



Support to Special Employment Centres (SEC)

INCREASING ACTIVITY AND EMPLOYMENT RATES AND IMPROVING THE WORKING CONDITIONS OF DISABLED PEOPLE

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SPAIN

People with disabilities participate in the Spanish labour market to a lesser extent. The crisis further aggravated the prospects for disabled people to access the labour market: their unemployment rates doubled between 2008 and 2015 (16.3 % and 26.9 % respectively). Special Employment Centres (SECs) are Spain's sheltered employment practice. The development of sheltered employment through the establishment of SECs is the most significant activity designed to ensure the participation of disabled people in the labour market.

Support is provided for new or existing SECs that create new jobs, for SECs maintaining jobs, and for the activities of supporting units which are intended to help newly hired disabled workers to overcome any difficulties that they might experience during the initial adaptation period.

Name of the PES

Centros Especiales de Empleo Special Employment Centres

When was the practice

1985-ongoing.

Which organisation was involved in its implementation? PES are allowed to outsource auditing and accounting services (to private or third sector legal bodies) to verify the management of SECs in case they apply for public subsidies (in order to re-balance their budget).

Which groups were targeted by the practice?

<u>Jobseekers</u>

- People suffering from physical disability or illness;
- Disabled (physical)/disabled (mental/psychological).

Employers

Special Employment Centres.

What were the practice's main objectives? The primary focus of SECs is to provide workers with disabilities with remunerative employment and to facilitate their access to the labour market.

SECs may be created by public administration bodies either directly or in collaboration with other bodies, by entities, individuals, legal entities or legally associated partnerships that have a legal capacity to operate as businesses. Depending on the legal status of the founding body, SECs may be public or private for-profit or not-for-profit centres.

What activities were carried out?

The practice is run by the PES. PES officers must certify that the SEC fulfils all legal requirements, they may then register the SEC in the SEC registration office within the PES. At this point, the SEC is able to start its activities and to apply for financial support directly with the PES at the national or regional levels. Grants for supporting units are awarded on a competitive basis.

What resources and other relevant organisational aspects were involved? SECs are regulated by Royal Decree 2273/1985 while conditions for supporting units are established by Royal Decree 469/2006. The PES decides on a case by case basis if a company fulfils the requirements to be considered as a SEC and the adequate composition of the supporting units within the SECs.

What were the source(s) of funding?

National and regional budget (tax revenue). European Social Fund.

What were the outputs of the practice: people reached and products? There has been a progressive increase with respect to the amount of subsidies to keep jobs and help to support the Special Employment Centres over the previous two years. It increased by 26 % compared to 2016 and 5 % compared to 2017.

The number of Special Employment Centres at the state level has gone from 1 992 in 2016 to 2 100 in 2018.

Products:

What outcomes have been identified?

According to the 2018 Labour Statistical Bulletin, the main results from 2016 to 2018 are the following:

- ▶ The number of jobs created in the Special Employment Centres increased from 366 in 2016 to 1 378 in 2018.
- ▶ The number of jobs held fluctuated between 2016 and 2018 (65 691 jobs in 2016, 72 694 in 2017 and 78 434 in 2018).
- The number of workers involved in the support units increased from 14 200 in 2016 to 17 604 in 2018.

What are the lessons learnt and success factors? The main findings of the evaluation are the following:

- Quantitatively, SECs constitute the most important stimulus for job creation among disabled people whose integration in the standard labour market is hampered by significant barriers. Between 2005 and 2007, around one-half of all the employment contracts with disabled people were signed within SECs.
- ▶ The presence of supporting units within SECs has much room for improvement; just one in four companies currently have one. The main barriers are related to the relatively low concern for quality control in the workplace. The importance of quality processes and evaluation is still generally ignored. The financial crisis has also generated serious financial difficulties with establishing supporting units.
- ▶ SECs are highly dependent on public subsidies, although they are profit oriented.
- ▶ The total funds allocated to creating employment in new or existing SECs fell, largely due to the financial crisis (on average, down by 38 % in 2011 for the period 2007-2010).

Finally, the study formulated 25 proposals to improve the regulation of SECs. Some of the most significant ones are the following:

- To increase the maximum proportion of non-disabled people at the SECs to 80 % in order to stimulate higher numbers of SEC and 'normalise' the employment of disabled people.
- To eliminate the distinction for SECs having between 70-90 % of disabled workers.



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