

HOW TO CREATE JOBS IN SPAIN

SINCE 2007, ALMOST 4 MILLION JOBS have been lost in Spain as the bursting of the country's housing bubble, the global financial crisis, and the euro

area crisis combined to create a perfect storm. The challenge now is to get these jobs back. The IMF thinks it can be done, if everyone contributes. Here is how.

GOVERNMENT

- Cut taxes on employing the less skilled to encourage companies to hire them
- Improve training and job-finding services for the unemployed

COMPANIES AND WORKERS

- Continue wage moderation so that companies have more money to hire the unemployed and invest in their equipment



EUROPE

- Continue integrating Europe's banking system so Spanish companies can borrow on the same terms as German companies

ECB

- Make sure inflation in the euro area is not too low so there is more demand for Spain's exports
- Make sure banks are strong so they can lend more

BANKS

- Build up capital so they can lend more
- Restructure the debt of insolvent, but viable, companies to help them grow

