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# **EUROPEAN SOCIAL CHARTER**

Comments submitted by the Galician Unions' Confederation (CIG) concerning the Ad hoc report on the cost-of-living crisis submitted by

# THE GOVERNMENT OF SPAIN

Report registered by the Secretariat

On 27 June 2024

# **CYCLE 2024**



# EUROPEAN SOCIAL CHARTER European Committee of Social Rights – Comité européen des droits sociaux Reporting system (Ad-hoc reporting procedure) Cycle 2023 RAP/RCha/ESP/2023

# Comments by CIG to the ad-hoc report on the cost-of-living crisis submitted by the Government of Spain

On 20 December 2023 the Secretariat of the European Committee of Social Rights (ECSR) registered the 'Ad-hoc report on the cost-of-living crisis'<sup>1</sup> submitted by the Government of Spain.

The 2022 reform of the reporting procedure (set out in Part IV of the 1961 Charter) introduces the possibility of asking States Parties to submit ad-hoc reports on new or critical issues arise with a broad or transversal scope or a pan-European dimension for analysis or review. On this occasion, the topic to be discussed is the cost-of-living crisis since the end of 2021.

However, the ESCR will not make conclusions on the conformity of the situation with the Charter, in the context of the ad-hoc reporting procedure. Instead, the ECSR may propose general orientations.

Trade unions, employers' organisations, non-governmental organisations, human rights institutions and equality bodies were invited to submit their comments on the Government report by 30 June 2024.

The *Confederación Intersindical Galega*<sup>2</sup> (Galician Unions' Confederation) is a trade union that:

- defends the national identity of Galicia and the self-organization of the Galician workers;
- practices solidarity and internationalism;
- considers democracy and participation a fundamental principle;
- maintains independence from any other organization or institution;

<sup>&</sup>lt;sup>1</sup> <u>https://rm.coe.int/spain-ad-hoc-report-on-the-cost-of-living-crisis/1680ae13cd</u>

<sup>&</sup>lt;sup>2</sup> More information about CIG on its website: <u>https://cig.gal/</u>



• expresses itself in Galician language and promotes the Galician culture.

Next, we will proceed to present our comments to the answers that the Government of Spain has given to the Committee's questions, following their order.

1) Please provide information as to whether and how the statutory minimum wage is regularly adjusted/indexed to the cost of living. Please indicate when this last happened, specifically whether it has been adjusted /indexed since the end of 2021.

2) Please provide information on any supplementary measures taken to preserve the purchasing power of the minimum wage since the end of 2021

• COMMENTS BY CIG:

First of all, we must indicate that CIG has registered a collective complaint<sup>3</sup> on this issue on 3 October 2023. It relates to Article 4§1 (right to a fair remuneration) of the revised European Social Charter. Our union alleges that Royal Decree No. 99/2023 of 14 February 2023, which sets the interprofessional minimum wage for 2023, is in breach of Article 4§1 of the Charter, as the amount of the interprofessional minimum wage is not sufficient to ensure a decent standard of living for workers and their families.

Consistent with what is stated in our collective complaint, we must categorically reject this statement by the Government of Spain:

"As indicated in the preamble of the regulation, with this 8 percent increase, in accordance with the Report presented in June 2021 by the Advisory Commission for the Analysis of the Minimum Interprofessional Wage, the right to a fair and sufficient remuneration that provides working people and their families with a decent standard of living is effectively met, on the one hand; and, on the other hand, the objective that the net minimum interprofessional wage should reach 60 percent of the net average wage in 2023 is achieved, fully complying with the provisions of the European Committee of Social Rights in application of the European Social Charter and satisfying the commitment acquired by the Government to reach equivalence by the end of 2023."

<sup>&</sup>lt;sup>3</sup> No. 231/2023 Confederación Intersindical Galega (CIG) v. Spain. <u>https://www.coe.int/en/web/european-social-charter/-/no.-231/2023-confederaci%C3%B3n-intersindical-galega-cig-v.-spain</u>



As a matter of fact, the ECSR has urged Spain on multiple occasions to raise its minimum interprofessional salary to 60% of the average annual salary, as a necessary requirement to comply with the Charter. Thus, we can refer to the following conclusions of the ECSR on Spain and Article 4§1:

- Conclusions XIV-2 (1998)
- Conclusions XVI-2 (2004)
- Conclusions XVIII-2 (2007)
- Conclusions XIX-3 (2010)
- Conclusions XX-3 (2014)
- Conclusions XXI-3 (2019)
- Conclusions XXII-3 (2022)

To summarize, the Committee determines that the situation in Spain is not in accordance with the Charter based on the fact that it cannot be declared that the minimum wage in the public and private sectors can ensure a decent standard of living, since Spain does not want or does not can provide information on the average net salary, which, as we have seen, is the general criterion used by the ECSR to determine compliance or non-compliance with the Charter on this point.

In a recent work, Prof. Carril<sup>4</sup> explains the sources of statistical data that the CEDS uses to justify its decisions, indicating the possibility of resorting to the average gross national salary when the states only report on the gross amount of the minimum wage, without providing figures on its net amount:

"Siempre según el CEDS, la remuneración justa a que alude el artículo 4.1 es aquella que asegura un nivel de vida digno, lo que supone que la misma vaya más allá de cubrir las necesidades básicas meramente materiales (alimentación, vestimenta y vivienda) y permita contar también con recursos necesarios para participar en actividades culturales, educativas y sociales. En concreto, la remuneración es justa cuando el salario mínimo no es inferior al 60% del salario medio nacional neto, basándose la evaluación en importes netos (esto es, una vez deducidos los impuestos y las cotizaciones de seguridad social), sin perjuicio de que se recurra al salario medio nacional bruto cuando los Estados solamente informan sobre la cantidad bruta del salario mínimo, sin facilitar cifras sobre su importe neto. Los datos económicos a los que recurre el CEDS para justificar sus decisiones proceden de la oficina

<sup>&</sup>lt;sup>4</sup> Carril Vázquez, X.M. (2023). *"En 1000 palabras, el (in)cumplimiento español en materia salarial de la Carta Social Europea* (Nihil novum sub sole)". Briefs AEDTSS, No. 43, Asociación Española de Derecho del Trabajo y de la Seguridad Social. https://www.aedtss.com/en-1000-palabras-el-incumplimiento-espanol-en-materia-salarial-de-la-carta-social-europea-nihil-novum-sub-sole/



estadística de la Unión Europea (Eurostat) y se obtienen en su sitio web, a través de la sección «Ingresos netos anuales [Annual net earnings]», acudiendo a su apartado «Estructura de ingresos [Earnings structure]», que permite seleccionar por Estados los «ingresos brutos [gross earning]» y los «ingresos netos [net earning]», y a su apartado «caso de ingresos [earnings case]», en que hay que marcar «Persona soltera sin hijos que gana el 100% de los ingresos medios [Single person without children earning 100% of the average earning]» [puede consultarse <u>AQUÍ</u>]."

Without going back too far in time, the application of these rules has given rise to the results shown in the following table, which has been prepared based on updated Eurostat data<sup>5</sup>:

Year	Average gross annual salary in € (Eurostat)	60 % of the average gross annual salary in € (Eurostat)	e gross minimum wage in € alary in € (gross annual	
2014	26.190,78	60% (15.714,468)	9.034,20	34,49%
2015	26.475,30	60% (15.885,18)	9.080,40	34,29%
2016	26.448,81	.448,81 60% (15.869,286) 9.172,80		34,68%
2017	26.549,79	60% (15.929,874)	9.907,80	37,31%
2018	26.921,76	60% (16.153,056)	10.302,6	38,26%
2019	27.292,47	60% (16.375,482)	12.600	46,16%
2020	26.028,06	60% (15.616,836)	13.300 [2020-2021 (31/08)]	51,09%

<sup>&</sup>lt;sup>5</sup>https://ec.europa.eu/eurostat/databrowser/view/earn\_nt\_net\_custom\_11278144/default/table?1 ang=en



2021	27.570,48	60% (16.542,288) 13.510 [2021 (1/09)]		49%
2022	28.779,87	60% (17.267,922)	14.000	48,64%
2023	30.237,38	60% (18.142,428)	15.120	50%

These data refute the statement of the Spanish Government in the preamble of the Royal Decree No. 99/2023 of 14 February 2023, that in 2023 the objective of the interprofessional minimum wage reaching 60% of the average wage has been achieved.

In reality, we are faced with a situation similar to that of previous years, which the aforementioned author illustrates with the Latin expression "nihil novum sub sole". Although it is true that the increase in the interprofessional minimum wage has been important, the minimum standards that guarantee a dignified life for working people and their families continue not to be met. Referring to the 2023 data, a significant gap of ten percentage points persists.

For all these reasons, we ask the Committee to address the Government of Spain to remind it that compliance with the Charter requires a greater increase in the minimum wage.

3) For States Parties with no statutory minimum wage, please describe any measures taken to preserve the purchasing power of the lowest wages since the end of 2021.

• Comments by CIG: N/A

4) Please provide information as whether the cost-of-living crisis has led to the extension of in-work benefits.

• COMMENTS BY CIG:

#### Working poverty

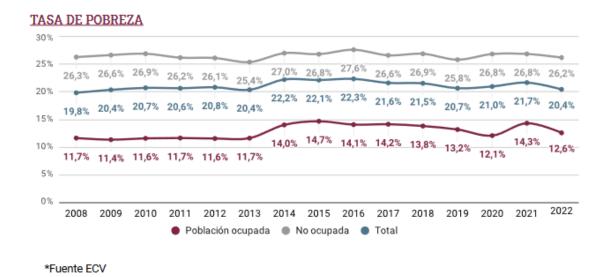
To contextualize the issue and being able to assess the effectiveness of the measures set out in the Spanish Government report, it is advisable to start from the following considerations about the concept of "working poverty":



Having a job has traditionally been considered one of the main guarantees that human beings have to face life in adequate economic and social conditions. But recent history has shown us that, in many cases, reality is contrary to that statement.

It is true that the rate of poverty and social exclusion is even higher among those who do not work, but that does not prevent the fact that, today, many people and families suffer from these problems while having a job. The causes of this problem and the statistical data have been detailed throughout the document 'Working to be poor: The situation of employed people who live below the poverty line'<sup>6</sup>, prepared by the European Network to Fight Poverty and Social Exclusion in the Spanish State (EAPN-ES).

The study addresses the effects of the latest crises, which have made the labour market precarious, causing the loss of rights, the rise of informal work in certain sectors, and the normalization of salaries incompatible with the cost of living.



In addition, some of the data and conclusions revealed by the XIII EAPN-ES State of Poverty Report, published last October, have been included. In this sense, worrying figures stand out: in 2022, one in three poor people (32.9%) had a paid job, while, among employed people, the risk of poverty reached 12.5%.

<sup>&</sup>lt;sup>6</sup> <u>https://www.eapn.es/publicaciones/545/documento-trabajar-para-ser-pobres-la-situacion-de-las-personas-empleadas-que-viven-bajo-el-umbral-de-la-pobreza</u>



#### Endemic problems of the Spanish labour model

- 1. *Serious job instability*. This is the situation suffered by workers who during the last year have been unemployed for 3 months or more, have worked for 3 or more companies or have had 3 or more contracts. In 2021, more than 10% of working people suffered from this problem, a situation that was aggravated in certain population groups such as young people or migrants, with percentages of approximately 23% in both cases.
- 2. Partiality or intermittency in work. In addition to the problem of unemployment itself, there is another reality that presents great similarities: that of those people who can only work a few hours a week (or even a month). Although they are "officially" counted as employed people, this situation causes enormous job insecurity, which prevents them from enjoying a minimum of security. Something similar happens with those jobs that are only carried out during certain periods of the year (discontinuous permanent contracts), which causes a lack of necessary continuity that makes day-to-day life difficult and, much more difficult, making future plans. In this sense, the elimination of the temporary work contract in the labour reform approved by Royal Decree-Law 32/2021, of 28 December 2021, apparently improved temporary employment rates, but the replacement of work contracts with fixed-discontinuous contracts did not improve the vital stability of the affected people. On the contrary, the uncertainty about when the next call will occur can make the period of inactivity incompatible with the performance of another equally precarious job<sup>7</sup>.
- 3. *Low salaries*. It is also observed that salaries are insufficient, especially in households with several members who need a minimum income much higher than what they actually receive. Whether due to the low work intensity they suffer or the low salary level, the problem triggers serious problems both in the present (job uncertainty, physical and mental health problems) and in terms of future prospects.

# **Inflation**

<sup>&</sup>lt;sup>7</sup> On the precariousness of the new fixed-discontinuous contract: López Balaguer, M. (2024). *Trabajo fijo discontinuo y precariedad*. NET21 No. 17. <u>https://www.net21.org/trabajo-fijo-discontinuo-y-precariedad/</u>



The rise in prices is one of the essential causes of the loss of purchasing power and, therefore, of general impoverishment; of course, also among the employed population.

According to the latest data available at the time of writing these lines, Spain remains among the European Union countries with the lowest inflation rates. Specifically, in October 2023 it has stabilized at 3.5%. In addition, core inflation (which does not include energy or unprocessed food) has also fallen to 5.2%.

However, despite its positive evolution, inflation continues to be a problem that especially impacts the most disadvantaged population.

The situation is even more worrying if we look at the rise in prices that most affects the economy of any vulnerable household. Food became more expensive in Spain, in its year-on-year calculation by 9.5% in September 2023. Likewise, the energy crisis experienced a few months ago should be highlighted, which, in turn, caused significant increases in its price.

#### Interest rates and housing prices

One of the indicators that most directly affects the quality of life is the price of money and, derived from it, the Euribor, the reference index most used in Spain for updating mortgages.

Interest rates are used (in our case they are set by the European Union) to control inflation, in turn regulating consumption, since a rise in rates makes it more expensive for households to apply for loans or mortgages. Well, if in April 2022 the interest rate was around 0%, in one year it has risen until November 2023, around 4.5%.

This increase has not been transferred, at least for now, to the yield on citizens' savings, but it has been transferred to Euribor, a reference used in Spain for practically all mortgages. If in July 2022 it did not reach 1%, this indicator currently stands at just over 4%, which gives an idea of the difficulties that having to pay a mortgage implies for the most economically vulnerable people.

This reality leads us to another of the great difficulties that affect a large number of people in Spain: access to housing. If the high rental prices greatly complicate this



option, fuelled by the phenomenon of housing for tourist use, the unstoppable rise of the Euribor makes the purchase today an unattainable goal for many people.

## About the Minimum Living Income (MLI)

In relation to the MLI that the Government alludes to in its report, it is important to complete the information with some design and implementation problems that have been highlighted even by the Independent Authority for Fiscal Responsibility (AIReF)<sup>8</sup>.

From the analysis of the IMV design, it is clear that the benefit, as of December 31, 2021, has deployed only a part of its potential capacity, since it has reached 284,000 households, 40% of its potential beneficiaries, and has executed 56%. of your budget. However, AIReF assures that it has the potential to become a more powerful instrument in the fight against poverty and social exclusion since, if fully implemented, it would cover 700,000 households and would entail an annual cost of 2.8 billion euros if it were to succeed. reach all of them.

In this sense, AIReF confirms that 400,000 households that could receive the IMV have not yet requested it, 57% of the possible beneficiaries, a phenomenon known as non-take-up. This phenomenon, common in international practice due to the complex management of this type of benefits, is present in households that have some type of income and, in particular, is concentrated among those that would obtain a more limited increase in income if they were IMV beneficiaries.

In any case, the number of applications has been high, especially in the first months, and has exceeded 1.5 million, but a very high percentage were rejected. Specifically, AIReF points out that 73% of resolved applications have been denied or inadmissible, although this percentage has decreased over time to 60%. The main cause of denial or inadmissibility is non-compliance with the income criterion, followed by the coexistence-registration unit requirements.

On the other hand, CIG would like to express the following concern:

Unfortunately, finding a job is not a sufficient condition to guarantee the absence of poverty or social exclusion and, in our humble opinion, the possible disincentive to work is not given by the perception of a minimum vital income, but by the quality of

<sup>&</sup>lt;sup>8</sup> <u>https://www.airef.es/es/noticias/noticias-no-destacadas/la-airef-publica-sy-primera-opinion-sobre-el-ingreso-minimo-vital/</u>



the jobs offered. In this sense, we fear that the compatibility between the minimum vital income and labour income may produce a result of devaluation of salaries (as companies perceive that workers have this "economic cushion" from the State) that will increase the vicious circle of working poverty.

The beneficiaries of MLI not only have difficulties with socio-labour insertion due to the scarcity of their economic resources, but also because they present a profile with low employability. This situation makes these groups more likely to integrate into a labour market that offers them few possibilities, with low-skilled, unstable employment and with conditions that make it difficult for them to escape their situation. In our opinion, this situation is what causes beneficiaries to sometimes reject certain jobs.

Finally, the success of MLI does not lie so much in the improvement of its protection coverage, but in managing to reduce the number of beneficiaries by having managed to definitively escape a state of poverty and exclusion. In other words, the success of the benefit will be given by job opportunities that mean that fewer and fewer people need the benefit, since work, and specifically decent work, dignifies people and grants freedom<sup>9</sup>.

5) Please provide information on changes to social security and social assistance systems since the end of 2021. This should include information on benefits and assistance levels and the allocation of benefits

• Comments by CIG:

In this section we will analyze the "Royal Decree-Law 2/2023, of 16 March 2023, on urgent measures to extend the rights of pensioners, reduce the gender gap and establish a new framework for the sustainability of the system pension public", which, far from hyperbolic reaction of the business, political and media right, does not represent any deviation or break with the line marked in previous reforms of the pension system, but the consolidation of previous cuts and a promise of future cuts.

# Restrictive social dialogue

<sup>&</sup>lt;sup>9</sup> Chabannes, M. (2022). *"El ingreso mínimo vital y el desafio de incentivar al empleo: a propósito del RD 789/2022"*. Briefs AEDTSS, No. 43, Asociación Española de Derecho del Trabajo y de la Seguridad Social. <u>https://www.aedtss.com/el-ingreso-minimo-vital-y-el-desafio-de-incentivar-al-empleo-a-proposito-del-rd-789-2022/</u>



Before the approval of the decree-law, the CIG went to the Ministry of Inclusion, Social Security and Migrations to demand that we know the reform proposal, considering our condition as the most representative trade union, with a presence in the different bodies of institutional participation of the Ministry. The results were null. We are facing a new demonstration of our repeated complaints about the role of the so-called "social dialogue".

Beyond the negative scope for the working class of what is historically agreed in that framework, it is an anti-democratic instance that denies the rights of representation of trade unions such as CIG.

Likewise, the obscurantism with which this whole matter is treated prevents an issue of such relevance from being preceded by the necessary social debate and the ability to propose.

## A historical line of cuts

This reform reaches public opinion very sweetened and made up, as part of a propaganda offensive that should not confuse us. Our obligation as a trade union is to analyse with a class perspective the actions and decisions of the Government.

Therefore, the first conclusion can be that the Government stopped its first intentions (perhaps launched as a balloon-probe) in an election year and before the social response that could come to it, where CIG also has its part. That's right, it's a reform with cuts, which maintains important harmful elements that make it a bad rule, even if we don't have the worst possible version on the table.

In any case, the fundamental and most serious elements of the previous reforms remain unchanged, since we are facing a new extension of the pension calculation period, even if the terms used in its explanation and the timetables for its implementation may lead to deception about its scope.

This new reform occurs in a context in which several reforms have taken place within the current legislature, those of July 2021 and July 2022 - which we will briefly recall - closing the circle of legislative changes deceptively presented as recovering the rights that had been lost with the reform of the PP of 2013.

That reform of 2013 is sometimes pointed out as the only one to blame for the deterioration of the public pension system, for imposing a pension review mechanism



that prevented revaluation in accordance with the CPI and for setting a timetable for the application of the sustainability factor that had been approved in the 2011 reform, and whereby the more years a person lived after retirement, the less they would receive. Later this factor was replaced by the Intergenerational Equity Mechanism (MEI).

In reality, that presentation of the 2013 reform as the only negative one is a distraction manoeuvre by the current Government, in order to be able to sell the 2011 reform of the PSOE Government and social dialogue as good, and reaffirm what was a very negative norm that we are suffering with each passing day in its most dire consequences: the delay of the retirement age from 65 to 67 years and the extension of the calculation period from 15 to 25 years. This reform inexorably maintains its implementation schedule, which began in 2013 and will end in 2027.

Thus, in July 2021, the first reform of the current legislature was approved, which continues to decouple the increase in pensions from the accumulated real interannual CPI, creating a new indicator, the so-called average CPI, which does not guarantee the purchasing power of pensions. In addition, it introduces new penalties for any early access to retirement and approves more obstacles to the recognition by law of coefficients reducing the retirement age in professions of greater hardship and danger.

Finally, the reform of July 2022 approves the so-called pension employment plans, consisting of the promotion through the collective negotiation of private pension plans in the scope of each sector, which will be managed by financial and insurance companies.

#### Keys to the 2023 reform

# 1. New extension (from 25 to 29 years) of the pension calculation period, with the consequent reduction of its amount

#### • Main reforms

A new formula is established to determine the regulatory base of the retirement pension, which will be the quotient of dividing by 378 the sum of the contribution bases of the affected person during the 324 months prior to the month prior to the causative event, obtained in accordance with the provisions of standard



The 348 consecutive months immediately prior to the month prior to the causative event will be selected and of those 348 bases, calculated in accordance with the provisions of the rule, the 324 contribution bases with the highest amount will be selected ex officio.

These changes relating to the method of calculating the retirement pension will enter into force on January 1, 2026, although until January 1, 2037 they will be applied gradually, as provided for in the transitional provisions.

On the other hand, a different transitional regime is specifically regulated, until the year 2044, which will allow people who retire in the next two decades to take advantage of the previous legislation in order to be entitled to a retirement pension (transitional provision four of the General Social Security Law).

Therefore, from January 1, 2026, the new calculation for the amount of pensions comes into force, and from that moment on, the rule is that the amount of pensions is calculated, taking 29 years and discarding the two worst ones.

This entry into force will be gradual and in coexistence with the previous model (the 25-year model) which becomes a system "to be extinguished" and which will only be applied in the event that the result is "more favourable" with respect to the 29-year model years

From the year 2044, the only possible calculation will be the new one.

The application will be ex officio, and it will be the Social Security itself that decides which one applies, based on what it considers "most favourable". There will be no option to choose which calculation model will be applied, nor the two years to discard from the 29.

Escalation of the new computation						
	Years to be					
	computed	On a total of	Years to discard			
2026	25 years 2	25 years 4				
2020	months	months	2 months			
2027	25 years 4	25 years 8				
2027	months	months	4 months			
2028	25 years 6					
2028	months	26 years	6 months			
2029	25 years 8	26 years 4				
2029	months	months	8 months			



2030	25 years 10 months	26 years 8 months	10 months	
2031	26 years	27 years	1 year	
2032	26 years 2 months	27 years 4 months	1 year 2 months	
2033	26 years 4 months	27 years 8 months	1 year 4 months	
2034	26 years 6 months	28 years	1 year 6 months	
2035	26 years 8 months	28 years 4 months	1 year 8 months	
2036	26 years 10 months	28 years 8 months	1 year 10 months	
2037 onwards	27 years	29 years	2 years	

De-escalation of the old computation					
From 2026 to 2040	25 years				
2041	25 years and half				
2042	26 years				
2043	26 years e medio				
2044 onwards	27 years (on 29)				

Critical assessment

The Government has approved a new reform that extends the calculation period again, when the implementation of the 2011 reform has not yet been completed. This worsens the progressive fall in the amount of pensions, which we have suffered since its approval and which on the day of today it is between 15 and 18%, to which we will have to add that which derives from this new reform. According to the Bank of Spain, each year of increase in the calculation period means a 0.5% reduction in the pension.

It is clear that there is an increase in the calculation period to 29 years, between 2026 and 2038 (with the possibility of discarding the 24 months of worst contributions). Even if the current 25-year system coexists, it will only be for 12 years, because from 2038, the calculation period will only be 29 years.

The way to temper this serious cut in rights is to delay its effects over time, as was already done in 2011. In that reform, the pension calculation period was



progressively extended from 15 to 25 years (between 2013 and 2023) and the retirement age was also progressively delayed from 65 to 67 (between 2013 and 2027). Once again, we are facing a perverse reform, which appears to be neutral for people who are on the verge of retirement, but at the same time reserves a slap in the face for the younger generations.

In addition, the possibility of the reform being toughened, applying its worst version, is not closed. The rule assigns new powers to the AIReF (Autoridad Independiente de Responsabilidad Fiscal) which will decide every three years on behalf of the adjustments (not to say cuts) which, in accordance with the rules of budgetary stability imposed by the EU, will have to be approved if the projection of expenses and income is not met. It is worth noting that the first president of AIReF, a body created in the wake of the amendment of Article 135 CE in 2011, was precisely the current minister José Luis Escrivá.

## 2. Slight increase in system revenue

## • Main reforms

# a) Increase in the maximum contribution bases

It is provided that the maximum limit established for the Social Security contribution bases of each of its regimes will be updated annually in the General State Budget Law in a percentage equal to that set for the revaluation of contributory pensions.

#### b) Additional solidarity contribution

On the other hand, an additional solidarity contribution is introduced for wages that exceed the maximum contribution bases for self-employed people. Specifically, the solidarity fee will be the result of applying :(i) a rate of 5.5% to the part of remuneration comprised between the maximum contribution base and the amount greater than that maximum base by 10%; (ii) a rate of 6% to the part of remuneration comprised between 10% higher than the maximum contribution base and 50%; and (iii) a rate of 7% to the portion of remuneration that exceeds the previous percentage. The additional contribution of solidarity enters into force on 1 January 2025 and will increase from the year 2025 until the year 2045, the year in which it will reach the final rate.

#### c) <u>Finalist contribution of the intergenerational equity mechanism</u>



With the declared purpose of preserving the balance between generations and strengthening the sustainability of the Social Security system in the long term, the intergenerational equity mechanism (IEM) is modified, consisting of a final contribution applicable in all regimes and to all cases in which it is quoted by retirement contingency, which will not count for benefit purposes and which will nourish the Social Security Reserve Fund. Specifically, the contribution will be 1.2% (1% for the company and 0.2% for the employee).

The final quotation of the intergenerational equity mechanism will have effects from 1 January 2023 until 31 December 2050, in accordance with the scale provided by the rule.

In 2023 it is 0.6% (0.5% paid by the company and 0.1% by the employee) and will be progressively increased until 2029 in accordance with the scale provided for in the rule.

#### Critical assessment

The Government boasts that the reform improves the revenue capacity of the system, to make it sustainable. Although any step in this direction is positive, it is slow progress, which does not compensate for the new cuts or cancel the harmful effects we are going to have, or those we are paying since the 2011 reform.

On the one hand, a new contribution, called solidarity, is implemented without any type of progressivity in attention to salary levels and an increase in contributions is agreed through the application of the IEM, already in force from January 2023, going from the current 0.6% to 1.2% in 2029. This means for the working class a decrease in their economic capacity, since they apply a larger discount to their contribution base, which is added to the fall in the purchasing power of the wages we are experiencing and the impact that the implementation of pension employment plans will have in due course.

We are concerned that, given the positive decision to uncover the maximum contribution bases, the increase is only 1.2% above the CPI, and the possibility of increasing the maximum pension in the future is not completely closed.

Likewise, we miss the fact that, in order to improve Social Security income, there are no solutions to deal with the drop in wages and the increase in job insecurity, the result of the latest labour reforms that, with the new contractual modalities (part-



time, fixed-discontinuous, etc.), makes there are more sectors of the working class with low wages and precariousness, putting Social Security income under constant threat.

It is striking that nothing is being done to resolve what happened with the emptying of the Social Security Reserve Fund, a special public fund to pay pensions in case of need, which between the years 2012 and 2018 was used for purposes other than those for which it was created.

In addition, no measures are proposed to remedy, or at least compensate, the loss of income in the Social Security fund due to the permanent and uncontrolled use of bonuses, reductions, etc., of the contributions from which companies have been benefiting in huge amounts.

Finally, we must remember that the approval of pension employment plans will further impoverish wages (and, with them, future pensions) because they are made on the basis of the contributions born from the wages of working people, while companies will have juicy reliefs fiscal, causing all this a reduction in the income of the Social Security fund and taxes, with the aggravation that, as they are privately managed, there is a greater risk for the viability of these funds for working people.

# 3. Amount of the lowest pensions, gender gap, extension of contribution for care leave and contribution of students in internships

# • Main reforms

#### a) Revaluation of minimum and non-contributory pensions

Minimum pensions with a dependent spouse will increase so that in 2027 they can reach 60% of the median income of a household with two adults.

In turn, non-contributory pensions will reach 75% of the poverty line for a one-person household in 2027.

#### b) Gender gap and coverage of gaps

The gap supplement will rise in the next two years by an additional 10% to the CPI.



The method of covering contribution gaps is modified, with a special focus on women, so that up to five years without a contribution burden will be covered with 100% of the minimum base, compared to the current four. The sixth and seventh year without contributions will be covered with 80% of the minimum base, compared to the current 50%.

## c) Extension of time quoted for leave and reductions for care

The rule is amended to extend from two to three years the period considered as contributed for the purposes of Social Security benefits (retirement, permanent disability, death and survival, birth and care of a minor) with respect to periods of leave for family care, as well as the periods of reduced working hours.

Attention should be drawn to the fact that the 3 years were calculated for childcare leave for these purposes, so the move only affects leave for family care and reductions in working hours for childcare.

#### d) <u>Comparison of part-time work with full-time work</u>

Equalization is introduced for all social security contribution and benefit purposes. However, this does not benefit workers with a fixed-discontinuous contract, who will be considered part-time only for the purposes of determining the daily regulatory base for temporary disability benefits.

#### e) <u>Contribution of students in internships</u>

Students who do internships in companies within a certain training program will contribute to Social Security. This new coverage will include both university and vocational students, under certain conditions. In these cases, the contribution for common contingencies will be reduced by 95%.

#### Critical assessment

Regarding the minimum contributory and non-contributory pensions, the legislator grants a period of four years to reach a goal that does not reach what should already be a reality: that the minimum pension be of an amount equal to 60% of the average salary, as established by the ECSR for minimum wages and pensions.

The expectation regarding the coverage of contribution gaps, with particular impact in the case of women, is less than necessary. A formula is created through an



escalation that goes to minimum bases and only to a maximum period of seven years, without giving a fair solution to the frequent interruptions in the career of women, victims of the precariousness of partial contracts and the irregularity of working life.

In the case of leaves of absence and reduced working hours due to caregiving, the increase to only three years of the time in which they count as paid time continues to harm women, who are mostly the ones who make use of this type of conciliation measures. If the entire duration of leave or reduced working hours due to care is not paid for, the historical inequality that women suffer when accessing the retirement pension continues to deepen.

In relation to the equalization for quotation purposes whatever the day, what was already a reality in jurisprudence is incorporated into the legal norm. However, it is unfair not to do the same with permanent-discontinuous staff, to prevent this widespread precarious contractual modality from continuing to increase the lack of protection of these working people also in the field of Social Security.

Finally, the opportunity is lost again to dignify the conditions of the trainees when they join the work with full Social Security coverage, in order to put an end to the abuses due to the frequent use of these people as cheap labour without rights. On the other hand, it is not understood that also through this way companies can have bonuses or reductions in quotations in some cases.

6) Please provide information as to whether social security benefits and assistance are indexed to the cost of living, as well as information in particular on how income-replacing benefits such as pensions are indexed. Please indicate when benefits and assistance were last adjusted/indexed.

• COMMENTS BY CIG:

#### Changes in the method of calculating pension revaluation

The method of calculating the annual revaluation of pensions has changed three times in the last decade. The current system was approved with Law 21/2021, of December 28, which established that the revaluation of contributory pensions at the beginning of each year would occur in accordance with the average inflation recorded in the previous year with the purpose of preserving "the maintenance of the purchasing power of pensions".



This new system, which came into force in 2022, replaced the one applied temporarily between 2018 and 2021, by which pensions were revalued according to the Consumer Price Index estimated by the Government at the beginning of the year. If at the end of the year the estimated CPI was lower than its real variation, this deviation was regularized and compensated the following year with a compensatory payment.

For this reason, pensioners received a compensatory payment for the CPI increase of 0.1% in 2018 and 1.6% in 2021.

This method replaced the pension revaluation mechanism implemented by the reform approved by the Rajoy Government in 2013. According to this system, benefits had to increase by at least 0.25% (the Pension Revaluation Index) and, at most, the percentage variation of the CPI in the previous year plus 0.5%. De facto, it no longer had it as the only reference to link its increase to the Social Security situation.

However, pensions suffered a significant loss of purchasing power during the financial crisis due to the restriction measures approved by the PSOE and PP governments, which have not yet been recovered. The data show that, since 2008, the annual increase in retirement pensions has been less than the average increase in the CPI in eight of the last 15 years, which has translated into a loss of purchasing power of pensioners in these years. To do so, pensions would have to increase in the coming years above the CPI.

#### Assistance benefits without updating

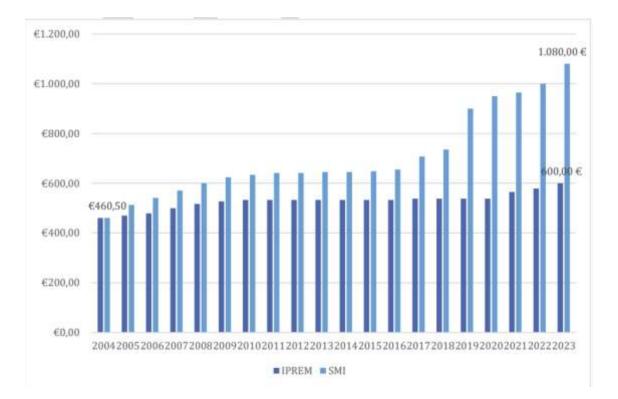
The Government report is silent on the situation of welfare benefits, probably due to the intolerable situation derived from the lack of updating of the Multiple Effects Public Income Indicator (IPREM).

Through Royal Decree-Law 3/2004, of June 25, it was decided to remove from the interprofessional minimum wage (SMI) the role of reference indicator for setting the amounts of many public benefits. The new indicator created for these purposes is the IPREM, whose value is set each year in the General State Budgets. The value for 2024 is the same as the previous year, 600 euros per month, given that the 2023 budget has been extended.



As we have said, the IPREM is used to determine multiple public benefits, such as aid for access to housing, the social electricity and thermal bonus, unemployment benefits, etc. Significantly, the amount of the new minimum vital income is set in reference to those of non-contributory pensions (art. 13 of Law 19/2021), that is, it "escapes" from the IPREM in an implicit recognition that the Linking to this index is not compatible with the prevention of the risk of poverty and social exclusion.

It is important to keep in mind that the expansionary period of the SMI has not had any correspondence with the IPREM. As the following graph shows, the reference indicator for a good part of social benefits has been suffering a secular freeze in real terms that transcends the period of economic crisis and that shows a much less positive evolution than that of the SMI:



As Prof. Pérez del Prado points out in a recent article<sup>10</sup>, unemployment benefits barely account for 33% of the median salary. This reference is important if we take into account that the Committee has been warning Spain for years that we are failing to comply with the European Social Charter because these subsidies do not reach

<sup>&</sup>lt;sup>10</sup> Pérez del Prado, D. (2023). Sobre la polémica en torno a los subsidios por desempleo. Blog post on *El foro de Labos*. <u>https://www.elforodelabos.es/2023/11/sobre-la-polemica-en-torno-a-los-subsidios-por-desempleo/</u>



50% of this, which is around 1,814 euros per month (data from 2022). Consequently, unemployment benefits, as a specific example, and any benefit referenced to the IPREM, as a general rule, do not fulfill the first and main function entrusted to any assistance aid, which is to avoid the risk of poverty.

Therefore, it is necessary for the Committee to once again warn Spain that it must immediately increase the amount of these benefits.

7) Please provide information as to whether any special measures have been adopted since late 2021 to ensure persons can meet their energy and food costs, such as price subsidies for energy, fuel, and basic food items.

• COMMENTS BY CIG:

As a result of the crisis in energy prices, aggravated by the war in Ukraine, CIG made a series of proposals to reduce the electricity bill and approve public intervention in the electricity sector, realizing that the multiplication of profits of the electricity companies is causing a significant deterioration in society as a whole, especially in the popular classes.

The electricity market, by political decision, is marginal: the hourly price is determined by the latest technology needed to generate the energy with which to meet the expected consumption. The Spanish State is the only one that, in the regulated market, directly transfers the 24 wholesale market prices to consumers, causing price changes that are not justified.

The regulated electricity price VPSC (Voluntary Price for Small Consumers), to which consumers (domestic and professional) with a contracted power of less than 10 kW (over 9.5 million households) are entitled, to which the group of vulnerable people receiving social bonus discounts (1.2 million users), cannot have as a direct reference the pool's daily quote.

In this analysis and proposals that we make, it is necessary to vindicate the Galician electricity tariff, given Galicia's indisputable status as an electricity producer. With the percentages of electricity exports that the official bodies certify, there is added the aggressive and hard impact that has been endured for decades due to the implementation of electricity generation facilities, together with the massive projects that are currently being processed, without this being reflected in a price reduction of the price of electricity.



It is necessary to overcome the so-called single price for the entire territory of the Spanish State, the so-called single tariff, since in addition to being less and less true, given what is currently happening in some territories, it is unfair for those territories that export electricity, as in the case of Galicia.

In addition, we find ourselves with the paradox of having to endure at any time, as has already happened, not a reduction in the electricity bill, but surcharges for the socalled territorial supplements, while the destinations of this energy are safe from it, or even through other mechanisms, benefited from bonuses and bill reduction mechanisms.

Therefore, in this regulatory reality of the electricity market, of the current situation of high prices, we cannot continue to delay taking real measures to lower the price of electricity, combining those with immediate effects, with those of medium and long-term results.

Deep, broad and comprehensive actions in the electricity sector are urgent in the direction of an intervention by the public authorities to set an electricity tariff that guarantees a decent life and economic, social and industrial development that creates jobs.

#### Specific measures proposed by CIG

- 1. Recognition of energy as a fundamental universal right to have a dignified life, because it is a good of first necessity that obliges Public Administrations to develop public intervention policies in the electricity sector with which to guarantee access to it for all people.
- 2. Special tariff. The government will adopt the necessary legislative measures to set a reference price so that the repercussion of the final price for the consumer with contracted power equal to or less than 15 kW, oscillates between €10/MWh and €60/MWh (never achieved the latter since 2012), prices with enough margin considering the evolution of auction prices in recent years. This measure will last 24 months, reviewed quarterly, until the stabilization of prices in recent years.
- 3. Implementation of the Galician Electricity Tariff through two mechanisms:



- a. Elimination of the payment of the so-called transport toll present in the electricity bill, due to the proximity of the generation centres, due to the energy efficiency, as there are no voltage losses, and due to the strong impact on the territory of the network and evacuation infrastructure and supply to the consumption centres.
- b. Approval of a bonus for the promotion of renewable energies, consisting of a 10% reduction in the monthly electricity tariff for all consumers who have their domicile in Galicia, where in the previous calendar year the following circumstances occur at the same time: a production of electricity from renewable sources equal to or greater than 70% of the total production and if a percentage equal to or greater than 30% is exported.
- 4. Modify the tariff system, clearing the invoice of all charges that do not have a direct relationship with the operation of the electricity system, with the production of electricity: promotion of renewable energy, extra-peninsular costs and annuities to pay the tariff deficit, etc. These costs will be assumed by the General Budget of the State.
- 5. General reduction in the price of electricity, withdrawing from the pool, from the wholesale market to set the price of electricity, hydraulic plants, nuclear plants, combined cycles (gas), which will be charged for recognized costs approved by the CNMC (National Markets and Competition Commission) proposal.
- 6. Control and limit of the profit obtained by the electric companies. The electricity generating companies, in accordance with the recognized costs approved by the CNMC proposal, will have a maximum profit-reduction limit of excess remuneration of at least 15% of the generation cost. Anything that exceeds this percentage generates the obligation to pay through a public tax to finance this reduction in the price of electricity.
- 7. Creation of a Public Galician Electricity Company to manage the hydroelectric plants whose concessions are expiring and also control the shareholdings held by the Government in other energy companies.
- 8. Reversal of the hydroelectric facilities that have been completed and the concession ends, with the profits of hydroelectric production destined to lower the cost of electricity.



- 9. Inspection of the hydroelectric concessions in force in accordance with the water legislation in force in Galicia and in the Spanish State in order to guarantee that the energy reserved in favour of the Public Administrations is intended to lower the price of electricity.
- 10. Temporarily modify the taxes that are currently present in the electricity tariff, and that are unfairly paid by consumers, until the previous measures come into force. In such a way that the minimum rate of VAT, 4%, is applied, which is applied to basic products (water, bread, etc.). Elimination of the generation tax, 7%, which the production companies pass on to the receipts
- 11. The concession of renewable energy production facilities that are implemented must comply with the environmental conditions and will have to be linked and associated with economic development projects or associated industrial plans proposed for implementation in the affected territories. Also, they will have additional commitments of public participation in the social capital of the project, according to the formulas established in the proposed provision of reference.
- 12. Creation and immediate operation in Galicia (As Pontes) of the Center for Competitiveness and R+D+i in Energy Storage, which would be a state public sector foundation, attached to the Just Transition Institute, with the participation and financial contribution from the Galician and Spanish Governments.

8) Please provide up-to-date information on at-risk-of-poverty rates for the population as a whole, as well as for children, families identified as being at risk of poverty, persons with disabilities and older persons. Please show the trend over the last 5 years, as well as forecasts for upcoming years.

• COMMENTS BY CIG:

The European Network to Fight Poverty and Social Exclusion in the Spanish State (EAPN-ES) has published its III Report 'The map of severe poverty in Spain'<sup>11</sup>, which reflects, for the first time, the effect of COVID-19 in severe poverty rates, the most intense degree of this situation.

<sup>&</sup>lt;sup>11</sup> <u>https://www.eapn.es/publicaciones/517/iii-informe-el-mapa-de-la-pobreza-severa-en-espana</u>



The income threshold to consider that a household was in severe poverty in 2021 was  $\in 6,357$  per consumption unit per year; That is, each person must survive with less than  $\notin 278$  per month in the case of a family with two adults and two minors, and with less than  $\notin 530$  per month if they live alone.

It is important to note that the profile of people in severe poverty is very different from that described through stereotypes and prejudices of the collective imagination, intensified by some sectors. The vast majority is made up of Spanish people (68.3%), many of them with a medium (53.6%) or high (19.5%) educational level, in any case, more than enough to obtain a decent job, and, in addition, many with work (14.3%) and with their own home (45.9%).

The report characterizes severe poverty in Spain with the following notes:

- People in severe poverty reach 10.2% of the Spanish population, which represents about 4.8 million people, with a somewhat higher percentage of women than men (51.6% women, 48.4% of men).
- One in four people in severe poverty (25.7%) is under 18 years of age, that is, they are a minor. If people between 18 and 29 years old are added to them, two out of every five people in the group (39.3%) are young people under 30 years old. Assessing these data requires taking into account that 17.6% of the census population in Spain is under 18 years of age and 30% under 30 years of age. In other words, youth are greatly overrepresented among the population in severe poverty.
- The group of elderly people in severe poverty represents 11.2% of the total. For this group, it is important to highlight that practically all of their income is determined by the amount of pensions they receive, that is, older people are in severe poverty due to a purely structural issue that they cannot modify at all on their own. Furthermore, these people are excluded from the new Minimum Living Income, whose age requirement is to be between 23 and 65 years old, or 18 years or older if they have dependent minors.
- Regarding educational level, only 26.9% of the population in severe poverty over 15 years of age has completed primary education or less and 28.8% has completed compulsory secondary education. In addition, another 24.7% have completed the second stage of secondary education (baccalaureate) and 19.4% have higher education. We have, then, that 44.2%, that is, slightly less than



half of the population in severe poverty over 15 years of age has reached medium or high educational levels and more than enough to obtain a job under normal conditions. Furthermore, it should be noted that the percentage of people with higher education in a situation of severe poverty has increased the most.

- 68.3% of people in severe poverty are Spanish. Approximately 5.9% is foreign from the European Union and another 25.8% comes from countries outside the EU29. It is not true, then, that the population in severe poverty is fundamentally made up of immigrants.
- 12% of employed people are in poverty, which indicates that not every job protects against poverty. Furthermore, 5% of employed people are in a situation of severe poverty, which also indicates that not every job protects from severe poverty. On the other hand, only 32.8% of people in severe poverty over 15 years of age, that is, one in three, are unemployed. The bottom line is that unemployment does not define severe poverty; On the contrary, 31.6%, that is, almost one in three poor people over 15 years of age, work, that is, they have a paid job, but with a salary that does not allow them to have the necessary resources. to satisfy your basic needs.
- Half of the population in severe poverty lives in urban areas (54.9%) while 33.8% of the poor population lives in medium areas and 11.3% in rural or sparsely populated areas. In the last year there has been a sharp decrease, of 13.4 points, in the number of people living in rural habitats, while those who live in intermediate areas have increased by 9.1 points. Given that the general population is distributed evenly very similar (50.6%, 23.4% and 26%, respectively), it can be stated that severe poverty is homogeneously distributed and there are no important differences depending on the habitat.
- Children are an important risk factor for remaining in severe poverty; Thus, 40.6% of households are made up of two adults and one or more dependent minors while the figure for the same type of family but without dependent children is 14%.



Varón	48.4%	
Mujer	51,6%	
16 a 29 años	16,1%	
30 a 44 años	23,2%	
45 a 64 años	26,69	
65 o más años	11,2%	
Menores de 18 años	25.7%	
18 o más años	74.3%	
Zona muy poblada	54.9 <sup>9</sup> 33.8 <sup>9</sup>	
Zona media		
	11.3%	
	14,6%	
2 adultos sin niños dependientes		
1 adulto con 1 ó más niños dependientes		
2 adultos con 1 ó más niños dependientes	40,69	
Otros hogares con niños dependientes	14,8%	
Familias numerosas (3 o más menores)	16,6%	
Resto de hogares	83.49	
No consta	0.0%	
No consta	0,0%	
Educación primaria o menos		
Primera etapa de Educación Secundaria		
Segunda etapa de Educación Secundaria		
Educación postsecundaria no superior		
Educación superior	19.5%	
España	68.39	
Extranjero (resto de la Unión Europea)		
Extranjero (resto del mundo)	28,89	
Ocupados/as	14.3%	
Parados/as	41.5%	
Jubilados/as	13.3%	
	Mujer16 a 29 años30 a 44 años45 a 64 años65 o más añosMenores de 18 años18 o más añosZona muy pobladaZona mediaZona poco pobladaHogares de una persona2 adultos sin niños dependientes1 adulto con 1 ó más niños dependientes2 adultos con 1 ó más niños dependientesNo constaFamilias numerosas (3 o más menores)Resto de hogaresNo constaEducación primaria o menosPrimera etapa de Educación SecundariaEducación superiorEspañaExtranjero (resto del nundo)Ocupados/asParados/as	

Fuente: Elaboración propia a partir de microdatos ECV

9) Please provide information on what measures are being taken to ensure a coordinated approach to combat poverty as required by Article 30 of the Charter, and to diminish reliance on last-resort relief, such as food banks and soup kitchens.

• COMMENTS BY CIG:

The aforementioned EAPN-ES report highlights the difficulties in implementing the minimum vital income, especially due to problems of coverage and complementarity with the autonomous communities:

• Regarding coverage, the data provided by the Ministry of Inclusion, Social Security and Migration in October 2022 indicated that the minimum vital



income had reached 553,000 households (which represents 1.4 million people, of which in 42 .5% are children). Taking into account that the forecasts were to reach 850,000 homes, this means that 61.5% of the objective declared by the Government in June 2020 has been reached. In any case, the official figures are cumulative, that is, they have taken into account all the households that have received the benefit throughout these two years of validity, not the current beneficiaries who are currently receiving aid. According to the transparency portal, in 2022 there were 380,000 households and around one million people receiving aid, with an average amount of 528.50 euros per household per month.

- Regarding complementarity, it is observed that a transfer of people who received regional income to the minimum vital income is being carried out. Thus, the 553,000 households (year 2022), which are already receiving the minimum vital income, represent 69% of the 795,000 minimum income recipients of the common regime autonomous communities at the end of 2020.
- Furthermore, many people are left out of the system, not only because they lack registration, such as homeless people, but also because bureaucratic requirements or the design of minimum income policies prevent them from accessing to it.

#### Community aid

Given the dramatic panorama of income, employment, housing conditions and material deprivation on which people in severe poverty survive and the small amount and coverage of available public aid, support from family, friends or nongovernmental social action entities becomes essential to maintain oneself minimally.

Thus, in 2020, 34.9% of people in severe poverty were forced to turn to family or friends to obtain food, clothing or other basic goods, or money to purchase them. The figure increased compared to 2019 by almost five percentage points in the case of people in severe poverty, and by three points for the rest of the people.

On the other hand, in 2020, 21.2% were forced to ask for help from non-profit or religious NGOs, which represents a decrease of 6.5 points compared to 2018. However, these data can change greatly and it is advisable to wait until the publication of updated information. In times of continuous recomposition in the face



of the impacts of crises of multifactorial origin, it is expected that the data on community aid will be modified as household strategies change to face the difficulties that arise.

(40 % mediana) por CC. AA				IMV 2021					
CC. AA.	Población total	Pers Pobre	onas en za severa mediana) Nº	Número de prest.	Número total de benef.	Total	Ratio de benef. por prestación	Cuantía media mensual por hogar	Cobertura
TOTAL ESPAÑA	47.385.107	10,2%	4.824.921	260.206	682.808	943.014	2,62	448,67 €	19,54%
Andalucía	8.472.407	15,9%	1.343.578	80.034	217.692	297.726	2,72	425,32€	22,16%
Aragón	1.326.261	8,1%	107.361	7.212	19.378	26.590	2,69	467,88€	24,77%
Asturias	1.011.792	10,8%	109.299	6.195	15.691	21.886	2,53	514,82€	20,02%
Illes Balears	1.173.008	9,2%	108.457	3.236	8.004	11.240	2,47	478,50€	10,36%
Canarias	2.172.944	16,8%	365.711	12,980	29,128	42,108	2.24	402.64 €	11,51%
Cantabria	584.507	6,0%	35.214	2.840	7.619	10.459	2,68	493,73€	29,70%
Castilla y León	2.383.139	6,8%	161.765	8.828	24.611	33.439	2,79	406.08 €	20.67%
Castilla-La Mancha	2.049.562	11,9%	244.814	12.475	31.621	44.096	2,53	460,55€	18,01%
Cataluña	7.763.362	6,9%	534.451	16.203	46.410	62.613	2,86	430,43 €	11,72%
Com. Valenciana	5.058.138	11,1%	559.404	31.602	83.028	114.630	2,63	448,76€	20,49%
Extremadura	1.059.501	12,5%	132.453	8.290	21.555	29.845	2,60	387,64€	22,53%
Galicia	2.695.645	8,8%	237.769	13.224	32.213	45.437	2,44	442,95€	19,11%
Com. Madrid	6.751.251	7,3%	496.070	24.726	70.482	95.208	2,85	524,12€	19,19%
Reg. de Murcia	1.518.486	12,4%	189.026	8.619	24.748	33.367	2,87	451,24€	17,65%
C. F. Navarra	661.537	5,9%	39.015	3.695	9.780	13.475	2,65	514,01€	34,54%
País Vasco	2.213.993	4,0%	88.679	15.405	25.546	40.951	1,66	481,69€	46,18%
La Rioja	319.796	7,2%	23.121	1.702	4.499	6.201	2,64	499,67 €	26,82%
C. A. de Ceuta	83.517	19,3%	16.101	1.397	5.129	6.526	3,67	458,54 €	40,53%
C. A. de Melilla	86.261	20,5%	17.727	1.543	5.674	7.217	3,68	485,97 €	40,71%

Fuente: Elaboración propia a partir del informe "El sistema público de Servicios Sociales"

10) Please provide information on steps taken to consult with, and ensure the participation of, the persons most affected by the cost of living crisis and/or organisations representing their interests in the process of designing of measures in response to the crisis.

• COMMENTS BY CIG:

As the Spanish Government itself admits in its report, consultation with business and employer organizations on the design of crisis response measures was carried out through tripartite social dialogue bodies or through direct consultations outside formal bodies.

This informality in the consultation procedures results in the exclusion of organizations representing the interests of the affected people, such as the CIG.



In this sense, the tripartite social dialogue referred to in the Government report is a tool that does not have its own regulation and consists of the discretionary call to certain organizations (the unions UGT and CCOO and the business associations CEOE and CEPYME), with prioritization from other legally legitimized unions, among them CIG, for having the status of more representative unions.

The concept of the most representative union is regulated in Spain in articles 6 and 7 of Organic Law 11/1985, of August 2, on Freedom of Association (LOLS). By virtue of an objective electoral audience criterion, unions that, according to the results of the union elections, accredit at least 10% of the unitary representatives of the workers (members of works councils, staff delegates or bodies) have this category. similar of the Public Administration), at the state level; as well as those unions that obtain at least 15% of the unitary representatives of workers within an autonomous community, with a minimum of 1,500 representatives. Currently, and with no foreseeable changes in this regard, CCOO and UGT have such consideration at the state level, and ELA and CIG at the regional level (the first in the Basque Country and the second in Galicia).

Legally, all the most representative unions, regardless of their scope, have the right to "show institutional representation before public administrations or other entities or organizations of a state nature." Such right arises, for the most representative unions at the state level, from article 6.3.a) LOLS, and for the most representative unions at the autonomous community level, from article 7.1 in fine of the same norm.

This projection at the state level - that is, for the entire Spanish territory - of the representation capacity of the most representative regional unions constitutes the starting point and the constitutional justification of the different degree of electoral audience (10% and 15%) required in articles 6 and 7 LOLS to achieve the status of most representative at the state level and at the regional level respectively. This is clear from the reading of FJ 16 of the ruling of the Constitutional Court 98/1985, of July 29 (ECLI:ES:TC:1985:98).

Among the formal bodies of institutional participation, in which all the most representative unions, whether state or regional, participate with full rights, we can mention the Economic and Social Council, the General Council of the National Employment System, the State Public Employment Service (SEPE), the National Advisory Commission on Collective Agreements, the Tripartite Labor Commission on Immigration, etc.



In this sense, the fact that the Spanish Government consults the issues that are the subject of the Committee's question exclusively with certain unions and business organizations—selected at its discretion and outside the legally created institutional participation mechanisms—is not only an affront to the organizations excluded, but seriously damages public policies, by deliberately excluding from their design the contributions that other organizations may make, under its own criteria and contributing to representing the ideological and national plurality existing in the Kingdom of Spain.

In view of the foregoing, the Galician Unions' Confederation (CIG) submits these allegations to the European Committee of Social Rights, requesting the adoption of the necessary measures, in order to ensure the labour and social rights guaranteed by the European Social Charter.

Santiago de Compostela, 26 June 2024