NATIONAL PLAN FOR DECENT WORK
2018-2020
“Experience shows that economic growth, on its own, is not sufficient. We must do more to empower individuals through decent work and support people through social protection”

Ban Ki-moon
Secretary-General of the United Nations

“Promoting jobs and enterprise, guaranteeing rights at work, extending social protection and promoting social dialogue are the four pillars of the ILO Decent Work Agenda, with gender as a cross-cutting theme. These are crucial to advancing the entire sustainable development agenda, which provides an opportunity unique in this generation to change things and to improve the lives of billions of people.”

Guy Ryder
Director-General of the International Labour Organisation
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For decent work

According to the International Labour Organisation, decent work is the point of convergence of its four strategic objectives: the promotion of fundamental rights at work; employment; social protection; and social dialogue. Decent work dignifies workers and enables them to develop their own abilities; it exists when work is performed in a situation of respect for fundamental principles and rights, producing a fair income, proportional to the effort made, without discrimination by gender or for any other reason, in the enjoyment of social protection and accompanied by social dialogue.

Acquiring decent work is an essential human ambition. This concept is incorporated in the principal declarations of human rights and is prominent in the United Nations 2030 Agenda for Sustainable Development. The importance of decent work in facilitating achievement of the Sustainable Development Goals is highlighted in Goal 8, to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. However, decent work not only affects Goal 8; it also contributes significantly to the achievement of Goal 1 (on the eradication of poverty), Goal 5 (on achieving gender equality) and Goal 10 (on reducing inequality within and between countries).

The activity of the Labour and Social Security Inspectorate, presented in this Master Plan for Decent Work, will contribute to achieving several of the Sustainable Development Goals. It is coherent and reinforces the Action Plan for the Implementation of the 2030 Agenda that was approved by the Council of Ministers on 29 June 2018.

Objectives of the Master Plan

As an urgent priority, the Government considers it necessary to approve a Plan for Decent Work for the years 2018, 2019 and 2020, to provide the Labour and Social Security Inspectorate with an effective means of addressing the major problems
observed in the labour market in Spain during the present recovery from the economic crisis. Chief among these problems is that of job insecurity.

The main objectives of the Plan are to recover workers’ rights and to improve working conditions and the quality of employment. Achieving these goals will underpin the present and future sustainability of the Social Security system and that of the social benefits provided.

Another goal for this Plan is to ensure fair competition among companies in the labour market. Accordingly, action will be taken against those in breach of labour and social security regulations. Fraud is economically unsustainable and socially unfair. Moreover, it harms the competitiveness and productivity of the Spanish economy and undermines workers’ fundamental rights.

**Basic characteristics of the Master Plan**

This Plan rests upon four basic policy premises:

- A qualitative shift is needed in the aims of the Labour and Social Security Inspectorate. The previous Government focused mainly on combating irregular employment and Social Security fraud. Without neglecting this objective, the current Government will ensure that the Inspectorate, with all the means at its disposal, will endeavour to improve the quality of employment and to reduce or eliminate the fraud observed in the labour market. The Labour and Social Security Inspectorate Strategic Plan 2018-2020 is valid and will continue to be applied, but henceforth it will be re-oriented in accordance with the present Master Plan, to ensure that it properly addresses the action priorities assigned to the Inspectorate for the rest of this legislature.

- It is a participative Master Plan. Firstly, it takes into account that the Autonomous Communities exercise functional competences in labour inspection and that in two cases (Catalonia and Euskadi) these competences have been fully devolved to the region. Accordingly, all of the Autonomous Communities must play a significant role in the design, management, execution, evaluation and monitoring of the measures established. Equally important is the fact that full participation is offered to representative business organisations and trade unions, in the exercise of their constitutionally and legally-recognised competences. The trade unions and associations of Inspectors and Sub-Inspectors will also participate in drafting this Master Plan. A consensus among all these parties will be sought regarding the measures proposed.
- The Plan is results-oriented, combining immediate and medium-term actions. For this reason, it includes two immediate-action plans that will be launched this August: one to combat fraud in temporary employment contracts and the other to eliminate abuses in part-time employment. Their design and execution take into account the good results achieved by previous initiatives in this respect, such as those implemented by the Governments of the Balearic Islands and the Canary Islands.

- Finally, the Plan is comprehensive, incorporating 55 operational measures and a further 20 measures based on organisational and institutional coordination among all involved in the fight against job insecurity. On 6 February this year, the Congress of the Deputies approved (with modifications) a non-legislative motion proposed by the Socialist Parliamentary Group urging the Government to implement a plan against employment exploitation, a mandate that this Government is now putting into practice.

Furthermore, the Plan calls upon the Labour and Social Security Inspectorate to act from a perspective of gender equality. In this respect, Organic Act 3/2007, of 22 March, on effective equality between women and men, requires public authorities to apply such a gender perspective in their ordinary activity (Article 15), and the Inspectorate will naturally abide by this requirement. The Plan also takes special account of the vulnerability of minors as potential victims of employment abuse.

Finally, the Plan foresees the need to promote regulatory measures to foster political dialogue within Parliament and social dialogue with employers and unions, and to take appropriate steps to monitor and evaluate these encounters.

The Government’s commitment: to create quality employment and to combat job insecurity

The Government, in taking this decision, expresses its political will and the firm commitment to recover the workers’ rights that have been lost in Spain in recent years.

It is true that employment, overall, has partially recovered since early 2014. The Government has stated that maintaining this trend is among its top priorities and will be assigned great importance when changes in labour regulations are discussed and implemented. But it also affirms that the jobs created must represent quality employment, in which workers’ right are respected, in order to overcome the precarious working conditions in which employment was generated during the recovery from previous economic downturns.
The term ‘employment’ should not merely be a question of facts and figures. On the contrary, a human face must be fitted to the data. The existence of labour exploitation is not just a matter for criminal law; it is also related to the literal meaning of this expression offered by the Royal Spanish Academy: “To use the work of other people abusively, for personal gain” and should be viewed accordingly. How better to define job insecurity? – the imposition of longer working days than those legally established for part-time or full-time workers, the non-payment or infra-payment of wages, the failure to reflect wage costs in the company payroll and hence the commission of tax and Social Security fraud, the abusive and fraudulent use of temporary contracts for the performance of permanent activities, in order to meet the company’s real workforce needs, or the diversion of actual work activities towards the false condition of self-employment or trainee/intern status. The consideration of statistical data alone is not sufficient. There must also be greater awareness of the personal and material conditions in which work takes place today and of the new and precarious ways in which it is sometimes organised (such as continual unscheduled changes in shifts and work timetables, and the imposition of extenuating workloads), with consequent negative impacts on health and safety. Only with this knowledge can we hope to achieve satisfactory, effective solutions.

Job insecurity and labour exploitation are among the main causes of downward pressure on wages and explain why growing numbers of workers are living in poverty; despite having a job, they cannot make ends meet, and must often seek family help. Although this situation is mainly experienced by young people, it also affects older workers, and these are often without other means of support. In 2016, the ‘working poor’ accounted for 13.1% of the employed population, according to the Eurostat Survey of Income and Living Conditions. By sex, 13.3% of male and 12.8% of female workers were affected.

The effects of labour vulnerability are manifested in situations of under-employment, personal uncertainty, poverty and the impossibility of organising reasonably stable life projects, all of which affect young people in particular. Job insecurity can also lead to ill health and an increased risk of accidents. These factors generate a panorama of labour segmentation, which is identified not only with the upsurge in temporary employment, but also with factors such as involuntary part-time working, intense labour turnover, short-term contracts and subcontracting as a practice aimed at cutting labour costs. In
consequence, low wages are paid not only to those on the margins of the labour market, but to increasingly broad layers of the population.

These situations of vulnerability worsen the living conditions of individuals, but they have an equally negative impact on the social group, by transferring insecurity to the family environment, with knock-on effects on tax revenues, Social Security contributions and, ultimately, on the whole Welfare State. If job insecurity and abusive working conditions are not addressed and combated as a matter of urgent priority, they will fracture the political legitimacies that underpin the social contract which forms the basis of our constitutional model of society and of the democratic rule of law.

A Master Plan to ensure that companies meet their obligations

To protect workers’ rights and to combat fraud – which are the main goals of this Plan, the laws of commercial practice must be enforced. Accordingly, one of the main responsibilities of the Labour and Social Security Inspectorate is to detect and counteract illicit behaviour by companies. Breaches of the commercial code produce serious harm, not only to workers, but also to the many companies that fulfil their obligations and which are exposed to unfair competition from less scrupulous rivals.

This Plan is directed against employers who abuse and break the law, not against companies that comply with their obligations.

In Spain, most companies meet their labour and Social Security obligations and contribute to the economic and social development of the country, thus enabling the economy to grow and boosting employment.

This Plan is focused on combating abuse by the minority of companies that do not comply with their obligations. Therefore, the Inspectorate’s actions will be re-oriented to address – specifically and prominently – companies that appear to be in breach of their legal obligations. Apart from self-evident violations of the law, against which the Inspectorate will act immediately, using all the means at its disposal under the rule of law, the specific legislation in this respect and the Business Practices (Offences and Sanctions) Act, the Plan is intended to be dissuasive, providing information to foster voluntary compliance with the relevant legislation. Only if the non-compliance persists will a report to this effect be filed and, where appropriate, a proposal made for sanctions to be imposed.
In recent years, the main objective of the Labour and Social Security Inspectorate has been to control non-registration in the Social Security system and the fraudulent claiming of benefits. In each of these areas, the Inspectorate has been active and effective, and this is expected to continue.

The Master Plan for Decent Work 2018-2020 is intended to refocus the Inspectorate’s Strategic Plan, placing much more emphasis on the justified and pressing social demands that have been made. This will be done without lowering our guard in the fight against the irregular economy, but at the same time, incorporating new priorities. The Inspectorate, thus, will heighten its presence in the workplace and will employ all measures available, including sanctions and other legal remedies, to discourage abusive behaviour in the labour market.

A stronger Inspectorate

It is universally accepted that any legislative measure must be endorsed by the means to ensure compliance. In the present case, the instrument available is the Labour and Social Security Inspectorate; to achieve its purpose, this agency must be powerful and focused on the main sources of fraud and job insecurity.

Although it is important to view the new approach set out in this Master Plan, more tightly focused on enforcing the legislators’ provisions on labour relations, as the basis on which to ensure a fairer labour market and a sustainable system of social protection, it is also necessary to enhance the resources made available to this end. The strength of a labour inspection system is dependent on its having sufficient human and material resources with which to meet its objectives, together with appropriate methods and access to databases enabling it to respond accurately and effectively. Thus, it is of fundamental importance to optimise the use made of the (limited) resources available to the new State Agency for Labour and Social Security Inspection, which was formally created last April, so that it may effectively perform its role in our society.

In all public policies, it is a maxim that a law is only effective insofar as there is a broad consensus on the need for its observance. For this reason, the most successful laws are those on which there is a shared sense of their worth. In Spain, this sentiment was achieved following the political transition to democracy with respect to ordinary taxes (expressed in the slogan, “We are all the Treasury”) and it should also apply to compliance with labour standards. Therefore, it is specially important to increase
awareness, among businesses and in society in general, of the need to enforce our rules and regulations, and for workers and their trade union representatives to denounce situations of abuse and job insecurity in the labour market. In consequence, it is necessary to promote corporate social responsibility to raise the level of acceptance and observance of this legislation, and to encourage companies to voluntarily make economic, social and environmental commitments, as an added value, going beyond the fulfilment of legal obligations, thus promoting a business world that generates quality employment and fosters lifelong learning, the reconciliation of personal, family and work life, and equal opportunities between men and women.

In this context, the employment authorities in each of the Autonomous Communities perform a two-fold function: on the one hand, as guarantors of public rights, in applying sanctions as appropriate; and on the other, as promoters of the application of business law. Furthermore, the Inspectorate itself provides technical assistance during its interventions, an aspect of its functions that is especially important in the case of small and medium-sized enterprises.
According to European Commission forecasts, published on 3 May 2018, during 2018 the Spanish GDP will increase by 2.9% and employment by 2.6%, while unemployment will fall by 15.3%. According to the Commission, these trends will continue in 2019. The Bank of Spain and the OECD have issued similar forecasts for growth, job creation and unemployment.

In this framework, however, the main characteristic of the labour market is its segmentation and high temporality, associated with low-quality jobs and low wages, while the problem of high rates of unemployment (and of long-term unemployment) persists. The improvement in employment, although considerable, has been based on reducing unit labour costs, while little progress has been made in labour productivity, and wage levels have remained low.

To summarise and diagnose the most important aspects of the labour market, with particular reference to job insecurity, the following questions should be taken into consideration.

1. Evolution of the labour market in Spain

During 2007, employment in Spain maintained the strong growth rate of previous years, of over 3% and the working population rose to nearly 20.7 million. Following the outbreak of the economic crisis in early 2008, the labour market underwent two very different phases: firstly, a recession, lasting until late 2013, during which unemployment increased by 3,669,400 (17.8%); during the subsequent recovery, 2,393,500 jobs were created, between 2014 and the second quarter of 2018, and employment rose by 14.1%. Thus, employment has grown strongly in the last four years. Over 19 million workers are now affiliated to the Social Security system, and according to the Labour Force Survey (EPA; Spanish initials), the working population now exceeds 19.3 million.

The EPA reported that total employment (i.e. the proportion of the working population to the total adult population) in the second quarter of 2018 was 63.53%. By sex, the rate
for women was 59.97%, and that for men, 69.1%. The rate of labour participation (i.e. the proportion of the active population – those in work or seeking work – to the total adult population), according to the same data source, was 75.08%. By sex, the activity rate was 70% for women and 80.16% for men.

During the recession, around two million temporary jobs were lost (35% of all temporary employment and over half of total job losses). Workers with indefinite employment contracts accounted for 32.7% of total job losses, while the remaining 16% were self-employed. The employment created during the recovery period was divided equally between temporary contracts and those of indefinite duration (47.4% and 49.8%, respectively). The remaining 2.7% of jobs created corresponded to the self employed.

2. The temporary nature of employment in Spain

The persistently high level of temporary employment is a special feature of the labour market in Spain, which has the highest such rate in the entire European Union. It is 10.5 points above the average for the region and much higher than that for other large EU countries.

Initial employment in Spain is mostly temporary. In about 90% of cases, a temporary contract is the access route to employment. Younger workers (aged under 25 years) are particularly affected, with a rate of temporary employment exceeding 70%. Among young
people, this is the highest rate in the Eurozone, 18.9 points above the average.

By sex, according to the Labour Force Survey (EPA) for the second quarter of 2018, the temporary employment rate for men was 25.9%, and was even higher for women, at 27.8%.

The data on employment contracts supplied by the Spanish Public Employment Service (SEPE) show that the number of new employment contracts in 2017 was the highest for ten years, with 21,501,303 new contracts being signed, 7.6% more than in 2016 and 15.5% more than in 2007. In the first six months of 2018, 10,829,878 new contracts were recorded, 2.75% more than a year ago and 66.2% more than in the same period of 2012, when the lowest ten-year value was recorded.

In 2017, the number of temporary contracts converted into permanent ones increased by 17.9%, but such conversions represented only 3% of all contracts, well below the 5% recorded in 2007. Although in total almost three million more contracts were recorded than ten years previously, 215,000 fewer contracts were converted.

3. Rotation in the labour market: short-term contracts

The shorter duration of employment contracts may be accelerating the degree of rotation in the labour market. According to the EPA, in the second quarter of 2018, 232,000 temporary workers (5.3% of the total) had an employment contract with a duration of less than one month and for 674,600 workers (15.5%) it was less than three months.

Within this sector of the labour market, the highest rate of increase was observed among employment contracts with a duration of one week or less. These accounted for 25.9% of total hires and for 68.4% of those with a duration of less than one month. Between 2014 and 2017, the number of these very-short-term contracts rose by 38.7%, ten points more than the variation in the total number of contracts. In consequence, the average duration of temporary contracts fell to 52.5 days.

The sharpest increase in this type of contracts took place during the economic crisis. Thus, contracts of less than one week, which in 2007 had represented 15% of the total, rose to 23.2% in 2013, and since then this value has risen by another 2.7 percentage points. As a result of this changing pattern of employment, during the last ten years the
average duration of temporary contracts has fallen by almost 30 days.

These high rates of temporary employment are observed in the context of a rising and totally unjustified level of employment rotation. This degree of temporary employment not only heightens job insecurity but also affects the whole economic system, since there is a negative causal link between temporality, employment rotation and labour productivity. Hence, the competitiveness of the entire Spanish economy is dragged down by the currently high rates of temporary employment.

4. Part-time working

The incidence of part-time work in Spain is lower than in many other European countries, and 7.4% below the Eurozone average, although it has risen during the last decade. At present, approximately 15% of employed persons are in part-time work, with more women than men in this situation. A quarter of all working women are in part-time employment, contrasting with just 7% of working men.

<table>
<thead>
<tr>
<th>Country</th>
<th>Part-time employment: % of total working population. Q1, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>España</td>
<td>14,9</td>
</tr>
<tr>
<td>Malta</td>
<td>14,0</td>
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<tr>
<td>Chipre</td>
<td>12,8</td>
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<tr>
<td>Estonia</td>
<td>12,1</td>
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<tr>
<td>Eslovenia</td>
<td>11,6</td>
</tr>
<tr>
<td>Portugal</td>
<td>10,8</td>
</tr>
<tr>
<td>Grecia</td>
<td>9,6</td>
</tr>
<tr>
<td>Lituania</td>
<td>8,6</td>
</tr>
<tr>
<td>Letonia</td>
<td>7,9</td>
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<tr>
<td>Eslovaquia</td>
<td>6,0</td>
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<tr>
<td>Zona Euro</td>
<td>22,3</td>
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<tr>
<td>Irlanda</td>
<td>20,5</td>
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<tr>
<td>Italia</td>
<td>18,7</td>
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<tr>
<td>Luxemburgo</td>
<td>18,6</td>
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<tr>
<td>Finlandia</td>
<td>17,3</td>
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<tr>
<td>P. Bajos</td>
<td>29,2</td>
</tr>
<tr>
<td>Austria</td>
<td>28,1</td>
</tr>
<tr>
<td>Alemania</td>
<td>25,0</td>
</tr>
</tbody>
</table>

After many years during which this rate was much lower than in other European countries, the number of part-time employment contracts has grown considerably in Spain – by 80% between 2010 and 2017 and by 46% between 2013 and 2017 (Source: Ministry of Labour, Migration and Social Security). However, while in other
countries part-time employment exists for many reasons, in Spain it is mostly involuntary, due to workers being unable to find a full-time job. The amount of involuntary part-time employment increased greatly during the economic crisis and it was only in mid-2015 that it began to fall, and then only slightly. Since early 2017, it has stabilised at around 60% and in the second quarter of 2018 it reached the lowest level since early 2011.

![Involuntary part-time employment](image)

Source: INE, EPA

In many cases, however, the increased amount of part-time employment may reflect situations of unregistered work. In recent years, it has been observed that the rate of growth of employment is much higher than that of the working hours officially reported and of the Social Security contributions paid.

5. Overtime that is neither paid nor compensated

One of the main concerns of workers and of trade unions, manifested in complaints made to the Labour and Social Security Inspectorate, is that of excessive working hours and other breaches of employment regulations regarding the length of the working day.

Among the complaints received by the Inspectorate since 2017, those related to non-compliance with regulations on the length of the working day account for 40% of the total in the field of labour relations, and are the second most numerous of all issues reported on which the Inspectorate is empowered to act. These complaints include those related to work time in general (holidays, breaks, work shifts, etc.) overtime, part-time work and the reconciliation of personal, family and work life.
On the other hand, the total number of overtime hours worked has remained relatively stable since 2009, after a sharp fall at the beginning of the crisis. The proportion of unpaid overtime also increased after 2009, and in recent years has remained slightly above 50% (except in 2017 when it accounted for 47% of total overtime).

According to the EPA statistics for the second quarter of 2018, 6,822,900 hours of overtime were worked every week in Spain. Of these, 2,986,200 hours (43.8%) were unpaid, a very high proportion, although part of this time may be compensated with subsequent time off. The main areas of employment featuring unpaid overtime are the retail sector, manufacturing, catering and education.

Of the total overtime hours worked, according to EPA data for the second quarter of 2018, 50.4% of those by women were neither compensated nor paid. Among male workers, the corresponding value was somewhat better (40.2%).

6. The ‘bogus’ self-employed

A growing phenomenon in the labour market is the existence of self-employed workers who have no real business infrastructure and whose activity does not involve financial risk to themselves; instead, they have an exclusive employment relation with a company that has subcontracted them for this purpose. Such workers can be termed “bogus self-employed”.

Attempts have been made to estimate the number of bogus self-employed workers, but precise figures are not available, due to the nature of this phenomenon. Nevertheless, the EPA recently published a new annual module related to self-employment, including the following data indicative of the current presence of this form of employment in mercantile relations.

- 3,042,200 workers are classed as self-employed. Of these, 165,900 (5.5%) do not influence the content or the order of the tasks performed.
- Of the 2,011,600 independent workers or members of cooperatives, 32,800 (1.6%) began their activity because their previous employer asked them to work on a self-employed basis.
- Among the independent workers or members of cooperatives, 185,500 (9.2%) had had no more than one client during the previous twelve months; for 222,400 (11%), their working hours were decided by their client or clients; and 20,300 (1%) had no employees because the client or clients wanted them to do the work alone.
The existence of these bogus self-employed workers is not exclusive to any particular business sector, and it has a significant presence in the new forms of social organisation, as well as in new businesses created via digital platforms. Although certain aspects of employment relationships have become blurred by these changes in society, the term ‘bogus self-employed’ remains apt in many cases.

7. Wages

The 2016 Wage Structure Survey (the latest data available) by the Spanish Institute of Statistics (INE) highlights the wage duality between permanent and temporary employment: the average annual wage of workers with fixed-term contracts in 2016 (16,567.9 euros) was 32.4% lower than that of workers with an indefinite contract (24,516.4 euros) and 28.5% lower than the average wage.

In parallel, the average annual wage of part-time workers was less than half the average wage (44.3%), although in the previous year it had increased by 1.9%, compared with a decrease of 0.6% among full-time workers.

One of the main characteristics observed in the evolution of the Spanish economy in recent years has been the decrease in wage levels, one reason for which is the weakening of the workers’ negotiating power. Since 2009, average wages, in terms of purchasing power, have fallen by more than seven percentage points. Even in 2017, the fourth consecutive year of economic expansion, wage levels represented a loss of 1.9 points purchasing power, which is a historical anomaly and an unfair perversion of the system of income determination. The workers with the lowest incomes have suffered most from these falling real wages: among the 10% lowest-paid workers, wages fell by 13.8% between 2009 and 2016.

8. Male/female wage gap

According to the 2016 Wage Structure Survey, the male/female difference in wages was 22.4%, barely less than the 22.9% recorded in 2015 and only 3.2 percentage points lower than in 2007. The difference was greatest among workers aged 50-59 years, among whom it exceeded 25%, while the gap was narrowest among those aged 25-34 years, at less than 18%.

In terms of basic wage per hour worked (the measure used in this context by Eurostat,
the EU statistical office), the 2016 Salary Structure revealed a wage gap of 14.2% between men and women. This gap had narrowed by only 3.9 points since 2007. Wage differences between men and women are being reduced only slowly. In 2016, the average wage paid to women was 20% lower than that received by men, only a slight decrease from the 21.7% reported in 2007. Furthermore, women are more likely than men to be paid low wages. Thus, in 2016, 40.3% of women were paid less than 1,229 euros per month compared to 20.7% of men in this situation. In contrast, men were more likely than women to be paid a higher wage; 34.6% of men were paid over 2,137 euros per month, compared to 24.9% of women.

These inequalities in average wages and in wage patterns are due to the higher proportions of women who work part-time, who have temporary contracts and who are employed in low-paid areas of business activity, among other factors.

9. Difficulties faced by young people in entering the job market

The structural problems of the labour market for young people are their low rates of labour activity and high rates of unemployment, reflecting the difficulties faced in entering the labour market. The main problem for those unable to find a job is their lack of occupational training, while the biggest obstacle faced by those in work is the lack of stability, which is highlighted by the fact that young people present much higher than average levels of temporary work and involuntary part-time employment.

In the second quarter of 2018, according to the EPA, 71% of workers aged 16-24 years were in temporary employment, as were 56.3% of those aged 16-29 years, in comparison with 26.8% for the population as a whole.

Similarly, the proportion of young people in part-time employment is higher than the average for the population: in the second quarter of 2018, 27.5% of those under 30 years old were working part time, almost twice as many as in the population as a whole. Many of those working part time do so because they are unable to find full-time jobs; thus, 54.5% of people aged under 30 years are involuntary part-time workers.

Another important aspect in this context is the mismatch between workers’ skills and those required by employers, and the impact of candidates’ education background on the job opportunities open to them.
Since 2013, the differences in employment rates, according to education, have widened. Thus, the gap between those with high and low levels of education and skills training was 38.9 percentage points in the second quarter of 2018, while that between workers with high and medium levels was 35.9 percentage points. High rates of early school leaving (18.2% in 2017) also contribute to this problem.

Finally, large numbers of young people have been excluded from the labour market and from the education system, as a consequence of the economic crisis, which provoked a significant increase in the numbers of young people who were neither studying nor in employment. This was the situation of 12% of the population aged 15-24 years old in 2007, a figure that rose to a peak of 18.6% in 2013, more than five points above the EU average. In 2017, the corresponding value was 13.3%, but was much higher (22.1%) among those aged 25-29 years.

10. Accidents and deaths in the workplace

In absolute terms, the evolution of labour accidents is closely related to that of employment. The number of accidents resulting in sick leave decreased greatly during the crisis (between 2007 and 2012), by over 50% for accidents at work and by 33% for those taking place during travel to/from the workplace. From 2012, the numbers of both types of accidents began to rise again, to over 500,000 and 80,000, respectively. Fatal accidents (at work or whilst travelling) also decreased until 2012, since when they have risen slightly.

By business sectors, the greatest number of occupational accidents resulting in sick leave took place in manufacturing, followed by commerce, construction and catering. Fatal accidents were recorded mainly in transport and storage activities, followed by construction, manufacturing and agriculture, livestock, forestry and fishing. In 2017, the number of fatal accidents had increased in construction and decreased in transport and storage sector. The incidence of fatal accidents was greatest in extractive industries, followed by transport and storage, water supply and sanitation, and construction.

Given the relationship between the absolute number of accidents and the employment rate, it is also necessary to consider the relative occurrence of accidents, expressed as the number of accidents per 100,000 workers. In this respect, a similar pattern was observed for the incidence of accidents resulting in sick leave requests: there was a marked decrease between 2007 and 2012, followed by a rebound from 2012 to 2017. The
incidence of fatal accidents also fell significantly between 2007 and 2012, although during the subsequent economic recovery this value remained relatively stable.

Statistics show that the progressive increase observed in occupational accidents and deaths is not exclusively related to employment trends. Thus, according to the Ministry of Labour, the general index of work-related accidents resulting in sick leave was 2,948.9 in 2012 and 3,408.8 in 2017. By type of employment contract, the index for workers with an indefinite contract was 2,815.1 in 2012 and 2,995 in 2017, while for those with temporary and part-time work contracts it was 3,514.19 in 2012 and 4,503.10 in 2017. Clearly, accident rates are much higher among temporary and part-time workers than among those with permanent contracts. Moreover, the incidence of accidents among the former group increased more sharply between 2012 and 2017 than among workers in permanent employment. These findings represent another negative consequence of the excessive level of temporary employment in Spain, and provide further reason for the Labour Inspectorate to act.

Men are more than twice as likely as women to suffer a work-related accident (incidence: 4,569 and 2,130 per 100,000 workers, respectively). The incidence is especially high among young men (aged 16-24 years) and among very young and older women (16-19 and 55-59 years, respectively). Similarly, the incidence of fatal accidents is much higher among men than among women (5.97 vs. 0.32 per 100,000 workers), and increases considerably with age (it is 14 times higher among workers aged 55-59 years than among those aged 20-24 years).

With respect to fatal accidents during the workday, by economic activities, in 2017 the largest number of deaths (97) took place in the transport and storage industries, followed by manufacturing (74). By occupation, the largest number of fatal accidents (146) were suffered by drivers and operators of mobile machinery, followed by agricultural labourers and workers in construction and industry (66). Finally, by causes of mortality, 214 work-related deaths were due to heart attack or stroke, followed by 82 resulting from traffic accidents. Studies of road safety have shown that traffic accidents involving light goods vehicles increased by 41% between 2011 and 2015, causing 935 deaths and 4,600 serious injuries.
The present diagnosis of the labour market has identified the main problems that need to be addressed (as described below), and for which approval of this Master Plan is required. Specifically, **55 operational measures** (detailed below), in **nine functional areas**, have been defined and will be implemented without delay by the Labour and Social Security Inspectorate.

1. **Prevent abuse and fraud in temporary employment contracts**

Temporary contracts, as an instrument of external corporate flexibility, are accepted in labour regulations, both in Spain and elsewhere. However, the legal model is based on the general principle of stability in employment, whilst allowing the exceptional use of temporary contract modalities, in certain cases, with specific requirements and within given time limits. Such a case might arise when a company needs to respond to an occasional increase in orders, perform a special project, provide a service of indefinite but temporary duration or cover the absence of workers due to holidays or other causes.

The diagnosis of excessive temporary hiring, discussed above, shows that this short-term focus is unfavourable to the Spanish labour market, in which job insecurity is a prevalent feature. This negative outcome is not surprising because, all too often, fraudulent use is made of temporary hiring. In many cases, workers are offered temporary contracts not in response to short-term needs but to others of a permanent or structural nature, or when the maximum contract duration allowed has been exceeded, or as a means of linking contracts in order to evade the regulations otherwise applicable.

A large proportion of the temporary employment currently offered in Spain, therefore, is the outcome of a violation of legal and social obligations, since there exists a genuine corporate need for permanent employment to be offered.

Irregular temporary employment is not only illegal and (on many occasions) imposed unilaterally; above all, it directly harms the workers involved. The excessive rotation of employment, involving a multitude of linked, short-term contracts, prevents professional career development, reduces employee loyalty, lowers wages (with respect to workers
with permanent contracts), violates workers’ right to training and decreases protection in terms of safety and occupational health, thus heightening the risk of accidents in the workplace.

Temporary employment contracts are a cause of inequality, which is one reason why this behaviour, both in the private and public spheres, is in many cases considered illicit. Indeed, the principle of equality between temporary workers and those with an indefinite contract is explicitly stipulated in the Workers’ Statute (Article 15.6), as follows: “Workers with temporary and fixed-term contracts shall have the same rights as those with contracts of indefinite duration”. This principle of equality is also proclaimed in EU legislation, under Directive 1999/70/EC, concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP. This Directive confirms that “employment contracts of an indefinite duration are the general form of employment relationships and contribute to the quality of life of the workers concerned and improve performance” and noted that “fixed-term workers shall not be treated in a less favourable manner than comparable permanent workers solely because they have a fixed-term contract or relation unless different treatment is justified on objective grounds”.

This principle is violated when different working conditions are imposed, with no objective justification, on comparable workers, for example, regarding salary conditions; or salary supplements that are exclusively assigned to permanent workers; or when temporary workers are not allowed to exercise their rights to promotion and training at work, including activities enabling them to adapt to changes in the workplace, and the development of training plans and actions to enhance their employability (Articles 4.2.b) and 23 of the Workers’ Statute). Discriminatory practices of the latter type deprive temporary workers of the right to career development.

The abuse of temporary employment – with sharp increases in the use of short-term contracts, based on “work on demand” and intense rotation – increases poverty, because when they are out of work, individuals’ economic capacity is reduced. At the same time, this situation overloads the unemployment protection system, which all employers and workers maintain through their Social Security quotas. The payment of social benefits only partially substitutes for the wages that would otherwise be paid during employment.

In many cases, temporary workers, whether or not their contracts are fraudulent, are deprived of their rights in terms of the prevention of occupational risks (Article 4.2.d of the Workers’ Statute). The information given on such risks is often purely formal and
routine; no specific, training appropriate to the job is given, and even health supervision may not be offered. This is the reality of many people who become trapped in a chain of short temporary contracts, whether in the same company or in a series of different ones. This reality places the workers involved at greater risk of contracting occupational diseases or of suffering higher rates of workplace accidents than workers with indefinite contracts.

Finally, the extensive use of temporary employment has another negative impact, in addition to worsening labour relations and aggravating inequality and poverty. The sequencing of extraordinarily short, discontinuous employment contracts prejudices the worker’s right to a decent pension. When such a policy is applied, contravening the tenets of common sense and the provisions of an appropriate regulatory policy, the worker’s Social Security contributions are reduced, and in consequence so are retirement pensions and other benefits.

In view of these considerations, the Master Plan proposes the following operational measures.

**Operational measure 1:** Deter companies – including temporary employment agencies – from engaging in fraudulent practices with respect to temporary hires, using all the means and powers legally assigned to the Labour and Social Security Inspectorate, that is, including economic sanctions and the obligatory conversion of fixed-term contracts into indefinite ones, or discontinuous fixed-term contracts, as the case may be. The Inspectorate will uphold a policy of zero tolerance of situations of abuse and/or legal fraud in temporary hires, especially in companies where a larger number of workers are affected, in proportion to the workforce, or where fraudulent behaviour is reiterated. Special attention will be paid to hires lasting less than seven days.

Temporary hiring by its nature has a specific cause, and therefore it is essential to know the reality of the company, its production processes, the demand for its products, the level of sales, etc., in order to determine whether there exists a genuine reason for hiring temporary workers. Collective bargaining is a very effective means of determining the circumstances that may provoke a causal fluctuation in the demand for labour.

**Operational measure 2:** Provide information and technical assistance to workers and companies during inspection, with special attention to small and medium-sized
enterprises, in order to facilitate compliance with the relevant legal provisions, especially as concerns hiring.

**Operational measure 3**: Scrutinise employers’ actions, taking a gender perspective, in the agricultural sector, and also in certain large companies where significant levels of fraud have been detected, especially in the service sector.

**Operational measure 4**: Follow up prior inspection actions, in order to prevent non-compliant companies from reiterating their fraudulent behaviour.

**Operational measure 5**: Conduct wide-ranging campaigns, taking a gender perspective, during the entire validity of the Plan, increasing the number of companies investigated and the number of workers who can benefit from the conversion of their employment contracts into permanent ones.

**Operational measure 6**: Improve the control of training and traineeship contracts, with particular attention to the training activities conducted and to traineeship contracts, including those concluded with public support or as part of applicable EU programmes, such as the National Youth Guarantee System or the European Social Fund.

**Operational measure 7**: Enable and equip the Inspectorate to cross-reference different databases in order to heighten the efficiency of inspection.

**Operational measure 8**: Take specific action to eradicate the fraudulent temporary hiring of teachers in cycles coinciding with the school year, with contracts being terminated during non-school periods, taking into account the Judgment of the Supreme Court Administrative Chamber, dated 11 June 2018.

Notwithstanding the above, an immediate-action plan against fraud in temporary hiring will be implemented in or before December 2018.

2. **Combat abuses in part-time work, excessive hours and unpaid or uncompensated overtime**

Article 40.2 of the Spanish Constitution requires public authorities to ensure workers obtain “the necessary rest, by limiting the working day”. Although the labour regulations that have been issued since the promulgation of this guiding principle of social and economic policy, in particular the Workers’ Statute, have established minimum rest periods and the maximum duration of the ordinary working day, together with limits on
overtime, non-compliance with these regulations is still prevalent, especially since the outbreak of the economic crisis, and is among the main types of labour-law infringements committed. In fact, it is the main cause related to labour relations about which complaints have been made to the Inspectorate. In the last two years, 40% of all complaints have concerned questions such as the length of the working day/week, overtime, part-time work, rest breaks and the conciliation of personal and family time with work.

The situation is especially serious with respect to short-term part-time contracts, for personnel such as hospital shift workers, security guards, film and TV extras and in the catering industry, where the working day is often far in excess of what is permitted, although wages and Social Security contributions are calculated in terms of the statutory duration. Such situations prejudice the worker in many ways, including the reduction of social benefits.

However, the worst forms of job insecurity in this area concern part-time work, overtime, and certain situations related to the organisation and intensity of work.

Diagnosis of the labour market has highlighted the sharp increase in part-time employment contracts that took place during the economic crisis. In many cases, this might reflect the emergence of part of the irregular economy, in response to the severe penalties now being imposed when companies fail to register their workforce with the Social Security system. Taking advantage of certain loopholes in the legal regulations regarding this type of contract, some unscrupulous employers exploit the situation and engage in unfair competition by declaring, for Social Security purposes, working days that are much shorter than those actually worked. The growth of part-time contracting has become a major problem for many workers, since their acceptance of such contracts, in most cases, does not reflect their own wishes, but rather economic necessity. Men and women are pressured to work longer hours than are stipulated in their contracts, paid or otherwise, but in any case not declared to the Social Security system, thus causing serious losses both to the system, in the form of revenue, and to the workers, in the form of future benefits.

In addition to the above, part-time work has a negative impact on wages in two complementary ways: on the one hand, it reduces the number of hours worked and on the other, even more serious, the hourly wage paid is (according to recent studies) much lower than for full-time employees doing the same work.
Paradoxically, part-time contracts are mainly found in sectors such as catering and commerce, which are very labour intensive. Accordingly, it is these sectors towards which the Labour and Social Security Inspectorate should direct its attention.

The performance of overtime in full-time contracts, in excess of the 80 hours per year legally allowable, when this is neither remunerated nor compensated, or is paid at rates below those established in collective agreements, constitutes one of the worst manifestations of job insecurity related to work times.

This type of labour-market abuse is facilitated by the currently insufficient regulation of companies’ activities, for example, regarding the obligation to record the duration of the working day. If such records are not available, it is difficult to control the firm’s performance, as regards compensating overtime with subsequent time off. Moreover, the sanctions that can be imposed in cases of non-compliance are too low to be sufficiently dissuasive. In this respect, the Autonomous Community of Castilla y León introduced good practices following a ruling by the Supreme Court on the registration of working hours.

Abusive practices in this area have diverse negative consequences: on the one hand, the work day is, in many cases, exhausting, with insufficient rest breaks and consequently a significant increase in risks to workers’ health and safety; on the other, the failure to make the correct Social Security contributions prejudices not only the system, but also reduces workers’ entitlements to benefits for situations such as accidents in the workplace or occupational disease.

The current rate of unemployment is 16.6% and therefore it is legitimate to call for solidarity in the distribution of working time, and hence that overtime should be restricted as much as possible. Faced with such a high rate of unemployment, one of the Government’s prime concerns should be to perform workplace inspections to uncover and sanction illegal overtime practices, and thus to boost overall, legal employment. Limiting the duration of the working day is a social achievement that must be maintained.

Finally, the organisation and intensity of work is another factor that frequently generates situations of job insecurity with respect to work time, and an area in which action must be taken. In fact, the welfare of workers may depend, not so much on the employer complying with regulations on the length of the work day and on the rest time needed between one work period and another, but rather on the work load imposed. In some cases this may be excessive and prejudicial to health, safety and wellbeing, and
even make it impossible to achieve sufficient rest during the working day or for workers to exercise their right to the conciliation of personal, family and work life. This may be the case, for example, with shift work that does not allow the minimum time required between working days, or when work schedules are communicated with insufficient notice, or are subject to constant modification.

An excessive workload may also arise from the employer imposing high rates of production on a workforce that is too small for the task, or not covering personnel absences due to absence, sick leave, vacations, etc.

Commerce, catering, telemarketing, security, health and social services, transport and parcel distribution are the main areas of business activity affected by this problem.

To address the above concerns, the Master Plan proposes the following Operational Measures.

**Operational measure 9:** Improve inspection procedures via additional training and by making good use of databases to select companies to be targeted in campaigns to combat fraud in part-time hiring.

**Operational measure 10:** Re-orient anti-fraud campaigns. Previously, these were based mainly on seeking voluntary compliance with the legislation. Henceforth, decisive action will be taken against fraudulent hiring, against which appropriate sanctions and pressure will be applied.

**Operational measure 11:** Conduct specific campaigns, with a gender perspective, in each Autonomous Community, in the main sectors where illegal overtime is carried out (i.e. exceeding the maximum allowed of 80 hours per year), or where overtime is unpaid or not compensated with rest breaks (whether this is legal or not), and situations related to work organisation and intensity. These campaigns will concern both the regulation of the labour market and also the possible relation between the above factors and the incidence and prevention of occupational risks.

**Operational measure 12:** Provide specific training courses, with a gender perspective, on part-time work, to facilitate retrospective analysis and future regularisation, together with specialised courses for labour inspectors in relation to psychosocial and ergonomic risks.
Notwithstanding the above, an immediate action plan against the irregular use of part-time hiring will be implemented in or before December 2018.

3. Measures to amend breaches of wage agreements and to eliminate irregular outsourcing

The non-payment or delayed payment of wages is an extreme circumstance, which directly attacks the essence of the provision of work and greatly harms working families.

This highly damaging practice is one of the main concerns expressed by workers and their representatives in complaints filed with the Labour and Social Security Inspectorate. In the last year, this question accounted for over 33% of all complaints regarding labour relations filed with the Inspectorate, and therefore the powers assigned to this and other authorities need to be reinforced by special measures.

In addition to the ‘traditional’ situation of payment defaults or delays, the present labour market features new forms of organisation that also have a negative impact on workers’ incomes. Fundamentally, these involve processes of productive decentralisation, which together with the priority application of collective agreements means that the wages of some workers are significantly reduced. In consequence, it is essential for the labour authorities to control the legality of such agreements and to prevent unjustified salary deductions. The Inspectorate will collaborate in this task, which is already being undertaken in some Autonomous Communities.

The causes and backgrounds of the above situation vary greatly, but in many cases it arises from companies engaged in subcontracting, in accordance with collective agreements, or from productive decentralisation via multi-service companies. Although the situation varies from one region to another, private security guards are typically subjected to abusive situations arising from subcontracting, while hotel chambermaids and other staff are often affected by productive decentralisation.

Accordingly, the Labour and Social Security Inspectorate should supervise the individual modifications of collective working conditions, with particular respect to wages, in order to verify the workers’ voluntary acceptance of these changes. To address the needs identified above, the Master Plan establishes the following operational measures.
Operational measure 13: Respond more quickly and effectively to complaints regarding the non-payment of wages. The Labour and Social Security Inspectorate will be instructed to take appropriate action in this regard, according to the circumstances.

Operational measure 14: Define and implement specific campaigns, with a gender perspective, aimed at groups especially affected by productive decentralisation: the first actions will be targeted at hotel chambermaids and other workers in the tourist accommodation sector.

In the field of labour relations, this campaign will be the first to address a specific activity sector, comprehensively reviewing working conditions in this area, with special attention to personnel hired via multi-service companies or temporary employment agencies.

These actions, to be conducted in accordance with the corresponding regional authorities, will complement those included in the campaign to reduce ergonomic hazards and in other health and safety campaigns (for example, to reduce psychosocial risks) in this sector.

These campaigns will be more intensive in Autonomous Communities where the tourist sector is of particular importance, and will enable the Inspectorate to control the employment conditions of this group of workers, who are all too often subjected to low wages and excessive work rates.

Operational measure 15: Intensify actions, with a gender perspective, to protect workers affected by sub-contracting and outsourcing, and whose wages may thereby be reduced, in violation of the remuneration conditions agreed with the original employer. In this respect, a paradigmatic case is that of private security guards.

Special attention will be paid to situations in which collective agreements are annulled by labour courts. In addition, the Inspectorate will monitor situations of wage default by multi-service companies, i.e. the non-payment or delayed payment of wages or the breach of the labour rights of workers included in a sub-contracting agreement.

4. Protect fundamental rights and promote equality

The Spanish legal system prohibits attacks on workers’ privacy and honour and also prohibits all kinds of discrimination, including that by sex, age, disability, origin (including
racial or ethnic), marital status, social status, religion or belief, political ideas, sexual orientation or gender identity.

Plurality and diversity are essential values in the workplace and in society at large, and all its members are entitled to the fundamental rights of equality, non-discrimination, respect, consideration and human dignity. To facilitate achieving these ideals, the Master Plan establishes the following operational measures.

**Operational measure 16:** Create an Anti-Discrimination Unit, responsible for promoting and coordinating the application of measures to combat discrimination in access to employment, in professional promotion, and with respect to working conditions, especially those concerning remuneration and access to professional training, both in the education system and for those in employment.

The Unit will work for equality of treatment, paying special attention to gender equality and workers’ rights to the conciliation of personal, family and work life. For this purpose, it will intensify inspection activities, to protect workers’ rights concerning pregnancy, maternity leave, breastfeeding, reduced working hours or leave of absence to care for minors or dependent family members, etc.

The Unit will also ensure the protection of workers’ rights during maternity, particularly those of young workers, through measures such as those contained in Article 26 of Act 31/1995, of 8 November, on the prevention of occupational risks, and where appropriate, will initiate sanctions or ex officio proceedings before the labour courts, in accordance with the provisions of Article 148 c) of Act 36/2011. Furthermore, it will protect workers’ right, following childbirth, to maintain the occupational conditions enjoyed previously.

Within the Inspectorate, this Unit will form part of the Sub-Directorate-General for the Coordinated Inspection of the Labour Relations System, and will work in conjunction with the education authorities on measures related to access to vocational training.

**Operational measure 17:** Designate specialised Labour and Social Security inspectors in each Provincial Inspectorate, and inspectors assigned to each Territorial Office, under whose operational coordination the specialised inspectors in each province will act.

**Operational measure 18:** Conclude collaboration agreements with the Autonomous Communities, to enable ongoing coordination, via the corresponding
Labour Authority, between the Inspectorate and the regional agencies responsible for gender equality.

**Operational measure 19:** Monitor and ensure compliance with employment regulations, providing technical assistance where necessary, especially to small and medium-sized companies (Article 12.2 of the Act regulating the inspection system for employment and social security issues).

The Inspectorate will act in response to any situation of which it becomes aware concerning a possible violation of fundamental rights, within its area of competence, in particular that of the right to privacy in the context of the current extensive use of computers and information technologies. The Master Plan will ensure supervision and assistance is provided to certain especially vulnerable groups.

**Discrimination by gender**

As set out in the introduction to Organic Act 3/2007, of 22 March, on effective equality between women and men, “Article 14 of the Spanish Constitution proclaims the right to equality and non-discrimination by gender. Moreover, Article 9.2 requires public authorities to promote conditions to ensure the real and effective equality of individuals and the groups to which they belong”.

The cross-cutting nature of the principle of equality ensures its presence in the actions of all public authorities, including health, education, culture and, very particularly, employment. This characteristic is recognised in the text of Organic Act 3/2007, which states, “This Act pays special attention to overcoming inequality in the specific field of labour relations”.

Within the framework of the corresponding obligation laid upon public authorities by the Constitution, equal treatment and non-discrimination by reason of gender are among the designated areas for permanent action by the Ministry of Labour, Migration and Social Security as a whole, and by the Labour and Social Security Inspectorate in particular. Accordingly, the Master Plan establishes the following operational measure.

**Operational measure 20:** The Labour and Social Security Inspectorate, in coordination with the competent authorities in the field of labour relations, will participate in the Action Plans and Strategies formulated by public authorities with competences in equality, and especially with the Institute for Women and for Equal Opportunities.
The Master Plan establishes the following priority action objectives in terms of gender equality, which are directly related to situations of job insecurity: a) wage discrimination by gender; b) sex-based and sexual harassment; c) discrimination in access to employment.

a) Wage discrimination by gender

The 2016 Wage Structure Survey reported an average difference of 22.4% between male and female wages and salaries in Spain. This wage gap is a multidimensional and highly complex phenomenon, with a wide variety of causes and related factors. It is influenced by social, cultural, legal and economic questions, and it is impossible for inspection activities alone to correct the structural elements of society that contribute to the existence of this problem.

The Labour and Social Security Inspectorate, in the exercise of its competences, takes action regarding a particular company, and this narrow focus makes it difficult to distinguish single instances of abuse from the broader aspects determining wage differences. Moreover, not every wage difference is due to discrimination, the latter being the only circumstance in which the Inspectorate can act. Nevertheless, wage discrimination by gender is an important aspect of the broader picture, and it is essential for the Inspectorate to take effective action to remedy abuses where this discrimination is detected and to apply the corresponding sanctions. Accordingly, the following operational measures will be applied.

**Operational measure 21:** Perform cross-database investigations to detect possible situations of wage discrimination, whether direct or indirect, and implement the necessary inspection actions.

**Operational measure 22:** Conclude agreements with the Autonomous Communities on increasing the number of actions to be performed by the Labour and Social Security Inspectorate to combat wage discrimination.

**Operational measure 23:** Conclude agreements with the regional employment authorities and with the General Directorate for Employment, within the Ministry of Labour, Migration and Social Security, to investigate the legality of collective agreements and to determine whether they contain discriminatory clauses. In conjunction with the above authorities, a protocol will be issued, establishing procedures
for employment inspectors to inform the competent authorities of any such discriminatory clauses observed.

**Operational measure 24:** Provide annual training courses at the School of Labour and Social Security Inspection to instruct labour and social security inspectors in issues related to equality and non-discrimination, with particular attention to gender equality. In addition, the Anti-Discrimination Unit will strengthen the performance of inspection activities with a gender perspective, and for this purpose will promote the appropriate training of inspectors and sub-inspectors at the School of Labour and Social Security Inspection.

b) **Sex-based and sexual harassment**

To enable an official reaction to this type of behaviour, the victim must previously present a complaint to the Labour and Social Security Inspectorate, and this limitation hampers the scope for action. Nevertheless, the following measure will be adopted.

**Operational measure 25:** Article 12 of the Organic Act on effective equality between women and men establishes as a general criterion for official action, “... the adoption of the necessary measures for the eradication of ... all forms of sex-based and sexual harassment”. Accordingly, the Inspectorate, subject to prior agreement with the Autonomous Communities, will increase the number of actions carried out to verify compliance with the obligation to create and apply a specific procedure for the prevention of harassment and to facilitate attention to complaints and claims, as stipulated in Article 48 (Protocol on harassment) of the above legislation.

c) **Discrimination in access to employment**

A particularly worrisome situation is that of discrimination against young mothers concerning access to employment. Constant action by the Labour and Social Security Inspectorate is needed to detect and prevent this type of behaviour.

To address sex-based and sexual harassment and discrimination in access to employment, the following measures will be applied.

**Operational measure 26:** The Labour and Social Security Inspectorate will facilitate the receipt of communications denouncing sex-based and sexual harassment, and/or
discrimination in access to employment, and will urge Provincial Inspectorates to react as quickly as possible.

**Operational measure 27**: The School of Labour and Social Security Inspection will provide specialised training to inspectors in the protection of the fundamental rights of workers, including the right to equality of opportunities between women and men and that of freedom from sex-based and sexual harassment and from discrimination in access to employment.

**Migrant workers**

The insertion and integration of immigrants in the workplace must take place in strict equality with Spanish nationals. Therefore, the Labour and Social Security Inspectorate has initiated a campaign to monitor the conditions of immigrant labour and ensure the absence of discrimination. This campaign has been very active, and the number of actions performed, in accordance with the corresponding regional authorities, has increased progressively in recent years.

To advance further in this field, the Strategic Plan for Employment Inspection includes a specific line of action aimed at immigrant workers. An action plan will be implemented to enhance the protection of immigrants’ employment rights in Spain, to help them better understand their social rights and how these rights may be exercised, including obtaining assistance from the Inspectorate. To achieve these goals, the Master Plan establishes the following operational measures.

**Operational measure 28**: Intensify the activity of the Labour and Social Security Inspectorate to verify the working conditions of immigrant workers, especially women and minors of working age, in the agricultural and other sectors. These actions will take special account of the gender perspective.

**Operational measure 29**: Provide forms (in various languages) for the presentation of complaints to the Inspectorate, and to consider measures facilitating the effective implementation of this provision, so that language does not constitute a barrier to the exercise of workers' rights.

**Operational measure 30**: Promote actions to raise awareness of the importance of complying with employment regulations and with the principle of equality.
Workers with disabilities

A fundamental objective of the Master Plan is to enhance the employability and working conditions of workers with disabilities. They may be hired directly by the company concerned, or through special employment centres, which coordinate productive and remunerated work appropriate to the characteristics of this population, in order to foster their personal and social adaptation and to facilitate subsequent incorporation into the ordinary employment market.

Monitoring the integration of workers with disabilities into the labour market is a priority area of attention for the Labour and Social Security Inspectorate, and a specific campaign is conducted every year to verify compliance with the quota of compulsory employment reserved for these workers.

It is also essential that companies meet their obligations to take appropriate measures to adapt the workplace and ensure its accessibility, according to the needs of each situation.

In view of these considerations, the question of facilitating appropriate employment for persons with disabilities is a priority objective in the Territorial Inspection Plans agreed with the Autonomous Communities. To intensify action in this area, the Master Plan sets out the following operational measures.

Operational measure 31: Continue the present annual campaign of the Labour and Social Security Inspectorate to ensure that companies with 50 or more workers comply with their legal obligation that 2% of the workforce must be composed of persons with disabilities, hired directly, and that exemption may be granted and alternative measures adopted only in exceptional circumstances.

Operational measure 32: Combat direct and indirect discrimination in the employment of persons with disabilities, and take effective action against the fraudulent use of special employment centres.

Operational measure 33: Raise awareness among employers and employees about the advantages of hiring/working with persons with disabilities. To this end, the Labour and Social Security Inspectorate will adopt a gender and disability perspective in all its actions, taking into account the greater vulnerability of these workers, who are entitled to a high degree of protection and to official action to monitor compliance with their rights.
LGBT workers

Further advances are needed towards achieving the real equality of LGBT workers, to defend their right to non-discrimination by reason of sexual orientation or gender identity and to foster respect for their personal dignity. Some discrimination against these persons takes the form of social prejudices that prevent or hinder them from accessing employment, or even prohibit them from performing certain jobs.

The United Nations has urged all States to approve national action plans to legislate against discrimination in all sectors of society. Spanish law prohibits this type of discrimination, and the Labour and Social Security Inspectorate is responsible for ensuring compliance with the legislation. In this respect, the Master Plan includes the following operational measures.

**Operational measure 34**: Take specific action to monitor compliance with the principle of equality and non-discrimination, with specific reference to sexual orientation and gender identity, and combat discriminatory harassment.

**Operational measure 35**: Raise awareness of the importance of compliance with employment regulations and with the principles of equality and non-discrimination.

### 5. Take stronger action against the irregular economy

A) The most evident manifestation of job insecurity is the irregular economy. Workers in this situation are invisible to social protection and unable to exercise any rights in the framework of service provision. This situation directly prejudices the public treasury, especially as regards the failure to contribute to the Social Security system, and hence to support the Welfare State. The absence of public protection is heightened in the cases of foreign workers and of domestic staff. Therefore, it is especially necessary to raise awareness about employment rights among these workers and their employers.

For the above reasons, it is essential to raise awareness about the importance of the public reporting situations of irregular employment, whilst emphasising that this is not ‘informing’, unacceptable to society, but rather a way of contributing to the fight against abuses in the labour market. Collaboration by all those aware of or experiencing this kind of situation is essential to identify its origins and to guide inspection and control. In this respect it is equally important to remember the complainant’s right to confidentiality and the rights of citizens and workers for this employment abuse to be eliminated.
To facilitate a decisive response to any such situation in which workers’ rights may be attacked, the Master Plan contains the following operational measures.

**Operational measure 36:** Plan and apply inspections of sectors where a greater incidence of the irregular economy is detected, taking into account the special characteristics of each province or Autonomous Community and the regional agreements made in this respect.

**Operational measure 37:** Facilitate inspection visits at special times, for example during the evening, at weekends or during holidays, to combat the performance of undeclared work during these periods. In this respect, the police and other security services will actively collaborate with the Inspectorate.

**Operational measure 38:** Continue providing temporary reinforcements of Labour and Social Security inspectors and sub-inspectors to the Balearic Islands and the Canary Islands, to enable increased inspection actions during the periods classified as high season for the tourist industry, to ensure that workers are employed in accordance with legal conditions.

**B) Another aspect of this question is that of incompletely-declared work,** i.e. that for which insufficient contributions are paid to the Social Security system or that which is inaccurately characterised, for the purpose of reducing Social Security costs. This phenomenon is typified by the situation of the “bogus self-employed”, so called because certain entrepreneurs, seeking an easy means of improving competitiveness, do so by fraudulently reducing their labour costs, failing to make their own contributions to the Social Security system and obliging the worker to do so by registering as a self-employed person. This stratagem means that the worker must pay the whole of the contribution, rather than sharing it with the employer. Naturally, this outcome violates the workers’ rights, and is a clear example of the precarity of labour relations. Workers in this situation are deprived of social protection, while companies that fulfil their legal obligations are subjected to unfair competition, while the perpetrators commit a fraud against the Social Security system.

In some cases, the Inspectorate has detected that companies urge workers to renounce their inclusion in the General Social Security Scheme, seeking thus to justify the absence of an employed-person relationship, despite the evident lack of real
autonomy. Let us reiterate that the social security regime cannot be chosen at will, but is determined by the true legal nature of how services are provided.

As a variant on the status of bogus self-employed workers, the Inspectorate has detected behaviour consistent with the fraudulent use of the cooperative form of business organisation. In this version of the irregular economy, companies take advantage of their legitimate right to adopt the social security regime applicable, especially as concerns cooperatives of associated work, by using these arrangements to conceal the employer-employee relationship underlying the mercantile one assumed by the cooperative. However, there is no real corporate relationship. The aim of this tactic is to escape the obligations and responsibilities that are legally attributed to the employer. However, it has devastating effects on the workers involved, who lose all labour rights and some aspects of social protection. Nevertheless, it should be emphasised that these fraudulent practices are only committed by a minority of cooperative societies.

The Labour and Social Security Inspectorate will address these issues, planning appropriate actions and inspection visits, via the following operational measures.

**Operational measure 39:** Conduct inspection campaigns, with a gender perspective, prioritising actions in the sectors most affected by this issue.

**Operational measure 40:** Intensify relations and enhance coordination with the Treasury Office of the Social Security System and its management bodies, and with the State Tax Administration Agency, in order to obtain information facilitating identification of companies resorting to workers who are bogus self-employed.

C) In recent years, growing numbers of ‘mailbox’ companies have been created in Spain and throughout Europe. These firms have no real economic activity in the country where their headquarters is sited, but are active in other EU Member States. The purpose of this arrangement is to hire workers in their country of origin and then transfer them to other EU countries, in order to reduce labour costs, taxes and social security contributions. This is another clear example of job insecurity. In view of this new situation, the Master Plan recommends the following operational measures.

**Operational measure 41:** To identify and remedy the above phenomenon, the Labour and Social Security Inspectorate will initiate an inspection campaign focused on this type of company, which will be identified from the data banks available to the Social
Security and tax authorities, assisted by collaboration from police services and other inspectors such as those of the Transport department.

**Operational measure 42:** Create an operations manual and provide specialised training for the officials responsible, thus increasing the effectiveness of the actions taken.

D) Under article 177 b) of the Criminal Code, the Labour and Social Security Inspectorate plays an essential role in combating trafficking in human beings, according to the competences assigned by Act 23/2015, of 21 July. Its powers are limited to those of applying administrative sanctions, and therefore if the Inspectorate detects a possible crime of this nature, it will forward to the Public Prosecutor’s Office a detailed report on the facts determined and on the individuals who may be involved (without identifying possible victims, a task which corresponds to specialised police departments). In view of these considerations, the following operational measure will be applied.

**Operational measure 43:** Strengthen and intensify coordination between the Labour and Social Security Inspectorate and the police, as detailed in the collaboration agreement signed between the two authorities, and to reinforce the Inspectorate’s training programmes, enabling inspectors to better detect situations of trafficking, and thus improve the victims’ situation.

6. **Adapt to new aspects of inspection**

As in many areas, the introduction of new information technologies and the current widespread use of the internet has produced a rapid modernisation of labour relations, and many new mechanisms and devices are now available to facilitate and expedite the provision of services and/or commercial activities. Accordingly, it is important to enhance the computing skills of employers and of the workforce.

This context has given rise to the ‘platform economy’, referring to the use of computer platforms or applications. However, the term is also used to describe irregular business practices that can heighten insecurity in the labour market, by which business costs are reduced through systematic breaches of workers’ rights. This problem affects not only highly skilled workers, but also those with fewer possibilities of obtaining a permanent position. In some cases, working hours are extended but the wage remains the same, or is even reduced. In consequence, there are growing numbers of ‘the working poor’.

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The use of online platforms is not exclusive to the platform economy, but has extended in recent years to all types of companies, offering various services and operating under different types of business model. In this context, some companies make use of a virtual infrastructure to devalue the traditional concept of the workplace, obtaining the workers they need by calling upon those officially registered as self-employed (whether fully so or defined as economically-dependent self-employed). In reality, however, the situation created fits the characteristics of the employer-employee relationship, and is legally considered as such.

Both digital platforms and electronic business itself, under the anonymity provided by digital networks, may produce situations of irregular economy, due to non-registration or incorrect registration with the Social Security system (for example, when workers register as self employed when this is not their real situation). To respond effectively to these abuses, the authorities must modernise their procedures, and so the following operational measures should be adopted:

**Operational measure 44:** Provide the Labour and Social Security Inspectorate with the technical means required to facilitate identification of those involved in digital platforms and electronic commerce.

**Operational measure 45:** Prepare and issue an operations manual to assist Inspectorate officials in their work, and train specialists in this area.

**Operational measure 46:** Conduct a specific campaign to inspect platforms and electronic commerce.

7. **Regularise the situations of workers bogus classed as interns/trainees**

The question of enabling young people’s access to the labour market is a major problem in today’s society, aggravated by the fact that the opportunity offered to complete a student’s training, i.e. unpaid work practice, or internship, is all too often used improperly or even fraudulently. In many cases, what is described as a training activity is in fact the provision of services in the framework of an employment relationship, but without the formal recognition of employed status. Persons in this situation, therefore, are deprived of the occupational and social security rights inherent to the normal condition of employment.
Intern/trainee status is intended to provide practical training to those who have acquired a theoretical or academic background in a given field. The work experience should complement this prior knowledge, allowing those concerned to develop their professional skills.

Fraud in this area can take various forms, not only in regulated work experience associated with official university studies, or occupational training courses, but also in areas publicised through different forums, lacking any substantive regulation, and aimed not only at students but at all kinds of persons.

In this field, there is a growing presence of training institutions, academies and similar bodies that provide presentional or distance-learning courses, often related to the performance of tasks identified with specific jobs and which do not require special qualifications, moreover obliging the student to pay course fees, contrary to the intended nature of this activity.

Furthermore, firms have appeared in the job market, presenting themselves as 'employment consultants' or as intermediaries in these relationships, offering through their web pages training programmes and work experience in companies, which in reality offer little practical value.

The Master Plan aims to eliminate this type of abusive situation from the labour market, via the following operational measures to be implemented between 2018 and 2020.

**Operational measure 47:** Perform inspections in this field, with a gender perspective, as part of the Anti-Fraud Programme.

**Operational measure 48:** Enhance the training of Labour and Social Security inspectors and sub-inspectors, taking into account the gender perspective, to increase specialisation and thus raise inspection efficiency. Specialised teams to combat this type of fraud may be created.

8. **Take further action to reduce accidents and mortality in the workplace**

Studies of labour market trends show that the favourable evolution of employment is resulting in a parallel increase in occupational accidents. However, the rising incidence of accidents and mortality is also related to factors such as higher levels of temporary employment and of job insecurity. Therefore, comprehensive inspections should be
conducted, addressing all aspects of the employment relationship, as many questions are closely related and may constitute the cause or consequence of insecure working conditions. Furthermore, accident rates could also be related to decreased corporate investment in safety measures, possibly due to the economic crisis, which in many areas has had a severe impact on company finances.

In addition to unstinting attention and action, both in investigating major accidents in the workplace (especially in geographic areas where higher accident rates have been measured) and in planning and applying preventive action, in all business sectors, the Inspectorate must take more intensive, decisive action in situations of particularly high risk, such as goods transport and storage, drivers and operators of mobile machinery and, in general, temporary and/or part-time workers.

Another issue that must be taken into account is that of the influence, in certain business sectors, of psychosocial factors such as the organisation and intensity of work, the insufficient provision of rest breaks and the generation of mental overload. These factors may aggravate occupational risks and are particularly prevalent, and therefore require special attention, in sectors such as commerce, catering, telemarketing, security, health and social services, home help, transport and parcel delivery services.

The Inspectorate has observed irregular practices in some companies that seek to minimise the work accidents reported, especially minor ones, by providing 'rest break' or 'precautionary break' reports, or transfers of workers from one post to another, thus avoiding the declaration of a workplace accident.

Special attention should be paid to the question of occupational diseases, to help determine their causes and consequences, and also to work with the medical services to detect diseases that, although initially declared as being non-work-related, may in fact be due to factors associated with the workplace. The results obtained from these investigations will be communicated to the authorities responsible for determining the nature of the illness.

Finally, greater emphasis must be laid on supervising and controlling working conditions, including the prevention of hazards in the workplace, and the fundamental role played in this respect by the External Prevention Services.

The employer is obliged to ensure that the work performed by domestic staff is carried out in the proper conditions of health and safety, for which purpose effective measures must be adopted, taking due account of the characteristics specific to domestic work.
In all inspection activities regarding safety and health in the workplace, the gender perspective will be taken into account. To address the above considerations, the Master Plan includes the following operational measures.

**Operational measure 49:** Undertake specific comprehensive campaigns, including the gender perspective, addressing sectors and occupations in which the most serious incidents are recorded, particularly those arising from traffic accidents, and the existence of psychosocial risks.

**Operational measure 50:** Issue an Instruction establishing the conditions under which labour inspectors should perform their investigations of occupational diseases and inform Social Security managers of those which may not be declared as such, or cases in which the diagnosis has been changed. In addition, inspectors should identify and report undeclared work accidents. These investigations will be conducted taking into account the gender perspective.

**Operational measure 51:** Approve new operating instructions and criteria, taking into account the gender perspective, on inspection actions concerning part-time contracts, overtime, the safety and health of temporary workers, and attention to complaints presented regarding conditions of safety and health, in the special context of the employment relationships of domestic staff.

**Operational measure 52:** Provide specialisation courses, with a gender perspective, for labour inspectors, with a special emphasis on the following areas: road safety issues and their impact on workers, ergonomic disorders, and chemical and carcinogenic agents.

### 9. Protect trade union rights in the fight against job insecurity

In companies where there is a trade union presence and where workers are legally represented, there is less risk of insecurity with respect to working conditions. The existence of representation inhibits the appearance or persistence of corporate behaviour resulting in abuse and fraud in labour relations. However, it is essential for trade unions to collaborate with labour inspection services in monitoring working conditions, due to their proximity to the real problems and situations of the workplace.

The role of trade unions and business organisations is amply recognised in the Constitution (Article 7) and the participation of workers through their freely-elected representatives is legally implemented through Article 64 of the Workers’ Statute,
Articles 8-11 of the Organic Act on Freedom of Association and ILO Convention 135, according to which workers’ representatives must be provided with appropriate facilities in the workplace to enable them to perform their duties rapidly and effectively.

The Master Plan emphasises that among other functions, the Labour and Social Security Inspectorate is a guarantor of trade union rights and workers’ representation, and will use all the means at its disposal to combat any restriction or obstruction of the legitimate exercise of these rights. In view of these considerations, the Master Plan sets out the following operational measures.

**Operational measure 53:** Guarantee the full exercise of the right to establish a trade union and to elect trade union delegates, who must be allowed to exercise their duties and enjoy all applicable legal guarantees, in compliance with the relevant legislation.

**Operational measure 54:** Ensure that works committees and union representatives have access to the necessary information and that they are consulted on issues concerning the workers, on the company’s situation and on employment trends within the company, as legally provided for and in the corresponding collective agreement.

**Operational measure 55:** Protect the exercise, without undue restrictions, of the rights to collective bargaining, collective conflict and strike.
Application of this Master Plan, promoted by the Government and put into practice by the Labour and Social Security Inspectorate, requires organisational measures facilitating its effective, uninterrupted implementation. Adequate human resources and material and technological means must be supplied for this purpose, and mechanisms established for institutional coordination and collaboration. To this end, the following organisational measures will be adopted, although they will have no economic impact in 2018.

1. Strengthen the human and material resources available to the Labour and Social Security Inspectorate

The Labour and Social Security Inspectorate, as a public service responsible for the monitoring and control of compliance with employment regulations, contributes decisively to preserving workers’ legal rights, to upholding the social protection system and to ensuring fair competition in the corporate world.

The availability of sufficient inspection personnel is essential to the proper performance of the tasks assigned to the public service of labour inspection. In this respect, the Inspectorate carries out a wide-ranging, comprehensive function, and addresses many areas, including hazards in the workplace, labour relations, social security, employment and equality.

In this context, it is necessary not only to maintain but to increase the personnel available to the Inspectorate; political decision makers, social agents and society in general have all called for more human resources to be provided to the labour and social security inspection system. This need has also been observed by regional and national public authorities.

Various parliamentary initiatives have been taken, urging the Government to reinforce the labour and social security inspection system and expand staff numbers, thus highlighting the degree of public concern to ensure the proper functioning of the Inspectorate.

Moreover, the current increase in economic activity, with a corresponding rise in job creation, means that more inspection personnel are needed to ensure compliance with
business regulations. More inspection actions against job insecurity are being undertaken to protect workers’ rights, as described in the Master Plan, and this, too, means that more inspection, technical and administrative personnel will be required.

The changes made under Act 23/2015 of 21 July, on the labour relations and social security inspection system, were intended to diversify inspection in some respects, especially the prevention of occupational hazards, and this required the definition and application of new professional profiles within the inspection system, such as sub-inspectors, on the occupational health and safety scale. The availability of these officials will enable a broader field of action to be addressed, such as preventing occupational hazards and increasing effectiveness in this respect. In addition, it will introduce professionals with a technical background into the system, thus complement and enriching the inspection function in this area, which was previously performed exclusively by senior public officials.

However, despite rising levels of employment and although many problems in the labour market have worsened, the number of inspectors and sub-inspectors has remained practically unchanged, at 1854 in January 2010 and 1850 in June 2018. Hence, there is an evident need to reinforce this workforce, with a major increase in the availability of new public employment in 2018, 2019 and 2020.

But increasing the numbers of inspection staff, in itself, is not sufficient. In addition, these officials must be equipped with adequate material resources to carry out their work, taking into account the increased inspection activity that will be required in applying the operational measures set out in the Master Plan and in establishing the Labour and Social Security Inspectorate. Accordingly, and to ensure that the Plan achieves its stated goals and has the desired effects, its budget provision must be increased.

However, according to Additional Provision 39 of Act 6/2018, of 3 July, on the General State Budget for 2018 (“… no new action proposed by ministerial departments may produce a net increase in personnel expenses”), the Master Plan will not produce any spending increase during 2018.

The Inspectorate does not yet have its own budget, which will be established, for the first time, in the 2019 General State Budget. Until the latter is approved, therefore, and in accordance with the first transitory provision of Royal Decree 192/2018, the budget credits needed to finance the actions of the Labour and Social Security Inspectorate will continue to be managed by the services previously responsible for this role, within the Ministry of
Labour, Migration and Social Security. The first Inspectorate budget for 2019 (and subsequently, that approved for 2020), should include an appropriate sum to enable the full execution of this Master Plan. Taking into account the above considerations, the following operational measures will be adopted.

**Operational measure 56**: The annual offers of public employment for 2018, 2019 and 2020, within the staff replacement schedule corresponding to the General State Administration, will include at least as many new inspectors and sub-inspectors as were approved during the three previous years (i.e., 466 places). In consequence, from the approval of this Master Plan by the Council of Ministers until the end of its validity in 2020, a total of 833 new inspectors and sub-inspectors will have been incorporated or will be in the process of incorporation. Of these, 367 will enter via selection processes either being implemented or pending implementation and 466 will enter via the annual public employment offers for 2018, 2019 and 2020.

**Operational measure 57**: Actions will be taken to increase the number of candidates to become inspectors and sub-inspectors, both by making the inspection function more widely known in universities, and by reviewing the access system, to adapt it to new models of studying and learning. In addition, fellowships will be offered, in order to encourage participation in the entrance exams and to facilitate their preparation through the internal promotion system. Finally, the School of Labour Inspection will design and produce a syllabus, in accordance with the requirements of the selection process, appropriate to the needs of candidates for employment as inspectors and sub-inspectors.

**Operational measure 58**: The Labour and Social Security Inspectorate budgets for 2019 and 2020, should include, within the resources available to the Ministry during the years in question, a sufficient allocation of resources in the sections referring to personnel costs and to investments in computer systems and equipment, taking into account the significance of the public service provided by the Inspectorate to workers and companies throughout Spain.

2. Initial activity of the Labour and Social Security Inspectorate

Act 23/2015, of 21 July, on the labour relations and social security inspection system, provided the Inspectorate with a new framework of institutional relations and an organisational model to make the principle of a single, comprehensive inspection function and philosophy compatible with the existence of diverse administrations each responsible
in different ways for labour inspection. This Act, therefore, enhanced the presence and participation of the different administrations in decision making in this area. To this end, it created the Labour and Social Security Inspectorate, an autonomous authority operating under functional decentralisation to carry out the programmes designed and approved by the General State Administration and by the corresponding areas of regional government.

According to the first Additional Provision of this Act, the effective entry into operation of the Inspectorate would take place on the date established in its Statutes, once they were approved and published. The Statutes were approved by Royal Decree 192/2018, of 6 April, and the Single Additional Provision stipulated that the Inspectorate would be constituted and enter into effective operation on the day following that of publication in the Official State Gazette.

However, full implementation of the Inspectorate’s activities requires the establishment of its Governing Council and General Council. The first of these is the governing and management body, a collegiate institution with representatives from the General State Administration and the Autonomous Communities. The General Council is the organ of institutional participation by the different areas of public administration and by social interlocutors in areas related to the Inspectorate. To reflect the above considerations, the Master Plan will implement the following operational measures.

**Operational measure 59:** The Governing Board of the Labour and Social Security Inspectorate will be constituted in September 2018, and the General Council immediately afterwards.

**Operational measure 60:** Approve a new catalogue of staff titles and roles within the Inspectorate, to strengthen its inspection capabilities and to meet the requirements of the new structure.

3. **Strengthen the Anti-Fraud Programme**

One of the main tasks performed by the Labour and Social Security Inspectorate is that of planning and executing inspection campaigns. In this respect, the Anti-Fraud Programme is a crucial aspect of the institution’s modernisation.

To promote administrative coordination, the Inspectorate has entered into collaboration agreements with other public administrations and agencies to facilitate information exchange and the joint analysis of data, thus enabling faster and more efficient detection of fraud and other breaches of employment regulations.
Under the Anti-Fraud Programme, fraud profiles are created and data are crossed to identify those who may be in breach of their obligations, after which the Inspectorate will take action to verify these findings and respond accordingly. Data mining is now a major element of the Inspectorate’s activity planning, as a means of maximising the possibilities offered by the information available.

For the Anti-Fraud Programme to function effectively, the annual agreements reached between the Labour and Social Security Inspectorate and the General Treasury of the Social Security System must be strengthened, to achieve greater economic impact and to facilitate more effective collaboration.

In order to continue improving the Inspectorate’s fraud detection systems and optimise its inspection actions, the Master Plan establishes the following operational measures.

**Operational measure 61:** The Inspectorate will intensify its scrutiny of employment behaviour resulting in job insecurity, and will improve its management procedures and operational efficiency. To make this possible, the Anti-Fraud Programme must be provided with the necessary resources during the period 2018-2020.

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**4. Modernise the Inspectorate’s management procedures**

Act 39/2015, of 1 October, on public administration and general administrative procedures, promotes the greater use of electronic management and requires public agencies to obtain the necessary resources and to implement systems for electronic processing to be the usual and preferred channel for administrative procedures.

Going beyond these basic obligations, the Labour and Social Security Inspectorate is strategically committed to the intensive use of electronic technology, in two main areas.

- **Management:** inspection efficiency will be increased, by making better use of resources, streamlining management procedures, automating and otherwise improving the control of internal processes and generating higher-quality information. These developments will enhance understanding of the questions addressed and make the inspection activity more effective.

- **Action:** advanced technologies, such as big data and artificial intelligence, will be employed to make inspection more effective.
A modernisation plan will be developed to improve the Inspectorate’s internal management and achieve the following specific objectives:

- Increase the efficiency and effectiveness of management.
- Achieve greater immediacy, to reduce processing times.
- Reduce administrative burdens and hence achieve cost savings.
- Achieve greater control and transparency of management procedures.
- Centralise information within a single computer application, facilitating access to data and statistical analysis of inspection activities.
- Enhance file management, thus reducing physical space requirements and increasing environmental protection.

Among other areas, the modernisation plan will include the following operational measures.

**Operational measure 62:** Eliminate the use of paper from the Inspectorate’s external and internal activity within two years.

**Operational measure 63:** Create a single computer application for the electronic processing of sanctions procedures, enabling the regional authorities and the Inspectorate to work within a shared environment.

**Operational measure 64:** Facilitate the electronic exchange of files with the justice authorities.

**Operational measure 65:** Adapt the Inspectorate’s activities to comply with the requirements for the electronic processing of administrative procedures stipulated in Act 39/2015, of 1 October. The Inspectorate will also comply with national and EU regulations on data protection, including the provision of training for inspectors with respect to the protection of privacy and dignity when technology is employed in employment inspection and in the workplace.

Throughout the Master Plan, continual references are made to the collection, use and transfer of personal data for the purposes of inspection. Accordingly, the above training will take a cross-sectional approach to address numerous actions, but especially those impacting on workers’ fundamental rights.
5. Strengthen institutional collaboration and coordination

The efficiency and coordination of public administrations are cornerstones in the fight against fraud. Therefore, it is crucial to establish, strengthen and expedite cooperation and information exchange between agencies, to enable an effective response to the problem.

One sign of the effective collaboration that has enhanced administrative efficiency in the fight against fraud is the existence of collaboration agreements between the Inspectorate and almost all of the Autonomous Communities, by which information is exchanged and actions are coordinated.

The Inspectorate has also entered into such agreements with the General Treasury of the Social Security System and with the individual management bodies within the System, and this collaboration has given rise to the joint production of annual Action Plans. The Ministry of Labour, Migration and Social Security has entered into a similar collaboration agreement with the Wage Guarantee Fund.

The purpose of the collaboration agreement with the Tax Administration Agency is to improve information-exchange mechanisms, to facilitate online access to databases and to undertake selective campaigns based on joint and/or coordinated actions, thus enabling the detection of tax and Social Security fraud and other instances of non-compliance with regulations, within the area of competence of the two agencies.

Collaboration with the General Directorate for Traffic, as a contribution to fighting irregular employment and Social Security fraud, will involve greater exchange of information with the Ministry of Development and participation in joint actions to combat fraud in the field of road transport.

Other channels for cooperation will be established with the General Council of Notaries, the Spanish College of Property Registrars and RED.ES (a public business agency attached to the Ministry of Economy and Business Affairs, which provides the Inspectorate with data related to persons and organisations that operate by means of information and communication technologies). In all cases, data protection rights will be observed.

The collaboration agreement between the Minister of the Interior and the Minister for Employment and Social Security, signed on 30 April 2013, reflects the institutional collaboration achieved in conducting investigative actions regarding sanctionable fraud, and in ensuring the physical protection of the members of inspection teams during visits.
in which their security may be compromised.

With respect to equality and preventing gender discrimination, a collaboration agreement has been signed with the Ministry of Health, Social Services and Equality (the latter area is now the responsibility of the Ministry of the Presidency, Relations with Parliament and Equality), to establish mechanisms to maintain and promote compliance with current regulations on ensuring effective equality between women and men and on preventing gender discrimination in the business world.

Finally, in the area of safety and health, a collaboration agreement has been concluded with the National Institute of Safety and Health at Work, together with a Framework Protocol for collaboration between the General Council of the Judiciary, the Ministry for Labour and Social Affairs and the State Attorney General, to facilitate the effective and rapid investigation of offences against the life, health and physical integrity of workers, and to ensure that sanctions imposed in this respect are made effective.

The Labour and Social Security Inspectorate considers it of priority importance to maintain, improve and establish new institutional relationships facilitating administrative coordination, in order to respond to the social needs arising in the labour market, with the ultimate goal of putting an end to situations and conducts that heighten insecurity in employment and in labour relations.

In this field, the Labour and Social Security Inspectorate intends to strengthen its relations with the State Attorney General’s Office by concluding an agreement enabling the two organisations to act in conjunction, and to enhance coordination between them via communication channels and information-exchange procedures facilitating the prosecution of offences detected in the course of inspections.

In this framework of institutional collaboration and coordination, the Master Plan contains the following operational measures.

Operational measure 66: Revise and adapt existing agreements with other public administrations and stakeholders, in accordance with the guidelines set out in the Master Plan.

Operational measure 67: Conclude an agreement between the Inspectorate and the State Attorney General’s Office to define a general framework for collaboration in the fight against job insecurity. In addition, the creation of a special office to prosecute crimes against workers’ rights and social security will be considered.
6. Labour and Social Security Inspectorate mailbox

In August 2013, to advance in the fight against fraud, the Labour and Social Security Inspectorate launched a mailbox facility on the Ministry website, whereby citizens can inform the Administration about any fraudulent behaviour observed. This information is analysed and, where appropriate, action is taken by the Inspectorate.

In compliance with the duty imposed on the Inspectorate to maintain confidentiality regarding the source of information related to inspection activities, the Master Plan will enable individuals and organisations, especially workers who are suffering employment abuse or are aware of others in this situation, to communicate this fact, anonymously, to the Inspectorate via the online mailbox provided for this purpose. Accordingly, the following operational measures will be implemented.

**Operational measure 68:** Apply the necessary modifications to enable the Mailbox to receive and transmit information on workplace situations that may reflect job insecurity, giving special consideration to cases of discrimination by gender concerning access to employment and, in the workplace, conditions and salary. The information thus provided will be analysed by the Inspectorate and, if verified, used in actions to prevent and sanction abuse in the workplace.

**Operational measure 69:** Change the term ‘Anti-Fraud Mailbox’ to that of ‘Labour and Social Security Inspectorate Mailbox’, and initiate campaigns to raise awareness of its existence and operation, highlighting the importance of informing the competent authorities of abuses in the workplace.

7. Strengthen cooperation in the fight against international fraud and job insecurity and fraud

The increasing mobility of European companies and of workers is an unstoppable phenomenon. Of course, this process is positive, because the goal of raising mobility is inherent to the project of the European Union. In addition, greater mobility favours Spanish companies, enabling them to compete more effectively in European markets, and boosts employment throughout our society.

However, rising levels of mobility are also associated with an increase in transnational fraud, in forms such as letterbox companies or the delocalisation across borders of road
or air transport, which generate situations of social dumping that produce unfair competition, prejudice workers’ rights and undermine our system of social protection.

International fraud is becoming increasingly complex, and so the administrative structures employed to fight it must be reinforced. Accordingly, the Master Plan proposes the following operational measures.

**Operational measure 70:** Cooperation with neighbouring countries is currently the most effective way to ensure the proper application of regulations on the transnational movement of workers, regarding Social Security, employment issues in general and safety and health in the workplace. Therefore, we will seek greater cooperation, via agreements with the countries which are the origin/destination of most such business movements, especially Portugal and France.

**Operational measure 71:** These agreements will establish a general framework for international collaboration, and will feature the following characteristics:

- An approach of “more mobility in exchange for more control”. In this context, we will consider creating an Iberian Relocation Area, to facilitate the mobility of workers between Spain and Portugal, whilst upholding the rights of the workers involved and protecting the interests of the domestic labour market. A similar programme might be adopted with France.
- Address, as a matter of priority, the fight against letterbox company fraud and maintain social protection for displaced workers.
- Implement coordinated action in performing transnational inspections and in investigating occupational accidents to displaced workers.
- Foster the exchange of information between national authorities, with particular regard to the international movement of companies and to social protection for the workers concerned.
- Create joint teams to perform inspections, implementing previously-agreed procedures, and evaluate the results obtained, for subsequent revision and improvement.
8. Improved communication by the Labour and Social Security Inspectorate

The ultimate goal of the Labour and Social Security Inspectorate is to promote compliance with social legislation. This mission cannot be achieved by inspection and sanctions alone, but must be accompanied by preventive measures (based on providing information and raising awareness among society) and by dissuasion, in which behaviour that warrants social reproach is identified and publicised.

Therefore, in addition to inspection activities, the possibilities offered by new information and communication technologies should be exploited, using channels such as newsletters, webinars, social networks and an improved online presence.

In short, the Inspectorate must communicate better with society, in order to function more effectively and to provide a better public service. For this purpose, the Master Plan stipulates that a Communication Plan for the Inspectorate should be designed and applied, based on the following operational measures.

**Operational measure 72:** Create an Inspectorate Newsletter, to be published periodically and distributed to persons and organisations with particular interest in the actions of the Labour and Social Security Inspectorate, including business organisations, trade unions, experts in labour relations, organisations of self-employed workers and cooperatives. The Newsletter will have the following main objectives:

- To publish news related to the Inspectorate.
- To publicise good practices by companies, particularly SMEs, related to compliance with labour and social security legislation, to serve as an example to other companies.
- To heighten the presence of the Inspectorate in society, and the dissuasive and multiplier effects of inspection actions.
- To expand the information channels available to the Inspectorate, thus reinforcing its policies of promoting voluntary compliance with regulations, and of preventing and dissuading non-compliance.

**Operational measure 73:** Improve the online information offered, enhancing the transparency, visibility and credibility of the Labour and Social Security Inspectorate, and at the same time fostering connections with other information networks concerning social affairs, such as the National Network of Information Services for Young People and the ‘Injuve’ Youth Offices, which aim to promote young people’s knowledge about labour
inspection in general and about job insecurity in particular. This measure has the following specific objectives:

- Improve the quality of the information provided, facilitating statistical data differentiated by gender.
- Facilitate access to information.
- Include information content in English and French, as part of the fight against international fraud.

**Operational measure 74:** Provide webinars, or virtual information sessions, imparted by experts, and aimed at entrepreneurs and other professionals in areas related to labour relations and the Labour and Social Security Inspectorate. These sessions will have the following main goals:

- Improve the provision of information in certain areas of priority interest for the Inspectorate (e.g., temporary hiring).
- Influence the information and technical assistance work performed by the Inspectorate, encouraging voluntary compliance with employment regulations, and meet the needs of small and medium-sized enterprises.

**Operational measure 75:** Increase the Inspectorate’s presence in social networks, to make its activities better known, among a greater number of citizens.
1. The Master Plan includes a wide range of operational and organisational measures to fight against job insecurity and to overcome the major problems currently affecting the labour market.

These measures lie within the scope of action of the Labour and Social Security Inspectorate, a public service that monitors and controls compliance with employment and business regulations. The Inspectorate has three main goals: to protect workers’ legal rights; to ensure fair competition between companies and the competitiveness of the Spanish economy; and to defend the present and future sustainability of the Social Security System.

However, job insecurity, i.e. the deficiencies in the labour market that give rise to the existence of socially unfair situations, cannot be resolved solely by the Inspectorate. The inspection system exists to enforce compliance with the law. But abiding by the letter of the law is not the only issue.

The problem is often the law itself, i.e. the current regulations on employment and labour relations. The 2012 labour market reform, the 2013 reform of part-time hiring and the absence of regulatory reforms to correct the wage gap between women and men; these are just a few of the factors contributing to the situations associated with job insecurity.

Therefore, it is necessary to adopt regulatory reforms to address the root of these problems. Such reforms will be embodied in parliamentary legislation, but must arise from social dialogue between the Government, business organisations and the trade unions.

2. Since the beginning of the present parliamentary session in September 2016, political groups have presented numerous initiatives related to the most serious problems facing the labour market. The Government intends to address these problems, whilst maintaining its focus on the essential dynamism of job creation, which is a fundamental pillar of the ongoing economic recovery. Among the initiatives currently being considered in Parliament, the Socialist Parliamentary Group has presented the following:
• A Bill to amend Article 42.1 of the Workers’ Statute to guarantee equality of working conditions for subcontracted workers.

• A Bill to amend Article 34 of the Workers’ Statute to include the obligation to keep a daily record of the workplace entry and exit times scheduled for each worker.

• A Bill to guarantee equal treatment and opportunities between women and men with respect to wages.

• A Bill to guarantee equal treatment and opportunities between women and men with respect to employment opportunities and conditions.

These four Bills address important problems in the labour market, which will be areas of priority attention in the Government’s policies on labour relations and employment, to be considered jointly with the corresponding social agents, as stipulated in the 4th Agreement on Employment and Collective Bargaining for the period 2018-2020.

3. As well as engaging in political dialogue, the Government has expressed its wish that social dialogue with business organisations (CEOE and CEPYME) and trade unions (CCOO and UGT) should occupy a central place in efforts to determine appropriate policies on labour relations, employment and Social Security. This social dialogue must be effective, i.e. it should produce social agreements and result in the recovery of labour rights, reduced duality, greater competitiveness of companies and a stronger Welfare State. Furthermore, it should take into account the interests of all participants in the labour market, and the relationship between wages and productivity, seeking to avoid widening the gap between the most and least protected sectors of the market.

Within this social dialogue, the Government intends to address the question of modifying the specially harmful aspects of the 2012 labour reform, with respect to collective bargaining. Measures will also be considered to reduce the job insecurity produced by current regulations on hiring, and their effects on Social Security contribution histories. In addition, the Government will propose innovative measures to dynamise and modernise the labour market, which will benefit all its participants in the medium and long term.

With respect to dialogue between social partners, on 5 July 2018 the presidents of CEOE and CEPYME (employers’ organisations) and the Secretaries-General of CCOO and UGT (trade unions) signed the 4th Agreement on Employment and Collective Bargaining for the period 2018-2020, on measures that will affect some ten million
workers, including a flat-rate salary increase of around 2% together with a variable rise of 1%. In addition, the minimum wage in collective agreements will be progressively raised to 1,000 euros, in fourteen annual payments. This reform will raise wages in Spain, without prejudicing job creation, and reflects the responsibility with which the social partners exercise their institutional role in defending not only their own economic interests, but also those of society at large.

The provisions included in the above agreement between employers’ organisations and trade unions, should now be further developed in conjunction with the Government, concerning, among other issues, Article 42 of the Workers’ Statute, on the subcontracting of works and services; measures to maintain employment, favouring alternatives to dismissal, such as adapting working hours to current necessities; skills training and professional qualifications; and the fight against the underground economy.

4. Finally, the normative reforms stipulated in substantive labour legislation arising from political and social dialogue should be accompanied by a review of the catalogue of labour-market infractions and sanctions (the latter, in particular).

The above review should address the field of employment in general, but with particular emphasis on certain areas. For example, in many cases the sanctions imposed for infractions in matters such as temporary hiring have lost their dissuasive effect, and therefore need to be strengthened, not with punitive intentions, but to achieve the legislators’ goal of dissuading abuse of the regulations.

In this respect, consideration should be given to the timeliness and effectiveness of adopting measures such as applying to fraudulent temporary hiring the same response that is currently made to other employment-related infractions (i.e. deeming the employer to incur in an infraction for each worker affected) or increasing the severity of sanctions by other means.

Ideally, there should be an appropriate balance between the dissuasive effect of the sanction (if the Inspectorate acts, the infraction will be punished) and the social effect of the inspection (continuing to promote the conversion of temporary employment contracts into indefinite ones).

In any case, we must put an end to the current situation, in which most inspection proceedings do not result in any sanction, but only lead to the conversion of temporary contracts into permanent ones. This overly lenient approach encourages fraudulent
practices in temporary hiring and discourages the creation of indefinite contracts at the outset to cover a company’s permanent staffing needs.

These reflections would be equally valid in other areas, such as abusive part-time hiring, an excessively long working day and undeclared overtime.
1. The Master Plan will be monitored and evaluated by the Standing Committees of the Governing Council and of the General Council of the Labour and Social Security Inspectorate.

To this end, when the two immediate-action plans described in the Annex are implemented in August 2018, the operational and organisational measures detailed in the Master Plan will be prioritised in a schedule for implementation, which will include appropriate indicators to facilitate monitoring and evaluation. This schedule will be determined in coordination with the Autonomous Communities and with representative business organisations, trade unions and the other social actors that took part in the development of the Master Plan.

The Inspectorate will submit a bi-annual monitoring report to the Standing Committees of the Governing Council and of the General Council for discussion and analysis. Detailed monitoring and evaluation will take place on the following dates:

- January 2019, with particular attention to the results of the action plans against fraudulent temporary hiring and irregular part-time hiring.
- July 2019
- January 2020

The impact made by the operational and organisational measures introduced will be determined, so that, depending on the results obtained, they may be adapted as appropriate.

To properly monitor the implementation of the Master Plan, it is essential to improve the statistical information available on the quality of employment in Spain. Accordingly, within four months of the Plan being approved, a study will be carried out of the most significant variables in this respect, in order to generate a set of reliable, relevant indicators to measure the evolution of employment quality in Spain.
In July 2020, the Inspectorate will submit a final evaluation report of the Master Plan to the Governing Council and the General Council for their consideration and for appropriate proposals and recommendations to be made.

2. The implementation of the measures included in this Master Plan will be supervised by a Coordinator, acting on behalf of the Inspectorate’s governing bodies. This Coordinator will also liaise between the Inspectorate, the employment authorities of the Autonomous Communities, business organisations and trade unions.
1. In accordance with the provisions of the Master Plan, the Labour and Social Security Inspectorate, in collaboration with the Autonomous Communities, will adopt, as a matter of priority, two immediate-action plans against fraud in temporary hiring and in part-time employment contracts.

2. The implementation of these plans is dependent on achieving consensus and coordination with the employment authorities of the Autonomous Communities, to respect their areas of competence and to facilitate achieving the desired outcomes.

3. The action plans have two main objectives:
   - To detect and eliminate fraud in the areas considered;
   - To generate a dissuasive effect among those perpetrating these types of fraud, which produce or aggravate job insecurity.

4. The immediate-action plans will substantially reinforce the inspection activities previously planned for August-December 2018, under the terms agreed between the Labour and Social Security Inspectorate and the Autonomous Communities through the agencies and instruments established for coordination and collaboration in this respect, under Act 23/2015, of 21 July, on the labour relations and social security inspection system.

5. The immediate-action plans will be structured as follows:
   a). Immediate-action plan against fraud in temporary hiring

   The aim of this Plan is to analyse the data available on temporary contracts that may have been created fraudulently or in excess of applicable time limits, and to regularise these situations, adopting the measures deemed appropriate for this purpose. Implementation of this Plan will increase job security and dissuade employers from abusive and/or fraudulent practices.
b). **Immediate-action plan against irregular part-time hiring**

The aim of this Plan is to analyse the data available on part-time contracts in which the length of the working day, as stated in the contract, does not correspond to what actually takes place. When such situations are identified, action will be taken to regularise both the length of the working day and the social security status of the workers in question. Implementation of this Plan will increase job security regarding the working day and will dissuade employers from abusive and/or fraudulent practices.

6. To apply the above provisions regarding the immediate-action plans, the Labour and Social Security Inspectorate will adopt the following measures:

   a). **Prepare actions to be taken by the Inspectorate, in two phases:**

**Phase 1.** The Anti-Fraud Programme will be applied to detect possible fraud in temporary hiring and/or part-time work. Companies in such a situation will be informed by the Inspectorate of the data obtained, and urged to review and regularise their situation (a period of one month would be allowed for them to do so). The companies involved will be warned that failure to comply will lead to inspection actions being undertaken.

**Phase 2.** The Inspectorate will verify the actions taken by companies identified and contacted via the Anti-Fraud Programme. Companies that maintain the initial situation or only partially redress the problem identified will be subject to further inspection, and the corresponding measures will be taken.

b). **Regional campaigns**

According to the corresponding agreements for collaboration between the Labour and Social Security Inspectorate and individual regions (Autonomous Communities), limited-scope inspection campaigns may be conducted, taking into account the peculiarities of the territory, when these characteristics have a significant influence on the matters addressed in the immediate-action plans; for example, reinforcement campaigns are conducted in the Balearic Islands during July and August, and in the Canary Islands during October and November.

The immediate-action plans will be monitored and evaluated during January 2019 by the Standing Committees of the Governing Council and of the General Council of the Labour and Social Security Inspectorate.