

HUMAN CAPITAL

Berlín, 8 diciembre



MINISTERIO
DE TRABAJO
Y ASUNTOS SOCIALES



INSTITUTO NACIONAL
DE EMPLEO

Main points of the Presentation:

- Spanish Labour Market. How training system has reacted to it (transparencies 5, 6)
- Is it worth while to Study in Spain?: We will see some statistic for age-earning profile and rate of return (transparencies 7, 8)
- Is it possible to predict the future (transp. 9)
- Latest reform in Spain (transparencies 10-18)

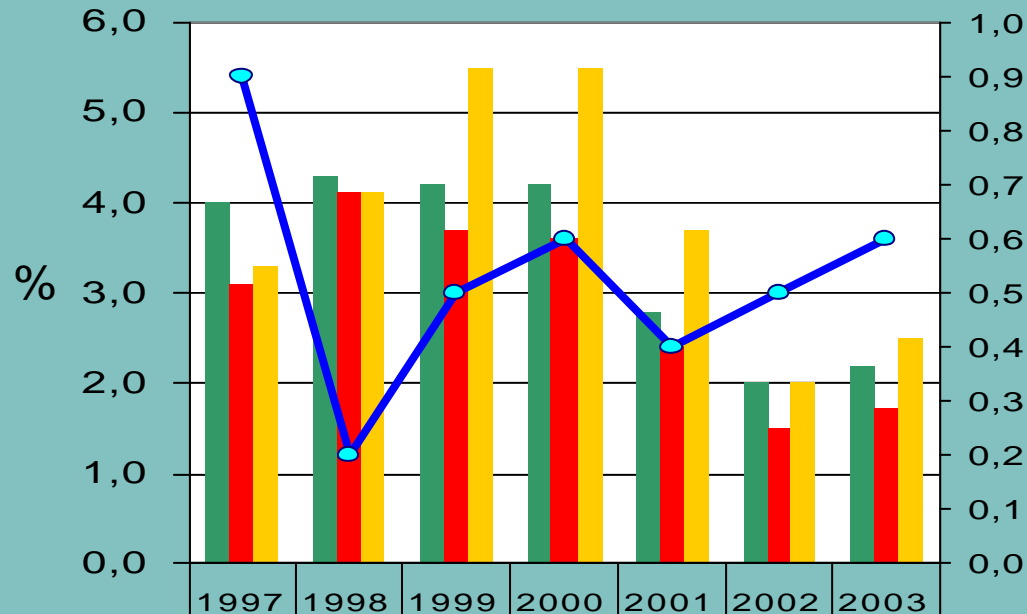
INTRODUCTION

- Education and training are much in the news.
- A good System of education and training are considered fundamental instruments for economic growth.
- Lifelong learning is the main guarantee to have and mantain employment.

Labour Market and Human Capital in Spain

Changes in GDP, employment and apparent productivity per worker.

Annual average for each year ⁽¹⁾



■ GDP	4,0	4,3	4,2	4,2	2,8	2,0	2,2
■ Employment*	3,1	4,1	3,7	3,6	2,4	1,5	1,7
■ EPA Employment	3,3	4,1	5,5	5,5	3,7	2,0	2,5
● Productivity	0,9	0,2	0,5	0,6	0,4	0,5	0,6

* In terms of equivalent to full-time jobs in the National Accounts.

EPA = Labour Force Survey

⁽¹⁾ The data for 2003 are for the first quarter.

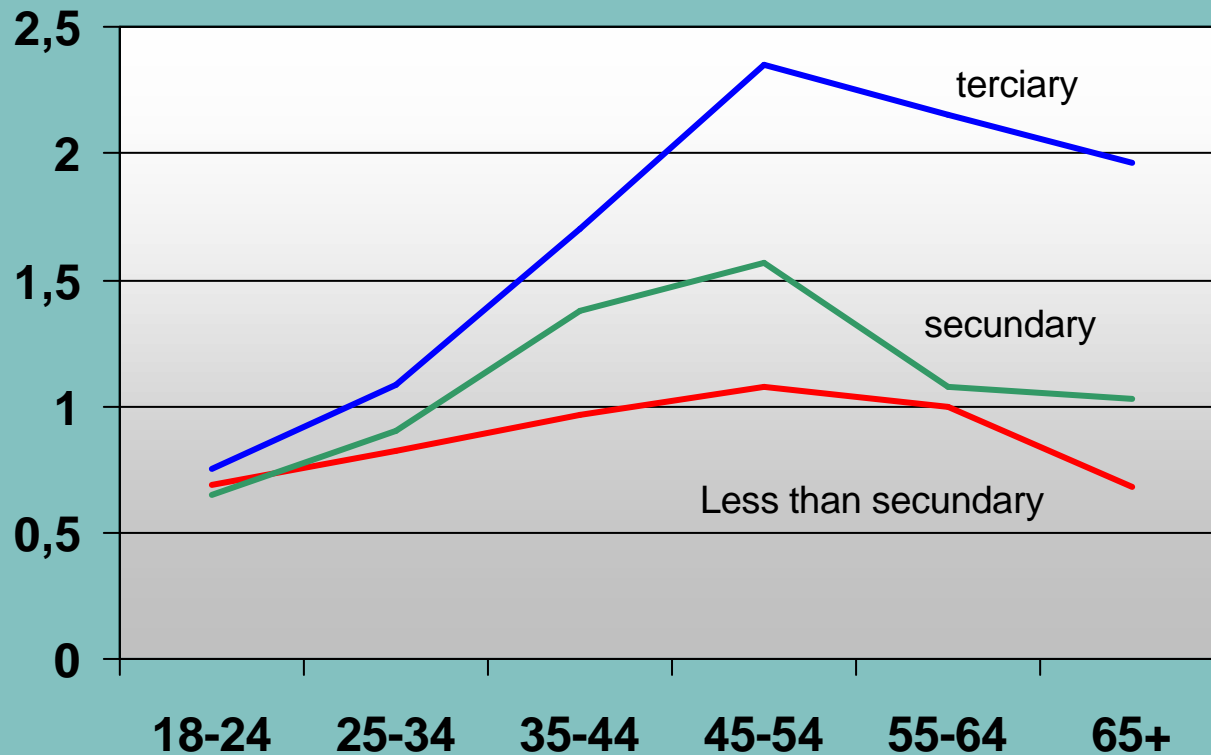
Source: INE and Readjustment of the Kingdom of Spain Stability Programme 2002-2006. Finance Ministry.

HOW HAS THE EDUCATION AND TRAINING SYSTEM REACTED TO THIS SITUATION?

- Expenditures and training are substantial.
(5,7% of GDP)
- Educational attainment of labour force has increased dramatically

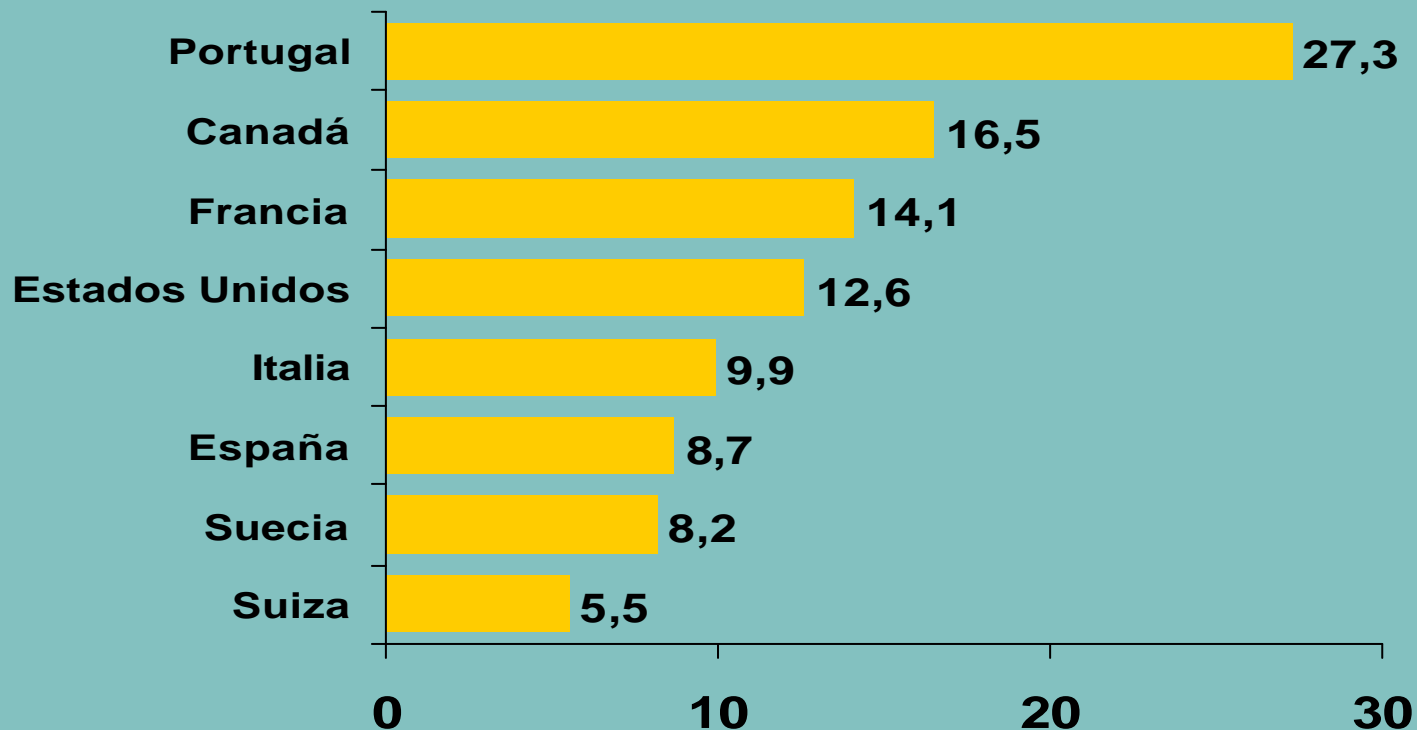
IS IT WORTH TO STUDY IN SPAIN?

Age earning profile in Spain.



IS IT WORTH TO STUDY IN SPAIN?

Rate of return of the investment in human capital in Spain



IS IT POSSIBLE TO PREDICT THE FUTURE OF THE THE RATES OF RETURN

- There is no way of accurately predict the future.

Historical data used in human capital studies

- are in the form of average (median) and the distribution of earnings by educational level around the average is wide.

The discussion so far has focused on the

- amount of schooling rather than the quality of schooling.

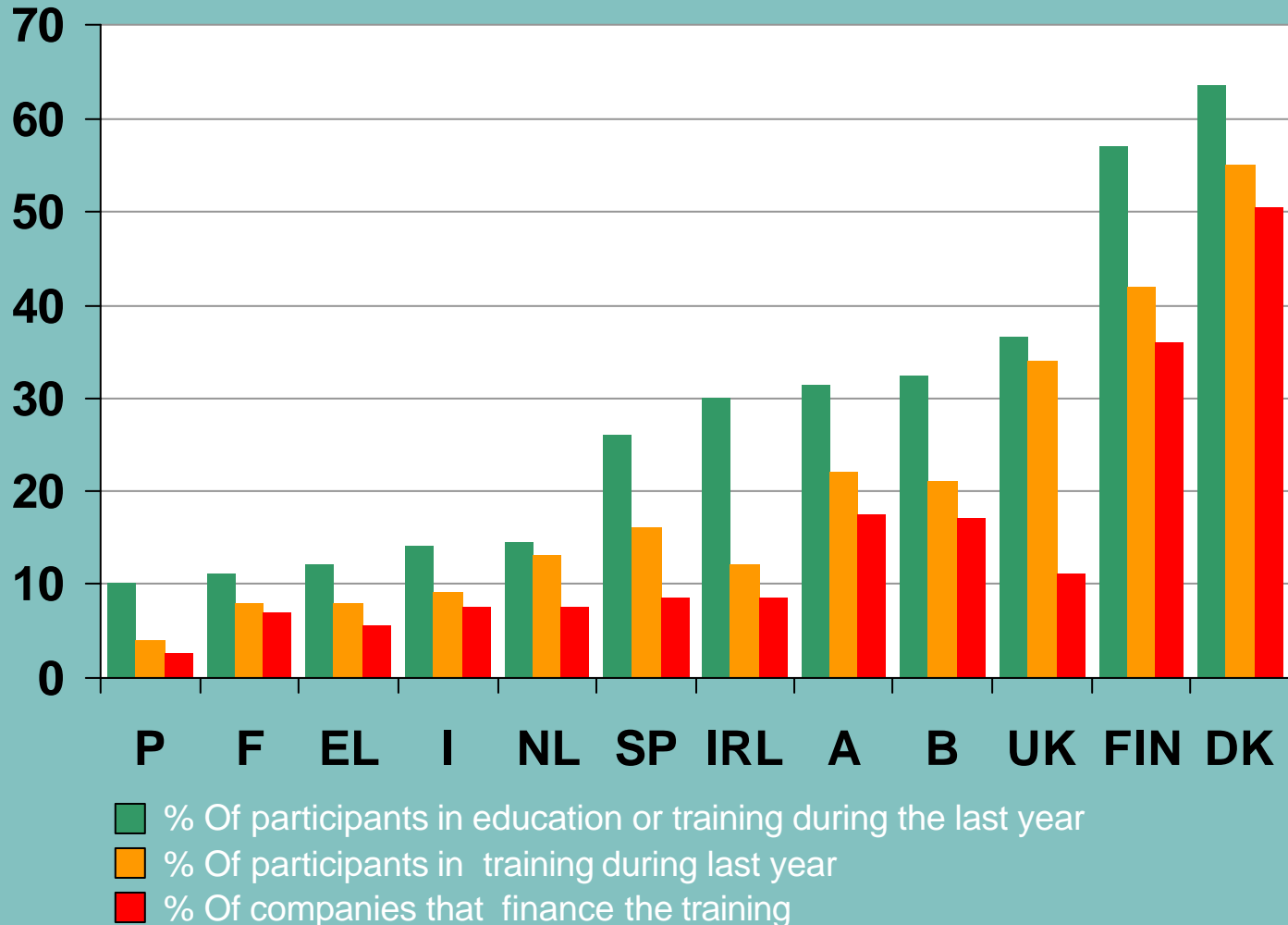
LATEST REFORMS IN SPAIN ON HUMAN CAPITAL

- The Vocational Qualification Training.
- The Continuous Training Reform.

THE VOCATIONAL AND CUALIFICATION TRAINING ACT. (NATIONAL CATALOGUE OF CUALIFICATION)

- Creation of a systematic list of skills needed in the productive System.**
- Creation of a training System asociated to these cualification.**
- Recognition and validation of the competences associated to this Catalogue.**
- Strong participation of social partners**

THE VOCATIONAL AND CUALIFICATION TRAINING ACT. (NATIONAL CATALOGUE OF CUALIFICATION)



EMPIRICAL FINDINGS OF CONTINUOUS TRAINING IN SPAIN

- The likelihood of participating in employer-provided training is greater for workers with high level education, permanent contracts and average ages.
- 37% of workers work in companies that organize or finance regularly training programs for their payroll
- 21% of temporary workers are in companies that organize or finance training programs. This ratio is 45,3% for permanent workers.
- More than 70% of big companies plan regular training for their workers.

THE NEW SYSTEM FOR CONTINUOUS TRAINING IN SPAIN

Main principles:

- **Leading role of employers and Trade Unions**
- **Involvement of the Autonomous regions in the management**
- **Main tool to guarantee lifelong learning**
- **Main consideration of the SME companies**

THE NEW SYSTEM FOR CONTINUOUS TRAINING IN SPAIN

Inciatives

- Continuous training actions for companies
- Programme-Contracts of training for workers
- Supplementary actions for innovation to accompany training.

THE NEW SYSTEM FOR CONTINUOUS TRAINING IN SPAIN

Continuous training actions for companies.

- Aids: Reduction of social contributions. (similar to fiscal aid). The smaller the company the higher the reduction is
- Type of training: Both general or specific training
- Special role of worker's representative.
- Strong mechanisms of control. (Labour Inspectorate, INEM; Autonomous Regions, among others)

THE NEW SYSTEM FOR CONTINUOUS TRAINING IN SPAIN

Programme-Contracts.

- Signed mainly between social partners and the Government.
- Scope: general training, (mainly training that can be used by different companies, as opposite to specific training)
- Aids: subsidies.
- Aim: To fill the gap that may exist if companies are only interested in specific training.

THE NEW SYSTEM FOR CONTINUOUS TRAINING IN SPAIN

Supplementary actions of innovations to accompany training

- **Aim: To research and innovate on the best tool to improve training system**
- **Any Entity, such as Univeristy, Consultants, Social Partners, Companies may have subsidies for reasearch.**