proportion to the pensioner’s reduced working day, taking as reference the working hours of a full-time comparable worker. Furthermore, since 2011, combining the old-age pension with self-employed activities is allowed if the total annual income received does not exceed the national minimum wage calculated on an annual basis, with no social security contributions being payable on such income.<sup>3</sup>

Despite these welcome reforms, the OECD (2017b) recommends removing some of current restrictions on combining work and pension, so that all pensioners can work and receive 100% of the pension benefit.

### *Rewarding longer careers*

It is possible to defer withdrawal of pension benefits after normal retirement age, and 2011 saw the introduction of higher bonuses for deferral, especially for those who have already been entitled to receive a full pension. For workers who have contributed between 15 and 25 years and continue working after the age of 67, the pension benefit will increase by 2% of the base of calculation per additional year. The increase is 2.75% with 25 to 37 years of contributions and 4% with 37 or more years of contributions (OECD, 2017a). In cases where older workers have contributed 38.5 years, their pension rises by 4% per year from age 65 onwards.

## **1.2. Towards restricted use of early retirement schemes**

### *Restricting access to publicly funded early retirement schemes*

In Spain, early retirement before the legal retirement age is possible under certain circumstances,<sup>4</sup> including disability, arduous/hazardous work (AHW) and, since the 2011 reform, involuntary and even voluntary termination of work. In 2013, further restrictions to access early retirement were introduced.

In case of involuntary termination of work, workers may take early retirement no more than four years before the legal retirement age, and they should have been registered for at least six months as a jobseeker prior to applying for retirement. They should also have contributed for 33 years, at least two of which should be during the 15 years prior to entitlement to retirement. Workers who have belonged to a mutual benefit fund since at least 1967 may retire at 60, but they are penalised by an 8% per year reduction in early retirement (which means an increase of 2 percentage points with respect to the former legislation). On the other hand, in case of voluntary termination of work, workers can take early retirement if they are no more than two years younger than the legal retirement age; are registered with social security; and have contributed for at least 35 years, at least two of which should be during the 15 years prior to entitlement to retirement. Furthermore, the amount of the pension should be higher than the minimum, which corresponds to their family circumstances at the time of reaching 65. For contribution periods longer than 44 years and 6 months, the quarterly reduction coefficient will be either 1.625% or 1.5% depending on whether or not the retirement is voluntary. As the period of contribution decreases, reduction coefficients gradually increase until a maximum of 2% (voluntary) or 1.875% (involuntary).

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3. [www.seg-social.es/Internet\\_6/Trabajadores/PrestacionesPension10935/Jubilacion/RegimenGeneral/Jubilacionordinaria/IncompatibilidadesE28478/index.htm](http://www.seg-social.es/Internet_6/Trabajadores/PrestacionesPension10935/Jubilacion/RegimenGeneral/Jubilacionordinaria/IncompatibilidadesE28478/index.htm) (accessed 25 February 2018).

4. **Error! Hyperlink reference not valid.** <https://ec.europa.eu/social/main.jsp?catId=1129&langId=en&intPageId=4797> (accessed 25 February 2018).

### *Introducing specific provisions for arduous/hazardous work*

For some time now, the Spanish social security system has been recognising and regulating the working and retirement conditions of certain groups engaged in AHW, such as miners and those working at sea. Those performing AHW benefit from a reduction coefficient for retirement before the statutory retirement age; the coefficient varies according to the profession and the degree to which the job is arduous/hazardous (European Commission, 2016).

As a way of extending the working life of these persons, retirement is often pushed back by improving working conditions as retirement approaches, reducing working hours, replacing AHW by less arduous working activities, or arranging partial retirement. These policies are applied by sector, although not generally or systematically (see more in Section 3.3). In spite of this, there have been no special innovations to extend working life in the majority of hazardous activities.

### **1.3. Preventing welfare benefits from being used as alternative pathways to early retirement**

#### *Unemployment (insurance and assistance) benefits<sup>5</sup>*

Entitlement to an unemployment insurance benefit and its duration do not differ among age groups. In 2011, an “Active Placement Income” benefit was introduced for unemployed persons over the age of 52. This measure offers longer-term support to those with particular economic needs who are actively looking for a job but are having difficulty finding one. Previously, the benefit had been paid for a period of 11 months and for no more than 3 periods of unemployment.

In addition, unemployed persons older than 45 have access to unemployment assistance benefits with less demanding requirements and for a longer period (from 18 to 36 months depending on family responsibilities and previous contributions). They are also considered a priority group in certain training programmes.

For the unemployed over 55 who fulfil all other conditions for retirement, the duration of unemployment assistance benefits is extended until retirement age. In 2016, around 30% of unemployment assistance benefits were received by unemployed workers over 55.<sup>6</sup>

#### *Social aid<sup>7</sup>*

There is a minimum income scheme called the Ingreso Mínimo/Renta Mínima de Inserción (Minimum Income for Insertion – MII) implemented in the 17 Autonomous Communities (regions). There is no specific national legislation defining it, but the general principle is to alleviate poverty by means of cash benefits for basic living needs. Each Autonomous Community has its specific laws regulating the MII.

In all cases the claimant must be available and actively seeking work. The minimum age is 25, or less if the claimant has dependants (it can be 18 in certain regions), and the maximum age is the statutory age of retirement. Qualifying households must pass an income test. The claimants who participate in social and labour measures for integration and in the ongoing social support measures established with each claimant receive a monthly income supplement.

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5. [www.oecd.org/els/soc/benefits-and-wages-country-specific-information.htm](http://www.oecd.org/els/soc/benefits-and-wages-country-specific-information.htm) (accessed 27 February 2018).

6. *Anuario de Estadísticas 2016*, [www.empleo.gob.es/es/estadisticas/anuarios/2016/index.htm](http://www.empleo.gob.es/es/estadisticas/anuarios/2016/index.htm) (accessed 25 February 2018).

7. [www.oecd.org/els/soc/benefits-and-wages-country-specific-information.htm](http://www.oecd.org/els/soc/benefits-and-wages-country-specific-information.htm) (accessed 27 February 2018).

No specific action relevant to older workers has been taken.

### *Disability benefits*

Since the law of 2011, the pension for people with either permanent or partial disabilities preventing them from exercising their normal profession is the final pension, but may in exceptional cases be replaced by a fixed amount if they are under 60. Those classified as permanently and totally disabled and so unable to exercise their normal profession shall receive the pension together with an additional percentage fixed by the regulations if it is clear – from their age, lack of general or specific training, social and professional circumstances or place of residence – that they will have difficulty finding a job other than their usual one. Where total disability is the result of a common disease, the amount of the pension may not be less than 55% of the minimum wage for persons over 18. Those persons receiving an absolute disability pension are allowed to work in those activities fitted to their work limitations while these limitations remain.

## **2. Encouraging employers to retain and hire older workers**

### ***2.1. Preventing discrimination in employment on the basis of age***

#### *Implementing current or new legislation*

Spanish law sets forth a general principle of equality, which forbids all forms of discrimination. According to Article 14 of the Spanish Constitution, Spaniards are equal before the law and may not be subjected to any discrimination by reason of birth, race, age, sex, religion, opinion or any other personal or social circumstances.

More explicitly, Article 17 of the Workers' Statute prohibits such discrimination in employment relationships in stipulating that collective bargaining agreements (CBAs), pacts or decisions of the employer that directly or indirectly discriminate on the grounds of age are null and void, as are acts of positive or negative discrimination by the employer during employment.

However, Spain does not have specific protection for age-based harassment, in line with other grounds of discrimination such as sex, race, religious belief and sexual orientation. An age harassment claim has to be brought as a claim of direct age discrimination. Moreover, there has not been any recent modification in the legislation to include age discrimination more explicitly.

Unfortunately, there is no information on the number of official complaints on age discrimination in Spain, but according to ALTER (2014), in 2013 13% of adults aged 45-64 perceived discrimination in the labour market on the grounds of age.

#### *Launching public awareness campaigns*

Although mentioning age in job vacancy advertisements is illegal, examples of discriminatory practices still remain. According to González Gago and Segales (2012) a best active ageing strategy in Spain calls for corporate social responsiveness to the positive values associated with keeping older workers in the labour market.

## **2.2. Taking a balanced approach to employment protection by age**

### *Implementing age-neutral measures*

In 2012, two measures were introduced to try to stop or at least reduce the inclusion of employees over 50 years old in collective dismissals. These are the following:

- i. All the companies that decide to include employees over 55 in a collective dismissal will have to sign a special agreement with social security and pay for their contributions until the employee is 61 years old. The cost of this special agreement will depend on the employees' circumstances, but an amount of around EUR 30 000 per employee over 55 is foreseen.
- ii. Companies employing more than 100 employees that decide to include employees over 50 in a collective dismissal may have to pay the cost of the unemployment subsidy and the corresponding contributions to social security. This obligation will only be applicable if the companies declared profits during the two years previous to the dismissals carried out. The foreseeable cost of this obligation will be around EUR 120 000 per employee dismissed.

No information on the impact of these measures is available.

## **2.3. Discouraging mandatory retirement by employers**

### *By law in general and by sector/occupation, private/public sector, region*

CBAs have traditionally forced older workers to retire when they reach the established age for doing so. Since 2011, this can only be enforced when the older worker has covered the minimum length of contributions to be entitled to receive 80% of a full pension. Moreover, a law implemented in 2012 declared illegal any clauses included in CBAs regarding mandatory retirement. Therefore, a mandatory retirement clause included in a CBA signed after passage of the law is declared null and void. On the other hand, any mandatory retirement clause included in a CBA that was already in force before passage of the law will remain valid until the expiration date of the CBA. Once the CBA has expired, these clauses will be considered null and void as well.

In only one case does mandatory retirement remain: workers assigned to the system of Clases Pasivas del Estado (public sector employees), who are subject to obligatory retirement at 65. Exceptions within this group include officials figuring among university teaching staff, magistrates, judges, prosecutors and attorneys and property registrars, admitted to the profession before 1 January 2015; for these persons, the age of obligatory retirement is 70.

## **2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers**

### *For all older workers*

One of the recent major developments targeting people over 55 is the programme *Strategy 55+*, launched in 2011 (Eurofound, 2013). The programme document was elaborated as a result of previous discussions between the government and the most representative social and employer organisations in Spain. The document establishes that both types of organisations must participate fully in developing any course of action. This is the most significant of all the measures in which the social partners have participated.

Among the courses of action that relate to keeping workers over 55 in the labour market, *Strategy 55+* emphasises raising social awareness of the positive work values of older workers. The document claims

that keeping these workers in the labour market requires society's recognition of the virtues and values of the work carried out by these people.

The proposals put forward are closely linked with social responsibility. To this effect, *Strategy 55+* points out that the State Board for Corporate Social Responsibility could deal with the dissemination of good practices for keeping workers over the age of 55 in the labour market. Furthermore, it suggests that the recommendations presented by the board should include measures that focus on guaranteeing adequate employment management for older workers. The document also makes proposals addressed to the public sector that are based on two concerns:

- i. including formulas that would ensure that the terms dictated in employment contracts contribute to keeping older workers in the labour market
- ii. conducting campaigns that raise awareness and provide information endorsing the value of keeping older workers in the labour market.

#### *Review of the use of seniority wages*

The government has no influence on seniority wage policies in the private sector, as collective bargaining is solely in the hands of the social partners. However, elements of seniority wages are present, mainly in public sector wage-setting arrangements. Public authorities could set an example by introducing performance pay and limiting automatic rises in salary with tenure in their own wage-setting arrangements.

### ***2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce***

#### *For all workers*

It is advisable to encourage the social partners and single companies to implement instruments for managing an age-diverse workforce. Relevant measures and tools would include sharing knowledge and experience among different age groups; adjusting the work responsibilities of older workers; adjusting the working-time arrangements of older workers; promoting internal job mobility and further training; avoiding age discrimination; and removing mandatory retirement. It is also advisable to detect and share good company practices.

#### *Sharing knowledge and experience across different age groups*

No specific action has been taken, although individual employers may have implemented this type of measure.

## **3. Promoting the employability of workers throughout their working lives**

### ***3.1. Enhancing participation in training by workers in their mid- to late careers***

#### *Providing guidance services*

Both employed and unemployed users of the Public Employment Service (PES) are entitled to receive services from the Cartera Común de Servicios (Common Portfolio of Services), which was introduced in 2015. In addition, they may have access to supplementary services that are determined through personalised support, tailored to their needs and expectations and based on their profile. All persons will have equal access to these services; no special support shall be offered (through specific actions) to groups with particular difficulties entering the labour market, including older workers.

### *Providing access to training adjusted to the experience and learning needs of older workers*

Adapting the PES to the needs of older workers and building better links between employment, social services and training schemes formed part of the previous Estrategia Española de Activación para el Empleo (the country's Activation Strategy for Employment) 2014-2016,<sup>8</sup> and both aims remain part of the new activation strategy 2017-2020. An additional objective included in the new strategy currently in force is the activation and improved employability of persons over the age of 55. There are regional programmes that include specific measures for older workers, some of which are integrated into the overall strategy.

### *Promoting lifelong learning and development of the adult vocational education and training system*

Vocational education and training (VET) is one of the most important elements for an active ageing strategy to address. In Spain though, action taken to guarantee the up-skilling or re-skilling of older workers has clearly been insufficient (González Gago and Segales, 2012). In Spain, 6% of workers aged 55-74 were engaged in training in 2016, compared with 8.5% in the European Union on average (Table 1). The absence of methods adapted to the specific barriers older workers face, and failing to take account of their former labour market experience, may be behind the poor performance.

VET reforms are, however, being implemented. In 2015, Spain completed reform of training for the employment subsystem (Subsistema de Formación para el Empleo) as part of the broader VET reform, to increase its attractiveness and improve people's skills. In the new VET governance model the role of the social partners focuses on strategic planning and monitoring, while the PES manages the system through the new State Foundation for Training in Employment (Fundación Estatal para la Formación en el Empleo). The reform also introduced the right to a 20-hour period of training leave for workers with at least one year of seniority, and the option of introducing an individual training account for workers (European Commission, 2017).

### *Setting up mechanisms for recognising and validating skills*

The year 2007 saw implementation of a Royal Decree<sup>9</sup> regulating the subsystem of professional training for employment. Two of the measures contained in the decree directly affect the development of professional skills of older workers. First, it was established that people over 45 constitute a group to be accorded priority action. Second, certificates of professionalism were created as a way of officially recognising the professional abilities that make it possible to progress significantly in a job. These certificates allow workers to demonstrate the professional qualifications they have acquired in the course of their career, and are fully aligned with the country's established skill units for vocational qualifications. They are approved and updated annually, and from 2008 to 2017 a total of 518 740 professional certificates for workers aged 45 and over have been issued. Among these, 116 211 have been granted through the recognition of work experience and/or non-formal training.

## **3.2. Providing effective employment assistance to older jobseekers**

### *Promoting an all-age mainstreaming activation approach*

A key objective of the new 2017-2020 Spain's Activation Strategy for Employment, currently in force, is to increase activation and reduce periods of unemployment in general. It also includes objectives such as the activation and improved employability of young people, the long-term unemployed, those over 55, and

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8. [www.sendasenor.com/attachment/946245/](http://www.sendasenor.com/attachment/946245/) (accessed 25 February 2018).

9. [www.boe.es/boe/dias/2007/04/11/pdfs/A15582-15598.pdf](http://www.boe.es/boe/dias/2007/04/11/pdfs/A15582-15598.pdf) (accessed 25 February 2018).

vulnerable groups. To this end, the PES implements the active labour market programmes (ALMPs) described in the Annual Employment Policy Plan. It can determine measures (programmes) for target groups such as those mentioned as well as general measures, provided they are in accordance with the overall framework of the Spanish Strategy.

#### *Targeting workers most at risk of long-term joblessness*

One of the most worrying legacies of the financial crisis is the large number of very-long-term unemployed persons. About half of all persons currently unemployed have had that status for over a year – down from a peak of 53% in 2014 – and among this group, about 70% has been unemployed for more than two years. What is most worrying is the strong concentration of the longest unemployment spells among disadvantaged groups, such as less-skilled workers and older workers above 50 (Bentolila, García-Pérez and Jansen, 2017). The recovery has led to significant improvement in the job-finding rates of the short-term unemployed; a similar improvement has not been observed for the long-term unemployed, particularly among older jobseekers (Jansen, Jiménez-Martín and Gorjón, 2016).

In response, Spain is taking measures to strengthen individual support for the long-term unemployed; however, better targeted and more effective programmes are needed. The existing programmes, *Renta Activa de Inserción (RAI)*, *Programa de Recualificación Profesional (PREPARA)*, and *Programa de Activación para el Empleo (PAE)*, all launched since the beginning of the crisis and with different target populations such as older jobseekers, could be better co-ordinated or streamlined to become more effective (OECD, 2017c).

In 2016, Spain allocated EUR 515 million over three years to a new joint action plan<sup>10</sup> to support employment services in providing assistance to one million long-term unemployed until 2018. It aims at improving the capacity of the PES to provide personalised assistance to the long-term unemployed by retraining staff, hiring new staff, strengthening collaborations with private agencies and improving information systems through developing profiling tools, among other things. Funding – and indeed the success of the plan – will be conditional on regional PES performance in providing personalised assistance to the long-term unemployed, the quality of that assistance, and the insertion rate of the long-term unemployed into stable employment, as well as on the stability of funding (European Commission, 2017).

#### *Providing employment/hiring subsidies to firms*

At the national level there are a wide variety of incentives for employers to hire workers on a permanent basis and to transform temporary contracts into open-ended ones, including rebates in social contributions and lump-sum subsidies. In 2015, 11% of subsidised contracts were for hiring workers with permanent contracts (mainly for young or older workers in SMEs). The range of eligible workers is rather broad, suggesting that incentives are not sufficiently targeted towards those with greater difficulties in (re-)entering the labour market, such as the less educated. Moreover, research shows that subsidies entailed deadweight and substitution effects: they either were not effective, or incentivised the replacement of non-subsidised workers (European Commission, 2017).

More specifically related to recruiting workers over the age of 55, companies that provide permanent contracts to unemployed workers aged 55-64 benefit from discounts in employer contributions made to social security. These discounts amount to 55% during the first year that the contract is in force, and 50% thereafter (Eurofound, 2013).

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10. Programa de acción conjunta para la atención a desempleados de larga duración. For comparison, the national budget allocated to ALMPs in 2016 was EUR 5.2 billion (including EUR 129 million allocated to the new joint action plan), according to the annual plan of employment policies.

In addition, Spanish legislation provided for a reduction in social security contributions for common contingencies in an effort to promote maintaining persons over the age of 60 and with more than five years of seniority in a company in jobs with a permanent contract. In the first year of application this reduction was 50% of employers' social security contributions; each year thereafter it increased, until reaching 100%. The reduction was in effect from 2003 to August 2012.

#### *Providing in-work benefits to workers*

Some fiscal incentives linked with the personal income tax (IRPF) are intended to encourage people to prolong their working careers beyond 65. Accordingly, current Spanish legislation also provides for 100% exemptions from social security contributions for common contingencies for workers who are at least 65 years of age, have a permanent contract with a company, and wish to stay on at the company or resume work as pensioners.

#### *Providing other active labour market policies*

Older self-employed persons represent only 21% of the total number of the self-employed (the share for women is 30%). Improving monetary incentives to become self-employed and stimulating the transfer of experience to young entrepreneurs have also been taken into account in *Strategy 55+* (González Gago and Segales, 2012).

### **3.3. Enhancing job quality for older workers**

#### *Strengthening workplace safety and physical and mental health*

Complementing the National Strategy on Health and Safety at Work 2015-2020<sup>11</sup> and the Labour Risk Prevention Law, *Strategy 55+* is intended to evaluate specific risks for older workers, and reinforce training for and the provision of information on healthier labour conditions.

As part of *Strategy 55+*, the National Institute for Occupational Safety and Health set in motion a number of research studies on the issue of work and health conditions for older workers, in order to ascertain profiles of morbidity associated with age and potentially dangerous occupations. These studies allowed the institute to propose strategies to guarantee the occupational health and safety (OHS) of the most vulnerable groups (Eurofound, 2013).

In particular, *Strategy 55+*, within the OHS guidelines relating to the working conditions of workers aged 55 and over, considers two kinds of actions:

- i. Preventive measures, based on risk assessment, health supervision, and training in and information on safety at work. The most noteworthy measures are:
  - highlighting the importance of including factors relating to age and seniority in assessments of occupational hazards
  - elaboration of a preventive occupational scheme, promoting specific health supervision programmes according to potential risks that are adapted to the worker's age
  - training and information on how to keep physically and mentally fit.

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11. [www.insht.es/InshtWeb/Contenidos/Documentacion/ESTRATEGIA\\_SST\\_15\\_20.pdf](http://www.insht.es/InshtWeb/Contenidos/Documentacion/ESTRATEGIA_SST_15_20.pdf) (accessed 25 February 2018).

- ii. Palliative measures, which will be examined and applied when age begins to hinder job performance. Based on strategies aimed at job adaptation, an analysis will be carried out on taking measures such as internal flexibility in the company or a change in job position.

### *Reducing the incidence of arduous/hazardous work*

On 2 February 2011, in the context of profound economic depression, the social partners and the government signed the Socio-economic Agreement for Growth, Employment and Pensions Guarantee<sup>12</sup>, which adopted the reform of both the pension system and ALMPs as well as other industrial and innovation policies.<sup>13</sup> The agreement resumes the commitment of social dialogue in 2006 to establish a general procedure for approving age-reducing coefficients for AHW, and the study of these hazardous professions and activities. The 2011 regulation prioritises analysis and prevention of AHW conditions rather than early retirement (see Section 1.2).

However, while progress in social agreements has been made, practical improvements have been sparse. Available evidence shows that there have been no proposals from the Social Security Department to study working conditions in a production sector since 2011 (with some exceptions in the public sector<sup>14</sup>). This *de facto* rejection of the application of a regulation that had previous support from the social partners halts the current study and recognition of AHW conditions. That in turn affects workers from these sectors, who see their potential rights pushed aside in favour of the financial sustainability of social security. According to the European Commission (2016), the government's muting or shelving of requests from trade unions prevents the application of a regulation that, in its philosophy and content, reconciles workers' rights to early retirement with improved working conditions.

### *Balancing professional and family responsibilities*

The actors responsible for long-term care in Spain are primarily members of the family (Tobío, 2013). In general, CBAs tend to reproduce statutory regulation for the reconciliation of work and care, although some good practices are found in sectoral and company agreements.<sup>15</sup>

No recent measures of this sort target older workers. The majority of innovative measures aiming at the promotion of reconciliation of work and family life implemented from 2004 to 2008 were mostly focused on establishing effective equality between men and women. More recently, the main policies and legislative reforms have been directed at improving productivity and competitiveness, and the latest labour legislation reform from 2012 has even restricted work-life balance entitlements (Eurofound, 2015). One of the changes is that a reduction in working time to take care of children younger than eight or people with a disability can only be applied for on a daily basis; previously, it could be applied for by the working week or month. Moreover, workers now must advise the employer of their intention to reduce their working time 15 days before the start date. The latest labour legislation has also increased the power of employers to unilaterally adapt working time to production needs.

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12. [portal.ugt.org/campanas/acuerdo\\_social\\_economico/](http://portal.ugt.org/campanas/acuerdo_social_economico/); [portal.ugt.org/actualidad/2011/febrero/acuerdo\\_social\\_y\\_economico.pdf](http://portal.ugt.org/actualidad/2011/febrero/acuerdo_social_y_economico.pdf) (accessed 25 February 2018).

13. Act 27/2011, 1 August, on the update, adjustment and modernisation of the Social Security system (BOE No. 184, 2 August 2011).

14. Local or municipal policing is beginning to become recognised as a hazardous job.

15. Siemens' company agreement and Repsol's framework agreements are the only CBAs known to the author that include a clause specifically dealing with reconciliation.

Table 1. Late Career Scoreboard, Spain, 2006 and 2016

	Spain		EU28 <sup>a</sup>		OECD <sup>a</sup>	
	2006	2016	2006	2016	2006	2016
<b>Demographic situation</b>						
-- Old-age dependency ratio <sup>b</sup>	0.26	0.31	0.28	0.32	0.23	0.28
-- Effective labour force exit age <sup>c</sup> (years) Men	61.2	62.2	62.0	63.4	63.6	65.1
Women	63.0	62.6	60.5	62.0	62.3	63.6
<b>Employment</b>						
-- Employment rate, 50-74 (% of the age group)	35.7	39.0	38.3	45.4	47.0	50.8
of which 50-54	66.8	67.4	73.1	77.9	73.8	75.7
55-64	44.1	49.1	43.3	55.3	52.7	59.2
65-69	5.2	5.3	9.1	12.1	20.3	25.5
70-74	1.6	1.2	4.4	5.5	12.0	14.6
-- Gender gap in employment, 55-64 ((men-women)/men)	0.52	0.23	0.34	0.21	0.32	0.25
<b>Job characteristics</b>						
-- Incidence of part-time work, 55-64 (% of total employment in the age group)	10.5	11.4	22.1	22.2	20.3	21.1
of which voluntary 55-64 (% of part-time work in the age group)	77.4	44.0	85.4	78.9	87.3	85.2
Average number of weekly hours worked	16.3	16.6	17.1	17.5	16.6	16.9
-- Incidence of temporary work, 55-64 (% of employees in the age group)	14.6	11.7	6.9	6.7	8.9	7.9
-- Incidence of self-employment, 55-64 (% of total employment in the age group)	28.8	21.1	24.1	19.7	38.0	32.8
-- Full-time earnings, <sup>d</sup> 55-64 relative to 25-54 (ratio)	1.1	1.19	-	-	1.09	1.10
<b>Dynamics</b>						
-- Retention rate <sup>e</sup> after 60 (% of employees t-5)	53.3	52.3	37.1	48.8	40.3	50.3
-- Hiring rate, <sup>f</sup> 55-64 (% of employees in the age group)	7.7	7.0	6.1	5.8	9.2	9.1
<b>Joblessness</b>						
-- Unemployment rate, 55-64 (% of the labour force aged 55-64)	5.8	17.0	6.1	6.4	4.3	4.6
-- Incidence of long-term <sup>g</sup> unemployment, 55-64 (% of total unemployment in the age group)	48.2	69.3	49.8	63.7	26.3	44.3
-- Marginally attached workers, <sup>h</sup> 55-64 (% of population in the age group)	3.7	4.7	2.4	1.9	1.2	1.2
<b>Employability</b>						
-- Share of 55-64 with tertiary education (% of population in the age group)	15.3	23.2	17.2	22.9	20.0	26.2
-- Participation in training, <sup>i</sup> 55-74 (% of employed in the age group)	5.3	5.7	-	8.5	-	-
Relative to employed persons aged 25-54 (ratio)	0.43	0.52	-	0.66	-	-

a) Weighted averages with the exception of the share with tertiary education.

b) The ratio of the population aged 65 and over to the population aged 20-64.

c) Effective exit age over the five-year periods 2001-2006 and 2011-2016. The effective exit age (also called the effective age of retirement) is calculated as a weighted average of the exit ages of each five-year age cohort, starting with the cohort aged 40-44 at the first year, using absolute changes in the labour force participation rate of each cohort as weights.

d) Mean gross hourly earnings. Year 2016 refers to 2012.

e) All employees currently aged 60-64 with job tenure of five years or more as a percentage of all employees aged 55-59 five years previously.

f) Employees aged 55-64 with job tenure of less than one year as a percentage of total employees.

g) Unemployed for more than one year.

h) Persons neither employed, nor actively looking for work, but willing to work and available for taking a job during the survey reference week.

i) Participation in formal and non-formal training in the last four weeks.

Source: OECD estimations from the *OECD Employment Database*, the *OECD Earnings Distribution Database*, *OECD Education at a Glance* and the *Eurostat Database on Education and Training*.

Table 2. Implementing ageing and employment policies in Spain, 2007 to mid-2017

<b>1. Rewarding work and later retirement</b>	
<b>1.1. Enhancing incentives to continue working at an older age</b>	
<i>Raising the statutory age of retirement</i>	+
<i>Facilitating phased retirement</i>	+
<i>Better combining of pensions and work income</i>	+
<i>Rewarding longer careers</i>	+
<b>1.2. Towards restricted use of early retirement schemes</b>	
<i>Restricting access to publicly funded early retirement schemes</i>	+
<i>Introducing specific provisions for arduous/hazardous work</i>	+
<b>1.3. Preventing welfare benefits from being used as alternative pathways to early retirement</b>	
<i>Unemployment (insurance and assistance) benefits</i>	++
<i>Social aid</i>	/
<i>Disability benefits</i>	+
<b>2. Encouraging employers to retain and hire older workers</b>	
<b>2.1. Preventing discrimination in employment on the basis of age</b>	
<i>Implementing current or new legislation</i>	/
<i>Launching public awareness campaigns</i>	/
<b>2.2. Taking a balanced approach to employment protection by age</b>	
<i>Implementing age-neutral measures</i>	+
<b>2.3. Discouraging mandatory retirement by employers</b>	
<i>By law in general and by sector/occupation, private/public sector, region</i>	+
<b>2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers</b>	
<i>For all older workers</i>	+?
<i>Review of the use of seniority wages</i>	/

<b>2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce</b>	
<i>For all older workers</i>	/
<i>Sharing knowledge and experience across different age groups</i>	/
<b>3. Promoting the employability of workers throughout their working lives</b>	
<b>3.1. Enhancing participation in training by workers in their mid- to late careers</b>	
<i>Providing guidance services</i>	+?
<i>Providing access to training adjusted to the experience and learning needs of older workers</i>	+?
<i>Promoting lifelong learning and development of the adult vocational education and training system</i>	+
<i>Setting up mechanisms for recognising and validating skills</i>	+
<b>3.2. Providing effective employment assistance to older jobseekers</b>	
<i>Promoting an all-age mainstreaming activation approach</i>	+
<i>Targeting workers most at risk of long-term joblessness</i>	+
<i>Providing employment/hiring subsidies to firms</i>	+
<i>Providing in-work benefits to workers</i>	+
<i>Providing other active labour market policies</i>	+
<b>3.3. Enhancing job quality for older workers</b>	
<i>Strengthening workplace safety and physical and mental health</i>	+
<i>Reducing the incidence of arduous/hazardous work</i>	+?
<i>Balancing professional and family responsibilities</i>	/
<p>++ = Substantial action taken.  + = Some action taken, but more could be done.  +? = Some action taken, but requires further assessment.  ? = Some action taken with negative impact.  / = No relevant action taken.  ✓ = No action needed.</p> <p><i>Source:</i> Assessment based mainly on answers by Spain to several OECD questionnaires.</p>	

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