

# International briefing 34: training and development in Spain

Mike Rigby and Yolanda Ponce Sanz

*This article locates training and development in Spain within the country's socio-economic context. It maps the major changes which have been introduced into the training and development system since the briefing by Escardibul and Llinas-Audet published in this journal in 2010. It relates those changes to the ongoing economic crisis which began in 2009 and the growing emphasis on employers' demands in the design of the training system. Finally, it identifies the challenges presented to Spanish policy-makers by a number of weaknesses in the current system. The Spanish experience is particularly relevant for countries in which social partner involvement and a significant small and medium-sized enterprise (SME) presence are important issues in the development of their training system. It is also particularly useful for those countries in Latin America whose training systems have been influenced by the Spanish model.*

## Population and industrial structure

Spain is located in Southern Europe. It shares a border with France in the north and Portugal in the west. At the beginning of 2016 the population was 46.4 m. Spain became a democracy (and constitutional monarchy) after the death of General Franco, the dictator, in 1975. It joined the EU in 1986 and the Common European Currency in 1999.

A distinctive feature of the political structure of Spain is the high level of autonomy granted to its 17 regions. The degree of autonomy which should be granted to the regions is a continuing issue of debate.

## Economy

In 2015, Spain was the fourteenth largest economy in the world with a GDP of 1041 billion euros. This translated into 22.78 euros per capita, 7% below the EU average

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□ Mike Rigby, Lecturer and Visiting fellow, London South Bank University, 103 Borough Road, London SE1 0AA, UK. Email: rigbyp@lsbu.ac.uk. Yolanda Ponce Sanz, Fundación Tripartita para la Formación en el Empleo, Torrelaguna 56, Madrid 28045, Spain. Email: yponcesanz@gmail.com

(Eurostat, 2015b). In 2014, the Spanish economy began to grow for the first time since the economic crisis which began in 2008/9. This growth continued in 2015 with GDP increasing by 3.2% (which was still smaller than pre-crisis levels).

The economic crisis resulted from the wider global recession and the collapse of the property market with the resulting exposure of high levels of private debt. The slow recovery has been based on a recovery of domestic demand. Although from 2013 debt has declined, there is a continuing high level of external debt, leaving the economy vulnerable to changes of confidence in external markets. Inflation during 2014 and 2015 displayed negative values, a trend continuing in 2016 with a rate for January of  $-0.3\%$  (compared with an EU average of  $+0.4\%$ ).

The distribution of the labour force is as follows: Agriculture (4%), Construction (6%), Manufacturing Industry (14%) and Services (76%). A high proportion of the labour force is employed in small enterprises. Only Italy and Greece in the EU have a higher proportion of their labour force employed in micro firms – businesses with fewer than 10 employees (European Commission, 2015). The informal economy is also important, accounting for 20% of GDP.

A major problem is the high level of unemployment. Although unemployment has fallen from a peak of 27% in 2013, to 21% at the end of 2015 (against an EU average 9%), job creation has been slow and the quality of many jobs created has been poor. In 2015, 93% of jobs created were temporary and 31% part time (Instituto Nacional de Estadísticas, 2016). This pattern of employment has accentuated poverty. Within the EU, only five countries had a higher Gini coefficient than Spain in 2014 (Eurostat, 2015a). The Gini coefficient is a measure of the distribution of income in a nation: the higher the coefficient, the greater the inequality in distribution.

## Education

The obligatory age for starting school is 5 years but in most parts of Spain schooling is available from the age of three resulting in a cycle of infant education for 3–6 years. At 6 years children progress to primary education which lasts for 6 years.

From the age of twelve, children move on to secondary education. Compulsory secondary education (*Enseñanza Secundaria Obligatoria* – ESO) should take 4 years. It consists of two cycles, one of 3 years common to all students and one of one year in which a choice has to be made between an academic and vocational route. As in primary education, children can repeat a year in which they have not been successful. On reaching the age of 16 those who have successfully completed the first 4 years can either embark on a 2-year academic programme prior to university entrance (the *bachillerato*) or take an intermediate vocational qualification. Those students not successfully completing the compulsory stage can either undertake a basic vocational qualification (then enter the intermediate level) or leave school.

Spain performs well in respect of infant and primary education but has a higher than average percentage of young people who do not continue in education after the compulsory stage (22% compared with an EU average of 11% in 2014)

New legislation introduced in 2013 sought to improve the education system by establishing greater autonomy for schools, testing in primary schools and exit exams in lower and upper secondary education. The fate of this legislation is uncertain given the opposition to its implementation among parents and teachers.

Private education with a high degree of ecclesiastical involvement plays an important role in the Spanish system with around one third of children typically in private schools, the majority with substantial public funding (*los concertados*).

At the end of compulsory education most students who continue with their studies seek to enter university rather than follow a vocational route. The university course they are able to follow depends on the results of a competitive examination (*Prueba de Acceso a la Universidad* – PAU) along with their *bachillerato* results. There are 83 universities in Spain, 50 being public and 33 private (Ministerio de Educación, Cultura y Deporte, 2015). The former have a much larger student intake.

Table 1: Structure of IVET

| Title   | Duration           | Company placement |             |
|---------|--------------------|-------------------|-------------|
| Cycle 1 | Basic level        | 2 years           | 240 hrs     |
| Cycle 2 | Intermediate level | 2 years           | 400 hrs     |
| Cycle 3 | Higher level       | 2 years           | 400–700 hrs |

Authors' elaboration.

The Spanish university curriculum has been restructured in recent years to comply with the Bologna plan. Most university first degrees have been reduced from 5 to 4 years. New legislation was introduced in 2015 with the intention of promoting a shorter first degree programme of three years. However, given the opposition within the university sector, it is uncertain how many 3-year degree courses will be developed.

The economic crisis has negatively impacted upon investment in education. Currently, 4.36% of GDP is invested in education compared with a European average of 5.25% (Eurostat, 2015b).

### Initial vocational education and training

One might have expected Spain, as in the case of other Mediterranean states, to have emphasized the role of Initial Vocational Education and Training (IVET) to compensate for weaknesses in employer training provision. However, this has been less evident in Spain. During the Franco regime the proportion of students in non-compulsory secondary education taking part in IVET was very small (4%). In post-Franco Spain, the role of institutions of IVET did increase but the range and quality of courses on offer were largely dependent on where students lived and the offer could be extremely narrow. The sector suffered from a high drop-out rate and the employment rate for graduates from the sector was not good, reflecting employer ambivalence about accepting certification from the sector. Above all, the increasing attraction of an academic university route cast a shadow over the sector.

The Education Reform Act of 1990 introduced important changes. The range of subjects available in the vocational route was increased and they were based on modules focusing on specific vocational competencies. In addition, each student was expected to undertake a relevant company placement during the course. Table 1 indicates the current structure of IVET.

Subsequently the numbers engaged in IVET increased and during the economic crisis there has been another advance in the number of students in the sector (Table 2), suggesting the vocational route becomes more attractive in periods of higher unemployment. Thus, the proportion of the post-ESO cohort – the post-compulsory secondary education cohort – in IVET increased to 46% in 2012, still below the EU average of 50% (OECD, 2014).

Table 2: Evolution of numbers in School Based Vocational Training during the Economic Crisis (,000)

| Year             | 2007/8 | 2008/9 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|------------------|--------|--------|---------|---------|---------|---------|---------|---------|
| Numbers enrolled | 462    | 486    | 537     | 582     | 615     | 660     | 696     | 793     |

Ministry of education, culture and sport, 2–15.

In further developments involving IVET, the Spanish government in the Royal Decree of 2012 sought to establish a dual apprenticeship system. Two models were established. The first was managed by education authorities at regional level, giving rise to considerable variety of practice. Schemes are established by agreements between vocational schools and companies. For the most part it is not obligatory that trainees receive a salary during their company placement. Only 16,199 trainees took part in this model in 2014/5 (Ministerio de Educacion, Cultura y Deporte, 2015). The second model, designated the contract for training and apprenticeship, was the responsibility of the Ministry of Employment and concentrated on employer-based training with little provision for college attendance. This model appears to have been used as a casual employment contract rather than a training opportunity (Comisiones Obreras, 2015). In 2015, 174,923 contracts were registered under this model (Sistema Nacional de Empleo, 2016).

## The employee training system

### Historical context

The basis of the current national training system for employees was established at the beginning of the 1990s. A voluntarist approach during the 1980s had not produced an effective response from employers. In 1988, training represented only 0.2 per cent of Spanish labour costs compared to a European average of 1.5 per cent (Instituto Nacional de Estadísticas, 1988). Coupled with the weakness of school-based vocational training, deficiencies in the skills area were widely recognized.

This poor training performance of companies can be related to structural and cultural features of the economy. The high proportion of small firms invested less in training. In a segmented labour market, with around 30% of workers on temporary contracts, temporary workers are less likely to be employed in firms which train and, if employed in them, they have a lower probability of being selected to participate in training (Albert *et al.*, 2005). The high level of unemployment and the availability of labour encouraged a low cost/low skills strategy among employers. Finally, the short-termism associated with corporate culture in Spain and the preference for improvisation and spontaneity over planning and formality can also be related to lower training investment (Cabrera & Carretero, 2005).

### The establishment and development of the national system

The Tripartite Agreement on Continuous Training was reached between the government and employer and trade union representatives in 1992 and came into effect in 1993. It established: (i) a national co-ordinating body, the *Fundacion para la Formacion Continua (Forcem)*, managed by the social partners, and (ii) jointly managed sectoral organizations, the *Comisiones Paritarias Sectoriales (CPSs)*. The system was funded by means of a tax earmarked for training, collected via employer and employee social security contributions.

The two most important provisions established by the agreement were grants for company training plans and group training plans. Companies with 200 or more employees (reduced to 100 in 1997) were able to apply to *Forcem* for funding for a proportion of the costs of their company training plan. They had to consult worker representatives about the content of the plan and submit a report from worker representatives with their application for funding. In addition, group training plans for groups of small firms and inter-sectoral plans open to workers generally were also funded via *Forcem*. The group plans were sectoral and normally based on a province. Funding was to be approved initially by the appropriate CPS and covered all associated costs. Group and inter-sectoral plans had to be sponsored by a trade union or employers' association. The social partners tended then to subcontract the delivery of the plan to their own training institution or a private provider with which they had link. Most training took place out of working hours. The group plans were supply

rather than demand driven, the offer being largely designed by the social partners following sectoral studies of training need.

A second phase of development of the system (2002–2009) saw a number of changes which responded to the lobbying of employer groups and regional governments. The former were concerned to have more control of the use of training funds. The second phase responded to this pressure by reducing the control of the CPSs and *Forcem* over company training plans qualifying for financial support and making training credits available automatically to companies providing evidence they were engaging in training. The company-based sector of the system became known as the demand sector. What became known as the offer sector consisted of sectoral and inter sectoral plans open to workers generally sponsored by the social partners. Regional governments were brought into the system and could sponsor plans in the offer sector as well as the social partners. As a result of these changes one third of the funding available was made available to the demand sector and two thirds to the offer sector (divided equally between the social partners and regional governments).

Finally, the national management of the system became tri-partite with the incorporation of government representatives into *Forcem*, in part in response to some charges of corruption in the use of training funds.

### **The impact of the economic crisis 2009–2015 and the emergence of the current model**

The Spanish government reacted to the economic crisis by introducing a raft of changes to the employee-based system, initially through budgetary action and then through legislation. There was a 30% reduction of the national funds made available for the system (although the reduction in the amount collected from social security contributions for training as a result of the recession was much smaller at 4.5%). Funding declined from 1.5 billion euros in 2009 to 953 million euros in 2013. Consequently, the steady annual growth in the number of participants in training programmes was halted from 2010, since when it has stagnated. The funding reduction was borne by the offer sector. The demand sector allocation of the total funding was increased from one third to just under two thirds and throughout the recession period the number of participants in the demand sector continued to grow up to 2014 when it began to decline, but slowly. By 2013 only 7% of participants were trained in the offer sector; in 2004 it had been 54%.

The Law of 2015 (*Ley 30/2015*) introduced a number of potentially important changes to the model which had emerged during the first decade of the century. However, the slow implementation of its provisions has made it difficult to fully evaluate the impact of the legislation. Provision in the offer sector was given a clearly secondary role and in this sector there was to be an increased emphasis on courses developing transferable skills and courses to achieve recognition and accreditation. In the demand sector, the administrative burden on companies was reduced and it was made easier to obtain training credits. The role of the social partners in the offer sector was reduced. They were excluded from the direct sponsorship and delivery of training which largely became the prerogative of private training providers who were also able to submit proposals for group training plans for small firms. The exclusion of the social partners was driven more by concern over supposed cases of corruption and misuse of training funds than any new directions in relation to training provision. Other new measures, yet to be fully implemented, included the possibility of unemployed workers managing their training via a training cheque and the establishment of some employee training provision in public centres.

In respect of institutional development, the national body managing the system was retitled the State Foundation for Employment Training (*Fundación Estatal para la Formación en el Empleo*) and representatives of regional governments were introduced into its Management Board. The Foundation was placed more clearly under the control of the Ministry's Employment Service which had to approve major decisions. The role of the sectoral organizations (CPSs) was strengthened, for example, they were responsible

Table 3: Comparative CVTS data

|   | 1993  |     | 1999  |     | 2005  |     | 2010  |     |
|---|-------|-----|-------|-----|-------|-----|-------|-----|
|   | Spain | EU  | Spain | EU  | Spain | EU  | Spain | EU  |
| % of companies providing training       | 27    | 57  | 36    | 62  | 47    | 60  | 75    | 75  |
| Cost of training as a % of labour costs | 1.0   | 1.6 | 1.5   | 2.3 | 1.2   | 1.6 | 1.6   | 1.6 |

CVTS 4.

Note: To maintain comparability the EU average for 2010 is based on the 15 member countries prior to enlargement. If the full 27 members' countries had been included the EU average drops to 66%.

for monitoring the content of the company-based element of dual apprenticeship systems.

### Evaluation of the Spanish system

In quantitative and access terms the first and subsequent tripartite agreements on employee training had a clearly positive impact up to the financial crisis. The number of participants in training under the terms of the first agreements increased from 293,000 in 1993 to 3.1 million in 2009. Less favoured groups in terms of access to training – women, semi and unskilled workers and employees of small firms – all increased their participation significantly in the offer sector. The comparative performance of Spanish companies improved as Table 3 shows. The percentage of Spanish companies providing training to their employees increased steadily throughout the period covered by the surveys, narrowing the gap with the European average and finally reaching it in 2010. In respect of the percentage of labour costs invested in training Spanish companies caught up with the European average in the early years of the tripartite agreements although subsequently both Spanish and European performances have stagnated.

However, against this positive picture must be balanced a number of concerns.

- i. Only a minority of companies have at any stage engaged with the system of training credits in the demand sector. Two decades after the signing of the first agreement, only 31% of Spanish companies were taking advantage of the training credits available, with a particularly low level of involvement of small firms, confirming the difficulty of engaging small firms in formal initiatives (Bishop, 2015).
- ii. The economic crisis has halted the pattern of growth. Initially this was as a result of budget cuts and diminishing provision in the offer sector. However, as the crisis has continued, companies have reduced their direct training investment. By the end of 2010 the proportion of labour costs spent on training had almost halved compared with 2005, from 1.2% to 0.68% according to a survey by IE Business School (Sanchez Silva, 2012) and large company investment in training declined by 45% between 2007 and 2012 (Sanchez Silva, 2012).
- iii. A continuing concern about the national system has been about the lack of sufficient connection between the training provided and labour market needs. From the beginning much of the training in the offer sector, which tends to be provided outside working hours, has been of a generalist nature lacking a sectoral focus, the six most common areas of training being, in decreasing order of importance, information technology, health and safety, sales, languages, customer care and supervisory skills. A number of factors explain this general emphasis. Sectoral needs are often complicated to identify; sectoral provision is expensive to mount



because of the need for specialized trainers and equipment; more general courses were easier to recruit for. In addition the weakness of trade unions during the economic crisis has resulted in less pressure to focus on sectoral needs. The shift in resources to the demand sector has not changed this pattern. Company training plans have also tended to focus on general provision rather than reflecting changing sectoral needs. Thus, in 2014, in the demand sector, the commonest training provision was in health and safety (21% of participants), administration and management (20.6%), sales and marketing (13.2%) and complementary studies including languages 10.4%) (Fundación Tripartita para La Formación en el Empleo, 2015).

This difficulty with the nature of the provision is perhaps more understandable in the offer sector where supply side issues dominate the training provided by the social partners. However, the existence of the same problem in the demand sector suggests the absence of any clear perception of skills needs among many Spanish employers, particularly in smaller firms. This vacuum is filled by a generalist offer, marketed by training providers (for whom the provision of ready-made courses, with significant economies of scale, is more profitable).

- iv. The introduction of the regional governments in the management of the offer sector has complicated the delivery process. The social partners, the central government and the regional governments failed to agree upon a division of labour in relation to provision. The result has been a lack of co-ordination, as well as competition and duplication, not helped by the reluctance of regional governments to provide data on their provision. As a result the different agents have often been competing for the same trainee, reducing the credibility of the system.
- v. Although, the social partners have played a major role in managing the system and coordinating provision in the offer sector (where their collaboration facilitated more stable and co-operative relations in industrial relations as a whole), at company level evidence, suggests that the influence of worker representatives locally on company training plans and provision is limited (Rigby, 2002), the union capacity being constrained by company reluctance, the inexperience of representatives in the training area and, sometimes, a lack of interest of workers in the training area.

## The national system of qualifications

Legislation in 2003 on Qualifications and Vocational Education and Training established that the satisfactory completion of studies in initial vocational education and training would lead to the award of specific qualifications/diplomas and that employee-based training would lead to certificates of occupational proficiency. A link between the two forms of accreditation was to be established via a National Catalogue of Professional Skills and Qualifications, the central hub of the National System of Qualifications (NSQ). The National Catalogue was also to serve as a point of reference for the accreditation of professional/occupational experience and non-certificated learning. As well as the catalogue the legislation provided for the creation of an integrated system of guidance and permanent assessment.

Such a system for the certification of training should provide some control of quality by favouring training offered in accredited centres. It should enable workers to identify new learning routes as a result of the links established between skills in the national system as well establishing greater transparency in the labour market in relation to the content of and relationship between different occupational roles.

The implementation of the NSQ has been slow and uneven. Progress has been made in the development of a catalogue of modules of skills and qualifications (currently there are 587 certificates approved). In addition, the percentage of publicly funded training which is accredited has increased. However, progress has been slower in establishing a system of guidance and assessment for the employed and unemployed.

The assessment process is inadequate, being largely descriptive and finding it difficult to interpret and make sense of data from different regions.

The Royal Decree on operationalizing the process of the recognition of professional competences, acquired through employment experience and non-certificated learning, was not published until 2009 and its effect so far has been limited. Some regions have been inactive e.g. Madrid. In other cases, only a limited number of workers and specialisms have been put through an assessment process. Perhaps because of this lack of progress, as part of the Training Law approved in the summer of 2015, a new initiative was introduced, to be implemented by the Central Government, on the recognition of the skills of workers.

In respect of the development of accredited centres to provide certified employee training an imbalance has emerged. Most of them are operated by private companies which tend to concentrate on that training which does not need a lot of investment in premises and trainers. As a result, their offer tends to show a bias towards the service sector and administration at the expense of industry and agriculture. Although in the new law the trade unions managed to get included the possibility of transferring further funding to public sector centres, thus, encouraging a more balanced provision, it is too early to be able to judge if this will happen.

Finally, it should not be forgotten that the increase in certifiable training between 2010 and 2013 was largely a result of the increase in the funds allocated to training for the unemployed rather than employed workers. Very little company provided training is certifiable (less than 1% according to the latest data). This is because certifiable training tends to be longer and difficult to fit into working hours and because the occupational classifications used by companies tend to be those found in collective agreements which bear little relation to the National Catalogue.

## Training for the unemployed

The 1990 Education Act divided occupational training into three systems, initial training, training for the employed and training for the unemployed. Until 2007 a separate regulatory framework was in place for training the unemployed. The Royal Decree of 2007 ended this division. From this point training for the employed and unemployed came under the same regulatory framework. The Royal Decree specified a number of initiatives directed at the unemployed:

- i. Training programmes primarily oriented to the unemployed
- ii. Training programmes for people with special educational needs having difficulty finding employment
- iii. In-company training programmes aimed at unemployed people which include a commitment to recruit after training
- iv. Training in-company and in special workshops aimed at young people with special needs

In addition, the Decree established that unemployed people could attend courses under the 'offer' segment of the employee training system (up to 40% of course members), and vice versa.

The development and management of courses for the unemployed is the responsibility of the regional governments, operating within a framework of national plans established by central government which establish general objectives and the resources allocated. In practice the provision of courses for the unemployed is much smaller than those aimed at employed workers. According to the latest survey only 5.16% of the unemployed have undertaken training (Sistema Nacional de Empleo, 2015). Participation declines with age and is greater among the more academically qualified. The courses are concentrated in similar areas to those for employees: administration (20.6), socio-cultural and community services (18.2%), tourism (10.2%), information technology (9.4%), marketing and sales (9.4%) (Consejo Economico y Social, 2015)



## **Conclusion: challenges faced by the Spanish system**

When we consider the overall comparative skills position of the Spanish labour force after more than two decades, experience of the new national system we find that despite the progress which has been commented upon, Spain's position among OECD countries displays significant weaknesses (UK Commission for Education and Skills, 2015). It has a higher proportion of the workforce in the low skills category than all except Mexico, Portugal and Turkey and only the same three countries have a lower proportion of workers with intermediate skills. The only area where Spain is near to the OECD average is in respect of high-level skills which, given the popularity of the university route is not surprising. Certainly, it could be argued that some of the advances signalled as a result of the national system have not fed through to change the overall picture for 25–64 year olds but projections for 2020 do not suggest much change in Spain's existing profile.

In order to remedy this comparative weakness, the Spanish training system needs to develop a response which recognizes and addresses the weakness of employer demand in a largely small-firm economy with a labour market characterized by high unemployment and low contractual security. Such a response would involve a number of steps.

### **Strengthening the role of initial vocational education and training**

Whereas other Southern European countries with similar economies to Spain have tended to compensate for the weakness of training in industry by emphasizing school/college based rather than work based vocational training (Eichhorst *et al.*, 2015), we have seen that this has not been the case in Spain. No Spanish government in the democratic era has sought to remedy this situation on a sustained basis because of the focus on higher education and because the limited articulation of demand for skilled workers by companies has meant there has been little employer pressure to develop the vocational school sector (exceptions being the limited number of cases where large companies or a specific sector in a particular location have worked jointly with vocational schools to develop tailored provision). Efforts to reduce the Spanish skills deficit should, first and foremost therefore, involve recognizing the need to elevate the institutions of IVET to a more significant role in the system. The recent increase in the participation rate in IVET during the economic crisis presents a platform upon which to build. Part of the process of strengthening the role of IVET institutions would be to give them a greater role in employee training thus establishing greater coherence between IVET and employee training provision.

### **Establishing the dual system of apprenticeship training**

As discussed above, the progress in establishing a dual system of apprenticeship has been limited. The model most reflecting the principles of a dual system is that managed by the Ministry of Education but it is at the moment suffering from low investment and an unevenness in implementation as a result of regional differences. There is an urgent need for the government to build on this initial experience, promote best practice from the different regional models, develop incentives for company engagement and provide adequate funding for its expansion (Rego *et al.*, 2015). The model managed by the Ministry of Employment would seem to have limited potential, having become another source of temporary contract labour for employers.

### **Strengthening worker representative involvement at company level**

The social partner involvement in the management and operation of the national training system for employees has had the positive impact of opening up opportunities for the development of basic skills among neglected segments of the labour force (unskilled and semi-skilled workers, women, older workers). However, the social partner impact upon skills development at company level has been limited. Researchers

(Busemeyer & Trampusch, 2012; Streeck, 1992) pointing to the difficulty of unions pushing employers towards a higher skills model are vindicated by the Spanish experience in which limited union organization and legal rights have handicapped union attempts to engage with enterprise based training plans. Strengthening worker representative rights in relation to training at company level would help to increase pressure on employers to invest in skills.

### **Encouraging employer demand for skills**

Action is needed to foster cultural change in attitudes to skills in Spanish business. This needs to move beyond the passive establishment of incentives to employers, evident in the current credit based system. The establishment of sectoral bodies with a clear broker brief in relation to their sector would be an important step in developing a stronger demand for skills on the part of Spanish employers. Such bodies would need to face in two directions, engaging in outreach activity with employers to identify skills needs and transmitting these needs to IVET institutions to enable provision to be established. For the latter role to be effective the sectoral bodies would need a significant role in the management of IVET institutions. The Dutch experience would indicate this is the kind of model most likely to engage employers in skills development (Sung, 2010).

### **Engineering a more stable labour market**

The high degree of casualization and contract fragmentation in the Spanish labour market is not a product of the economic crisis but has been a constant feature for three decades. Inevitably, it does not foster investment in skills. The labour market reforms introduced in 2012 have not improved this panorama. A significant cultural change in Spanish business and a movement away from short-termism will be difficult to achieve without effective regulation of temporary contracts.

### **Encouraging the training role of large firms**

The training and development provision of larger Spanish companies bears comparison with European competitors. Models exist in Spain for such companies to make their training facilities available to smaller firms, for example, Mercadona and Ford in the retail and auto sectors respectively. Building on this experience through the provision of incentives would significantly improve the training options available for small firms.

### **Improving training for the unemployed**

The continuing high level of unemployment makes it important to improve training provision for the unemployed. There is a need to increase the role of training in active employment policies and manage more effectively the resources allocated, in particular widening the range of courses offered. Particular attention needs to be paid to the needs of older and less qualified workers and the orientation/advisory services require further development.

## **Academic research into training and development**

Spanish research into training and development has been particularly concerned about the level of training carried out in Spain and the comparative position of Spain in relation to other European Union countries. There has been a consensus that considerable progress was made in the decade after the introduction of the national training system in 1992 but that Spanish provision still lagged behind countries such as France and Germany in respect of level of investment and quantity carried out (Huerta *et al.*, 2006; Pineda Herrero, 2007). However, the economic crisis has threatened the progress made

with training spend per worker and training budgets going into decline (Clemente *et al.*, 2010).

The comparative weakness of training and development provision has tended to be related to the structure of the Spanish economy with a large number of SMEs in which training is minimal, is viewed indifferently and is deficient in both quantity and quality (Cabrera & Carretero, 2005; Pineda Herrero, 2007). These researchers point to the need to direct more resources to SMEs for training and provide them with more professional HR support.

However, problems are not confined to SMEs. Researchers have indicated a range of problems with the training process in Spanish companies as a whole. Huerta *et al.* (2006) in a study of large Catalan companies found that only 26% evaluated their training provision in any systematic way and less training would be carried out were it not for the financial subsidies received. Training too often is reactive and short term, disconnected from any career planning or management development process (Cabrera & Carretero, 2005). Other problems are the lack of adequately trained training professionals and the limited involvement of workers in the development of their training (Pineda Herrero, 2007). In addition, the motivation for training is not always that of improving organizational performance. Thus Aragon Sanchez and Esteban (2010) found that training might also be a way of seeking legitimation and approval from institutions, public and private, with which companies interacted.

In addition to the large number of SMEs, institutional weaknesses in the Spanish training system have been commented upon as contributing to weaknesses in training provision. It has been characterized as a hybrid system, an unstable mixture of state intervention (the system of initial vocational education and training), corporatism involving the social partner managed training institutions, and the free market (companies) with insufficient connection and articulation between the different elements (Souto-Otero & Ure, 2011). In this context Olazaran *et al.* (2013) displayed the lack of connection of the IVET system with innovating companies in the Basque country.

Cultural factors are also seen as conditioning the Spanish training performance. Spain scores below average on Hofstede's future orientation. This has been related to the lack of training plans and informality characterizing training in most companies (Cabrera & Carretero, 2005). Landeta *et al.* (2009) stress the urgency with which management training is developed without much consideration to it as a form of longer term investment and unrelated to future management turnover. Qualifications are overvalued at the expense of work-based skills (Martinez Lucio & Stuart, 2003).

Several studies seek to relate training provision to different aspects of company performance. Thus the productivity of training firms has been found to be higher (Clemente *et al.*, 2010). Systematic training needs analysis, the development of suitable training policies and rigorous evaluation procedures were all found to relate positively with company productivity and financial performance (Ubeda *et al.*, 2013). Expenditure on training and the formal organization of the training process contributed to company financial turnover (Marin-Diaz *et al.*, 2014). Pineda Herrero *et al.* (2015) found that training in areas such as creativity, managing change and technical skills was important for managing innovation.

## Sources of information on training and employment in Spain

### Governmental institutions

Fundación Tripartita para la Formación en el Empleo: <http://www.fundaciontripartita.org/>

Instituto Nacional de Estadísticas: <http://www.ine.es/>

Ministerio de Educación, Cultura y Deporte: <http://www.mecd.gob.es/>

Ministerio de Empleo y Seguridad Social: <http://www.empleo.gob.es/>

Servicio Público de Empleo Estatal: <http://www.sepe.es/>

## Trade unions

Comisiones Obreras <http://www.ccoo.es/>  
Unión General de Trabajadores: <http://www.ugt.es/>

## Employer organizations

Confederación Española de Organizaciones Empresariales: <http://www.ceoe.es/>  
Confederación Española de la Pequeña y Mediana Empresa: <http://www.cepyme.es/>  
Consejo Superior de Cámaras de Comercio de España: <https://www.camaras.org/>

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