Spain is a textbook example of the exploitation of mass anxiety in the face of unemployment for the purpose of a neoliberal restructuring of employment relations, including wage cuts, prolongation of working time, erosion of sectoral collective agreements, weakening of trade unions and deregulation of the labour market.

The consolidation of the Spanish trade unions that took place in the course of the employment boom (1994–2007) faces new challenges because of the crisis.

In the ongoing crisis the trade unions have no effective instruments to safeguard employment, incomes and workers’ rights and are being weakened as a result of labour market reforms (2010 and 2012) and social cuts.

Structural change and employment reductions will continue to occur in Spain for some time and key enterprises and sectors for trade unions, such as airlines, banks and savings banks are suffering a severe reduction in employment.

The crisis of democracy in Spain and the fragmentation of social protest have put the trade unions in an ambiguous position. On one hand, they are the central protest movement and social opposition to neoliberal policies; on the other hand, they are part of the political system and its institutions and are thus criticised by many civil society protest movements.
# Contents

1. **Introduction** ........................................................... 1  
2. **The Trade Unions in Spain** ............................................. 1  
   2.1 Historical Development Since the Democratic Transition .......... 1  
   2.2 Membership Development and Organisation .......................... 3  
   2.3 Enterprise Participation, Collective Bargaining and Concertation .... 6  
   2.4 Mobilisation and Strikes. ................................................. 9  
   3.1 Background to the Crisis in Spain. ..................................... 10  
   3.2 Politics and Protest .......................................................... 14  
   3.3 Trade Union Reactions to the Crisis .................................... 15  
4. **Future Challenges** ..................................................... 16
1. Introduction

Trade unions in Spain are traditionally assigned to the Latin American model, which differs from the Anglo-Saxon and the corporatist central and northern European types in terms of its low union density, frequent mobilisation and strike activities, fragmented unions with particular ideological or party political links, competing collective bargaining levels and a high level of state intervention in labour relations. Similar to their partner organisations in Portugal and Italy, the Spanish trade unions are faced with a particularly far-reaching economic and social structural crisis that threatens some of their key achievements over the past few decades. Essentially, there are two major national trade union federations, the social democratic UGT and the post-communist CCOO, as well as some regional trade unions in Galicia and the Basque Country (see next page).

In what follows we present an overview of the historical development of democratic trade unions and labour relations in Spain; the institutional environment; and developments with regard to membership and strike action. In Section 2 we look at the special character of the deep structural crisis of the Spanish economy, which confronts the trade unions with new and difficult challenges. The crisis is not only economic, but also concerns democratic institutions and social cohesion. The trade unions as a fundamental part of the democratic order are faced by the difficult task of contributing, through their own organisational and policy renewal, to the revitalisation of social democracy in Spain.

2. The Trade Unions in Spain

2.1 Historical Development Since the Democratic Transition

The decisive phase of the development of modern democratic labour relations and free trade unions began with the democratic transition after the death of dictator Francisco Franco in 1975 after around 40 years in power. The trade unions participated in the change of regime with the reputation and hopes of the protagonists of the opposition democracy movement, although they were internally divided and at loggerheads. The Spanish trade unions of the 1970s and early 1980s were characterised by two major fault lines: (i) there was a historical borderline between the so-called »historical« and »new« workers’ movement; (ii) ideologically, the trade unions were divided into communist, socialist, social democratic-Catholic, anarchist and nationalistic organisations and groups.

Dwindling Political Differences Between the »Historical Workers’ Movement« …

The historical workers’ movement – in other words, the organisations that existed before 1939 and survived the Franco period in exile – comprises the socialist UGT, the anarcho-syndicalist CNT and the Basque ELA-STV. The UGT, founded in 1888, has always been closely tied to the Socialist Party, the PSOE, and in exile and during democratisation it was integrated along with it in Western European social democracy, both ideologically and organisationally. The Socialists were barely present in the anti-Franco democracy movement and in exile largely lost contact with Spanish labour. The financial and organisational support of European social democratic parties, as well as the so-called »memoria histórica« (collective historical memory), however, helped the UGT and the PSOE to make a rapid return in democratising Spain. Since the 1990s the UGT has been one of the two consolidated major trade unions in Spain with a social democratic ideology and practice, although maintaining a certain independence and distance from the PSOE.

The CNT has not been granted a comparable renaissance and during exile not only lost contact with Spanish labour but also any kind of relationship to the transformation of capitalist reality and was unable to build on international support. After an internal split in 1980, from which two anarcho-syndicalist organisations emerged (CNT-AIT and CGT), it has now largely dwindled into insignificance.

… and the »New Workers’ Movement«

The new workers’ movement was formed in the spontaneous strike movements of the 1960s in the underground, but also in the grassroots structures of the vertical Franchist state trade union and the Catholic Church. Ignored or boycotted by the UGT and the CNT (especially because of its activities within the state trade union, which was denounced as collaboration with the dictatorship) it soon
## National Trade Union Federations

**CCOO (Comisiones Obreras – Confederation of Workers’ Commissions):** The Workers’ Commissions formed initially as spontaneous and short-lived underground groups from the end of the 1950s. In the 1960s they became the most important underground organisation of the democratic opposition against the dictatorship and came under the strong influence of the Communist Party. In the course of democratisation they developed into a modern trade union organisation, increasingly independent of the declining Communist Party. In 1991, they joined the European Trade Union Confederation (ETUC) and their political and ideological differences from the social democratic UGT are today only minor. The organisational basis of CCOO comprises 11 industrial federations in all important branches and regions, with around 1 million members.

**UGT (Unión General de Trabajadores – General Workers’ Federation):** Founded in 1888 by a small group of skilled workers the UGT is the oldest Spanish trade union and since its founding has had close ties with the Socialist Party, the PSOE. During the dictatorship it dwindled to a few exiled groups and played little role in the underground struggle. In the course of democratisation, however, it grew rapidly, with the help of international social democratic organisations, to become an alternative to the communist workers’ commissions, in which it was assisted by Spanish society’s so-called ‘historical memory’ of the pre-dictatorship period. Since the 1980s the UGT, with the CCOO, has formed a dual trade union hegemony in the fragmented Spanish trade union spectrum and since the 1990s the two majority trade unions have acted in unison. After a process of concentration and fusion the UGT now encompasses 11 industrial federations with around 900,000 members, with the public sector and metal working/construction accounting for 40 per cent.

**USO (Unión Sindical Obrera – Workers’ Trade Unionist Confederation):** The USO was formed in the left-wing Catholic milieu of the democratic opposition from the end of the 1950s. It participated very actively in the anti-Franco underground in the early workers’ commissions and thus differentiated itself from the communist majority. In the course of the democratic transition it lost a lot of influence as member groups switched to the UGT and the CCOO. Since 2006 the USO has been a member of the ETUC and the ITUC. Its influence today is limited to individual large enterprises and administrations, such as the Catholic education sector, and its membership is around 80,000.

Besides these national umbrella organisations there is a broad spectrum of smaller, local and sectoral trade unions. In the public sector (officials, doctors, nursing care, education, flight personnel) there are strong corporatist organisations. The anarcho-syndicalist organisations **CNT (Confederación Nacional del Trabajo – National Labour Federation)** and **CGT (Confederación General de Trabajadores – General Confederation of Labour)** today no longer play a significant role, apart from a few local exceptions.

## Regionalistische Gewerkschaftsbünde

**ELA-STV (Euzko Langileen Alkartasuna-Solidaridad de Trabajadores Vascos – Basque Workers’ Solidarity):** ELA-STV is the strongest and oldest regionalist-nationalist trade union. It was founded in 1911 in the context of social Catholic Basque nationalism and was long close to the Basque nationalist party, the PNV. It joined the ETUC while still in exile and during democratisation rapidly advanced to become the leading trade union in the Basque Country. The ELA-STV is characterised by an efficient organisation and negotiating capability. Since the 1990s it has been aligned with the radical separatist LAB and has distanced itself from the CCOO and the UGT. It has around 100,000 members.

**LAB (Langile Abertzaleen Batzordeak – Nationalist Workers’ Committees):** The LAB was formed in the 1970s as the trade union wing of the radical Basque independence movement, which also included the ETA terrorist organisation. With a strong grassroots orientation LAB developed into an effective trade union organisation which now has around 18 per cent of the works committee seats in the Basque Country and participates actively in collective bargaining and interest representation activities.

**CIG (Converxencia Intersindical Galega/Confederación Intersindical Galega – Galician Trade Union Federation):** The CIG is a coalition of heterogeneous Galician trade union groups, which combined to reach the statutory representativeness threshold (15 per cent of works council seats, see below). Loosely associated with the nationalist party, the Nationalist Galician Bloc, it today represents around one-third of organised labour in Galicia.
came under strong communist influence and the Spanish Communist Party, the PCE, developed into the leading opposition party in the underground. The Workers’ Commissions (CCOO), initially scarcely more than spontaneous strike and negotiation committees, consolidated over time to become the leading democratic trade union in Spain. At the time of Franco’s death (1975) they were the sole democratic mass organisation in Spain. In the course of the democratic transition, however, they soon had to acknowledge the equality of the UGT and suffered from the political eclipse of the communists. Today, the differences from the social democratic UGT are only minor and trade union action has converged considerably. The two major trade unions largely act in unison.

One other significant trade union organisation belongs to the »new workers’ movement«, the USO. It participated in the first underground workers’ commission and recruited its members mainly from the social Catholic young workers milieu. Its opposition to the growing communist influence motivated it to set up its own underground trade union, which was ideologically orientated towards a mixture of socialist self-management and Catholic social doctrine. Although the USO was much more firmly anchored in the Spanish working class than the UGT at the beginning of democratisation it soon had to cede hegemony to the latter in the social democratic spectrum and lost important groups of members to the UGT and CCOO in two splits in 1977 and 1980. Today its influence is limited to a few regions and sectors.

After the turbulent years of the democratic transition and consolidation process in the 1970s and 1980s there has been relatively stable institutionalised democratic labour relations since the mid-1990s. The balance of power between the trade unions has barely changed and the trade unions are among the recognised democratic negotiation partners.

2.2 Membership Development and Organisation

In keeping with the Latin American model, Spanish trade unions long put more emphasis on policies based on self-interest, mobilisation and good results in works council elections than on member recruitment and organisation. Membership development can be divided into four phases. In the democratic transition (1975–1978) people joined trade unions on a large scale, but the many ideologically split trade unions were unable to convert this into stable membership. In the second phase (1979–1985) the hegemony of the two major trade unions was consolidated and most small trade unions with a particular ideological or political party affiliation vanished in the chaos of democratisation. Economic difficulties, structural change in traditional industrial sectors with massive job losses and disappointed political hopes for a social, labour-friendly democracy resulted in a fall in union density below 15 per cent.

In the third phase (1986–1992) the absolute number of members rose significantly and union density grew moderately. The trade unions emancipated themselves from their political reference parties during this period and acted in unison against the neoliberal policies of the socialist government. The employment boom in the aftermath of the crisis of the early 1990s (1994–2007) brought the trade unions many new members, although union density stagnated at around 18 per cent of employees. During this phase membership composition changed due to the accession of younger, more pragmatic, less ideological and, especially, female employees.

The longer-term effects of the ongoing economic crisis on membership development since 2008 can still not be clearly foreseen, although the continuing mass unemployment is leading to membership losses.
The changes in the Spanish labour force have brought about a corresponding change in the membership structure of trade unions with a growing proportion of better educated and female members from public and private services. Most federations have quotas in their statutes that prescribe female participation in trade union bodies that at least corresponds to the proportion of female members.

Although in many areas the trade unions have managed to reach new groups of members in traditionally under-represented sectors the substantially higher proportion of foreign workers remains largely unorganised. While the trade unions offer special services for immigrants with problems of legalisation and work permits and thus come into contact with many labour migrants, and have also conducted special campaigns in sectors with a high level of foreign workers (for example, in hotels and restaurants), they have not been able to raise their membership rates significantly. Foreign citizens inclined to get involved in trade union activities tend to prefer membership of national migrant organisations.

The practice of many Spanish companies of hiring people as formally self-employed on the basis of contracts for work and services instead of regular employment has motivated the trade unions to redouble their efforts against bogus self-employment. The UGT has set up its own federation for the self-employed, while CCOO prefers membership of the respective branch federations.

Although the preponderance of members consists of older male employees of large industrial companies and, increasingly, in the public service the membership has become much more heterogeneous over the past two decades under the influence of the changed labour market and working population. The subjective attitude of members to trade unions has also changed. An instrumental attitude dominates, seeking protection and services, in particular in labour conflicts, while political and ideological motives have largely fallen by the wayside. The trade unions complain of the difficulty of retaining members over the long term since many join when they encounter problems, only to leave again after they have been solved.

The organisational capacity of Spanish trade unions is limited by the low membership and low membership contributions, which are based on the minimum wage.
Table 2: Development of Membership and Union Density of Spanish Trade Unions

<table>
<thead>
<tr>
<th>Year</th>
<th>Members (changes in %)</th>
<th>Employees</th>
<th>Union density</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>1,606,600</td>
<td>—</td>
<td>18.4</td>
</tr>
<tr>
<td>1980</td>
<td>1,109,600 — 30.7</td>
<td>8,065,600 — 7.3</td>
<td>13.7</td>
</tr>
<tr>
<td>1985</td>
<td>1,037,000 — 6.5</td>
<td>7,309,200 — 9.4</td>
<td>14.2</td>
</tr>
<tr>
<td>1990</td>
<td>1,561,200 50.5</td>
<td>9,273,400 26.8</td>
<td>16.8</td>
</tr>
<tr>
<td>1995</td>
<td>1,838,600 17.7</td>
<td>8,942,700 — 3.4</td>
<td>20.5</td>
</tr>
<tr>
<td>2000</td>
<td>2,093,500 13.8</td>
<td>12,285,700 37.4</td>
<td>17.0</td>
</tr>
<tr>
<td>2005</td>
<td>2,700,000 28.9</td>
<td>15,440,100 26.6</td>
<td>17.5</td>
</tr>
<tr>
<td>2010</td>
<td>2,364,412 — 14.1</td>
<td>14,417,150 — 7.0</td>
<td>16.4</td>
</tr>
</tbody>
</table>

Source: Authors’ calculations based on social security data and from the Spanish Statistical Office: survey on quality of working conditions (»Are you a member of a trade union?«). The survey on quality of working life was carried out by the Spanish Statistical Office from 1999 and is the sole reliable data source on such trade union issues as union density and membership structure. In 2011 it was discontinued, however, so that no more recent data are available.

Figure 1: Membership Development of the Two Major Trade Unions

Source: UGT, CCOO (Note: The membership details of the trade union federations should be treated with caution and are usually overestimated. Thus at their last party conferences the UGT and CCOO claimed memberships of over 1.1 million, while the ITUC, at its last assembly, put their memberships at below 900,000 in 2012, since higher membership figures would entail higher contributions to the ITUC.

Figure 2: Union Density by Gender

Source: Spanish Statistical Office: Survey on quality of working life.
and currently stand at around 12 euros a month. The key resources come from public aid – Law on the promotion of federations and foundations, projects, educational measures – and staff are organised largely via full-time works councils. Spanish trade union law allows the bundling of the delegate hours of several delegates to release one person entirely from work who can then devote him- or herself predominantly to trade union tasks.

The Spanish trade union federations are following a general European trend towards concentration and merger of individual federations. In the UGT the number of individual trade unions had been reduced from 14 to 10, joined recently by the new federation for the self-employed. In CCOO 23 individual trade unions have merged to form the current 11 federations.

In contrast to other European countries the concentration into a few large individual trade unions has so far not been accompanied by a loss of function on the part of umbrella organisations. These remain capable of strike action and collective bargaining, negotiate framework collective agreements and participate in the many tripartite committees and negotiations at all levels.

2.3 Enterprise Participation, Collective Bargaining and Concertation

The representation and participation rights anchored in the Workers’ Statute (1980) and the Law on trade union freedom (1985) establish dualistic interest representation by trade union bodies at enterprise and supra-enterprise level and the works committees elected by all workforces with more than 50 employees. In enterprises with 250 or more employees the works committees have the right to form «trade union sections» (similar to the German shop stewards). In contrast to the German «dual» system, however, in Spain the works committees and trade union sections also have the right to call strike action and engage in collective bargaining. However, they do not have Germany’s codetermination rights with regard to enterprise personnel decision-making, but only consultation rights. In enterprises with 50 employees or over a parity-based health and safety committee is also provided for.

Great Significance of the Election of Enterprise Delegates

The election of workforce delegates and works committees – called «trade union elections» in Spain – have considerable significance. However, much more depends on them than the composition of enterprise interest representative bodies. The law on trade union freedom establishes a general «representativeness» criterion, according to which trade unions that have over 10 per cent of delegates nationwide (UGT and CCOO) or in an «autonomous community» (federal state) over 15 per cent of the delegates (ELA-STV and LAB in the Basque Country, CIG in Galicia) have a general right to enter into collective agreements, have the right to representation in public institutions and have access to certain state subsidies.
All other trade union and occupational federations are entitled to participate in collective bargaining only in the sectors in which they have more than 10 per cent of the delegates. This provision has, among other things, made a key contribution to clarifying the trade union landscape by marginalising the multitude of small local and radical trade unions that sprang up like mushrooms in the chaotic 1970s, setting up a quasi bi-syndicalist model with regional deviations. The exceptional importance of the works committee elections in the context of relatively low union density in Spain justifies, for some authors, the characterisation in terms of »voters’ trade unionism« versus »members’ trade unionism«. ¹ The results of trade union elections thus best reflect the trade union balance of power.

Coverage by Collective Agreements Traditionally High ...

Coverage by collective agreements in Spain is generally high (at around 80 per cent of all employees) because of the automatic rule that agreements shall be generally binding (erga omnes), in the sense that all establishments, regardless of membership, are subject to the currently applicable branch collective agreement. The labour law reforms at the end of the 1990s got things moving in the area of such agreements and depended on the revival of tripartite dialogue between the government, employers’ organisations and trade unions.

... But Loosening of the Automatic Rule that Agreements Shall Be Generally Binding

In the 1994 Reform Law the rule that agreements shall be generally binding was weakened by the introduction of so-called »opening clauses« that allow companies in difficulties to deviate from the applicable collective agreement and the social partners were obliged to lay down the scope of agreements. In the 1997 reform for the first time a clear structure of levels was introduced into the collective bargaining system by reserving certain issues for the national branch level and tasking the social partners with reaching agreement on a hierarchy of competences for the other issues. Since that time it has been normal practice for the central umbrella organisations to sign framework collective agreements stretching over several years, which not only cover wage guidelines, but also introduced new issues, such as gender equality, reconciliation of work and family life, health and safety, and part-time working for older workers into Spanish collective bargaining. The most recent labour market reforms (2012), however, have made deep holes in collective agreement coverage and have been heavily criticised by the trade unions (see below).

Spain has a long tradition of statutory minimum wages that are annually adjusted to the rate of inflation. Currently standing at 645.3 euros (2013) Spain is at the lower end by European comparison and the trade unions have long demanded an increase to at least 60 per cent of the average wage. This was 21,500 euros (gross) in 2010, corresponding to 14 monthly salaries of 1,536 euros (gross).

Industry-wide Interest Representation and Transnational Companies

The Spanish trade union federations are showing a growing interest in European policy and the chairs of UGT and CCOO have taken over the presidency of the ETUC in recent years. At the operational level of European works councils and the European Social Dialogue, however, there remain participatory deficits. Besides cultural and traditional factors one basis for the low significance of transnational group works councils in Spain is the structure of Spanish companies. Of the 55 enterprises with their head office in Spain that meet the criteria of EU Directive 94/45 on the establishment of a European works council (more than 1,000 employees and more than 150 employees in two EU countries) only eight have set up a European works council.2

The efforts of Spanish companies to go international are directed much more towards Latin America, where the big banks, airlines, telecommunications and energy companies have significant investments and affiliates, than towards Europe. On the other hand, Spain is an investment target for many European and North American companies and, furthermore, Spanish trade union delegates are involved in hundreds of European works councils (EWC). In the often rudimentary EWCs that meet infrequently (once or twice a year) language problems, cultural barriers and so on mean that the Spanish...
delegates often play only a marginal role in contrast to the interest representatives of the central plants. Furthermore, industry-wide general works committees are rare and industry-wide interest representation is at the mercy of the often competing trade unions. European works councils are only one example of the still inadequate Europeanisation and international integration of Spanish trade unions and works committees.

The Established »Social Dialogue« Has Reached Its Limits in the Crisis

Since the 1990s a far-reaching system of institutional participation by the social partners in institutions such as labour offices, social security, occupational training, universities, and economic and social councils has developed. The trade unions are thus involved at all levels (national, regional, local, sectoral) in a multitude of political negotiation processes. The climate of social dialogue has led to many tripartite social pacts (concertation) concerning economic and employment policy, pension reform, the health system and social dialogue in the public sector. The consequences of the current economic crisis and the drastic austerity programmes and two anti-trade union labour market reforms (2010, 2012) have brought social dialogue to a standstill at many levels and it is currently uncertain whether and when it can be revived. Concertation and social dialogue proved successful with regard to the distribution of increasing public resources, but came to grief when it came to a fair distribution of the consequences of the crisis.

Although their close institutional involvement in tripartite social dialogue and state institutions gives the trade unions influence, a voice and access to organisational resources it has tarnished their image and the public perception of employees’ organisations. As part of the political system they have suffered the same loss of trust as politicians and together with political parties, banks and multinational companies they make up the group enjoying the least trust in Spanish society. Small and medium sized enterprises, in contrast, as well as scientists, the police, the army, the social security system and NGOs are evaluated positively.3

2.4 Mobilisation and Strikes

In Spain, the right to strike is a collectively exercised basic individual right enshrined in the Constitution and not, as in some northern European countries, tied to trade union organisations and strike ballots. Lockouts, in contrast, are strictly limited to exceptional circumstances. The major Spanish trade unions have no strike funds and do not pay their members allowances in the event of work stoppages.

Similar to other Latin trade unions the Spanish unions are relatively eager to go on strike and their mobilisation potential exceeds the level of membership. At the same time, in Spain a long-term trend can be discerned

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Table 5: Collective Agreements

<table>
<thead>
<tr>
<th>Year</th>
<th>Enterprise collective agreements</th>
<th>Industry-wide collective agreements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Employees affected ('000)</td>
<td>Number</td>
</tr>
<tr>
<td>2009</td>
<td>4,323</td>
<td>1,114.6</td>
<td>1,366</td>
</tr>
<tr>
<td>2010</td>
<td>3,802</td>
<td>932.2</td>
<td>1,265</td>
</tr>
<tr>
<td>2011</td>
<td>3,279</td>
<td>860.8</td>
<td>1,068</td>
</tr>
<tr>
<td>2012</td>
<td>2,116</td>
<td>672.2</td>
<td>646</td>
</tr>
</tbody>
</table>

Source: Ministry of Employment and Social Security (data for 2011 and 2012 still provisional: many unregistered collective agreements are still missing).

Note: Most industry-wide collective agreements are concluded at the provincial level. The decline in collective agreements can largely be traced back to two trends. On one hand, in recent years more and more collective agreements have been signed covering a period of years in order to reduce the cost of constant negotiations. On the other hand, the crisis and company closures have reduced the number of agreements and affected employees. Since the 2012 labour market reforms there is also now a strategic factor on the employers’ side, to delay or prevent the conclusion of new collective agreements (see below).

3. On this, see the regular opinion polls conducted by Metroscopia (www.metroscopia.org) and the Centre for Sociological Research, CIS (www.cis.es).
towards diminishing conflict and strike frequency.\textsuperscript{4} Strike development in Spain follows a strongly politically motivated dynamic with less conflict in periods of intensive concertation and good relations between the social partners and between trade unions and the government, such as in the years of the socialist Zapatero government before the outbreak of the crisis (2005–2008) and increasing strike frequency in periods of political discontent on the part of the trade unions. Thus the labour market reforms of the socialist government in 2010 and the drastic austerity measures and curtailment of labour rights, which were only intensified by the new conservative Rajoy government, have led to numerous protest actions and three national general strikes (2010, March and November 2012). But not only political conflicts with the central government, also labour conflicts at regional and local level assume a political character and protest actions are directed not only against employers, but also against political decision-makers.

Strikes and labour conflicts in Spain exhibit some long-term trends that are also observable in other southern European countries. Besides the declining frequency of strikes the reasons and targets of strike action are changing. While specifically economic strikes about wages and working conditions in the private sector are falling sharply, politically motivated strikes are increasing. The targets of protest action are less the employers than the political decision-makers. This trend is also underpinned by the fact that in the case of many conflicts about plant closures and relocation of production the company decision-makers are located in group headquarters abroad and thus out of reach of those concerned. Many labour market problems, such as the increasing precarisation, the fragmentation of workforces and intensifying competitive pressure are also assuming a systemic character and can scarcely be blamed on individual companies.

Another form of change in labour conflicts is tertiarisation. Even though the industrial sector still ranks highly in terms of strike frequency, strikes are increasing in public services (care workers, transport, teaching staff) and are more frequently carried out by small strategic groups (air traffic controllers, pilots). Those mainly affected by strikes are less the responsible authorities (often politicians) and rather citizens who are the users of these services. The strikers exert pressure via public chaos and media reporting rather than through falling profits and sales.

A third long-term trend in the development of labour conflicts is the defensive character of most strikes. Workers and their trade unions are no longer struggling to improve their working conditions and extend their rights, but rather to keep their jobs, against the dismantling of employment protection, the prolongation of the working day, the relocation of production or the precarisation of employment contracts.


3.1 Background of the Economic Crisis in Spain

The international economic and financial crisis in Spain encountered a particularly vulnerable and structurally weak economy and caused the real estate bubble to burst. The construction boom, tourism and domestic consumption led to a rise in employment between 1993 and 2007 from 12 to 23 million people and unemployment fell from 23 to 8 per cent. The majority of jobs emerged in branches with precarious low-wage jobs, such as construction, personal services, hotels and restaurants and retail. In this period the proportion of immigrants in the working population also rose, from below 2 per cent to 11.3 per cent (2008).

The Spanish economy is characterised by a series of structural problems that have accumulated over a long period, which were not only disguised but strengthened by the artificial boom. This includes in the first place the specialisation profile with the dominance of the construction and tourism sectors and related services, with low value added and employment quality. On the other hand, internationally competitive industries and innovation capacity are lacking. The financial sector, after several banking crises that were dealt with at great public expense in the 1980s and 1990s, has a number of leading international banks. However, a negligent central bank and cheap money on the financial markets allowed the speculative growth of many credit institutions and, especially, savings banks via the real estate sector and private consumption. The bailout of these sectors will cost even more resources and jobs.

Figure 4: Strike Development in Spain (number of working days lost / 1,000 employees)

Source: Ministry of Employment and Social Security. Note: 2010 and 2012: the official data for these years have no information on the general strikes. Participation in general strikes is based on the estimates of the Public Institute for Sociological Research, CIS. The dotted line indicates strike development excluding the national general strike.

Figure 5: Average Strike Frequency in Selected Countries, 2000–2010
(number of working days lost / 1,000 employees)

A third structural problem is the inefficient and poorly constructed state whose regions (17 autonomous communities) and especially municipalities have no clear financial basis. Twenty years of transferring competences to the autonomous communities have led to enormous growth in the bureaucracy but not to improved public services and the constant wrangling over financing and financial balance between the regions and the central state is threatening Spain’s political cohesion.

The municipalities have long financed themselves through licenses and building permits, thereby building up corrupt clientelistic structures whose financial sources have now run dry and their political-administrative legacy will long burden the economy and society. The all-too-easily available money, the uncontrolled growth of the financial institutions and household consumption have led to extremely high indebtedness, not only among private persons, but also among companies, banks and the state budget. The constant refinancing of this debt is currently one of the most urgent problems facing Spain.

The fifth structural weakness – several more could be added, such as the underdeveloped occupational training, the tax system and energy waste – is the extremely polarised size of enterprises. According to the data of the Statistical Office in 2012 95.4 per cent of all Spanish companies had fewer than 10 employees. A few competitive large companies thus stand over against a throng of micro-companies, while medium-sized companies – which in other countries play a key role with regard to competition and innovation – are almost non-existent.

Record Unemployment

While in 1994–2007 Spain had the highest employment growth in Europe, in the crisis it became the fastest job destroyer. Spain quickly rose to the top of the unemployment (2013: 27.16 per cent) and youth unemployment (57.2 per cent) rankings in the course of the crisis. At the beginning of 2013 6,202,700 people were without employment, according to a survey. According to Eurostat the crisis in Europe destroyed 5.1 million jobs in 2008–2012, more than half of them in Spain (2.75 million). Average household income fell in 2008–2012 by 4.3 per cent as a consequence of cuts in social benefits and wages, as well as several tax increases.

…Austerity Policy…

After the timid attempts to stimulate the economy in the first years of crisis 2008/2009 were ineffective due to the strength and nature of the economic slump the socialist government in Spain, under growing pressure from the European Troika (European Commission, European Central Bank and International Monetary Fund), switched to a radical austerity policy, as a result of which the costs of the crisis were imposed primarily on wage-earners and the socially vulnerable. Wage cuts in the public sector, frozen pensions, the raising of the pensionable age from 65 to 67, cuts in public investment and development aid and prolongations of working time were supposed to halt the indebtedness of the state budget and restore the trust of the international financial markets in the

Figure 6: Development of GDP and the Unemployment Rate in Spain

![Figure 6: Development of GDP and the Unemployment Rate in Spain](source: Spanish Statistical Office (Instituto Nacional de Estadística)).
Spanish economy. On top of that, in autumn 2010 there was a labour market reform that made dismissal easier and cheaper and promoted private job placement and temporary work agencies. As a result of this austerity policy the economic crisis was exacerbated, budget deficit was increased due to rising social expenditure and falling revenues, unemployment rose dramatically and interest rates soared on the refinancing of debt on the international financial markets.

… and Surging Social Inequality …

Besides the dramatic economic decline Spanish society is suffering from the social upheavals of the unfair distribution of the costs of the crisis. As a consequence of mass unemployment social inequality and poverty have risen sharply. Many households, after unemployment benefit has expired, live on minimal income support and are also faced by eviction from their homes since they can no longer pay their mortgage.

Neither the general strike by the trade unions nor the months-long youth protests in the central squares of Spanish cities, the 15 May movement or the «indignant» were able to bring about a correction of the anti-social crisis policy and in autumn 2011 the PSOE lost the election and the conservative Partido Popular under Mariano Rajoy formed the government. The policy of cuts and tax increases was stepped up and now is having a significant impact on the health care and education systems. Furthermore, VAT was raised from 18 per cent to 21 per cent, the 14th monthly wage was abolished in the public sector and unemployment benefit was cut.

… Generate a Downward Spiral

The austerity policy pursued since 2010 under pressure from the EU and the financial markets is futile under current circumstances, since it only serves to exacerbate the structural problems of the Spanish economy and has set in motion a dangerous downward spiral consisting of falling growth rates, declining state revenues, destruction of jobs and rising interest rates on refinancing. Further wage cuts, measures to make dismissal easier and cuts in social spending do not create any jobs and do not enhance the competitiveness of Spanish enterprises. The latter is to be achieved only by means of massive investment in promising activities and technologies and thus requires a strategically directed economic policy. In the past, the Spanish economy grew during periods of specific competitive advantages, such as the opening up of the market under the technocrats of the Franco regime in the 1960s or
the influx of foreign capital in the wake of EU accession. It has also frequently exploited currency devaluation. Such special economic cycles are no longer an option, however, and the years of the real estate boom can be regarded as a lost decade from the standpoint of the necessary modernisation of the Spanish economy.

3.2 Politics and New Protest Movements

The discontent of the population in relation to the incompetent and socially unbalanced crisis management of successive governments and the ongoing wave of corruption scandals at all political levels have increasingly distanced the population from the political class, as well as to new civil protest movements. According to all current opinion polls Spain’s political class is the most discredited social group and the corruption of politics and administration in the public perception is the most urgent problem, after unemployment.

The growing discontent with the social and political situation has led to the formation of many civil opposition groups, in particular among young people who feel defrauded of their future prospects. The internet and social networks (including Facebook and Twitter) offer these very heterogeneous groups an agile communication platform and spontaneous movements in other countries (the »Arab Spring« or »Occupy Wall Street«) are a further inspiration. When the platform »Democracia Real Ya« (Real Democracy Today) called for a day of protest on 15 May 2011 there were spontaneous mass protests, town square occupations and tent camps in all Spanish cities. The repressive response of the public authorities only exacerbated the mood and thousands of – predominantly young – people occupied the main squares of Spanish cities for months, organised debates and protest actions and engaged in direct democracy on the streets and on the net. The markedly civil and peaceful character of the movement and the explicit rejection of all established groups and symbols, including all political parties and even the large trade unions made this movement into a new and interesting phenomenon in Spain’s decrepit political landscape. According to opinion polls a broad majority of the population support the form and content of the movement.

The heterogenisation of political and social protest in new spaces and media poses new challenges not only to the established political actors and institutions, but also to the trade unions.

5. The movement was initially known as »Los indignados« (The indignant) with reference to the pamphlet by Stephane Hessel, Indignez-vous! However, in due course it came to be referred to with reference to the date of the initial day of protest, 15 May.
3.3 The Trade Unions in the Role of an Extra-parliamentary Opposition

The change in political direction and the termination of the implicit social pact by the employers virtually forced the Spanish trade unions into the role of extra-parliamentary opposition. Since then they have called three general strikes (29 September 2010, 29 March 2012 and 14 November 2012 to coincide with the ETUC’s European day of protest), organised numerous mass demonstrations across the country, as well as a broad action alliance against the cuts in social services (the so-called »social summit« involving around 150 organisations) and have started up a movement for a referendum on an alternative exit strategy from the crisis.

The public sector, whose employees are directly affected by cuts in social services, wage cuts and prolongation of working time have played a leading role in the mass protests, which have reached different levels of intensity in different autonomous communities. Thus health care employees organised a white protest wave (marea blanca), education employees a green (marea verde) and employees of the public administration a black one (marea negra).

In the private sector there have been a range of reactions. While many workers threatened by closures (shipyards, mining) and massive job cuts (banks and savings banks) have participated actively in the mass protests and organised a number of spectacular actions, such as the 500 km march of Asturian mining workers to Madrid, others, such as the plants of the large automobile groups, have pursued a different strategy of concession bargaining in order to attract new models to the country within the context of international competition between locations within corporate groups and thus safeguard their jobs (mainly at the expense of other plants in other countries).

Radical Deregulation in Labour Law…

From the trade union standpoint, besides the social cuts in particular the renewed labour market reform is cause for criticism and resistance. This has shifted the balance of power between capital and labour markedly in favour of the employers (see box).

The most important measures in the Law on labour market reform of 10 February 2012 (RD-Ley 3/2012):

- Drastic reduction of dismissal protection: severance payments cut to 33 working days per year of employment and a maximum of 24 monthly wages (from 42 working days and a maximum of 42 monthly wages). This level of compensation will remain an exception in future, however, because in the case of justified dismissals only 20 working days and a maximum of 1 year’s wages will have to be paid and justifications for dismissal have become easier than ever. Already temporary losses or expected future falls in turnover count as justification for dismissals.

- Collective redundancies no longer require state approval and no longer have to be negotiated with the works committee or trade union representatives.

- An employer can deviate from the collective agreement and institute wage cuts or prolong working time without negotiations with the works council, as long as he can give «economic, technical or competitive» reasons for it.

- Enterprise-level collective agreements have explicit priority over industry-wide collective agreements.

- The automatic prolongation of existing collective agreements in the case of a failure to renegotiate will be limited to a year. After that the agreement will cease to be binding until a new collective agreement is signed.

- The new hiring of those under 30 years of age and over 45 years of age will be subsidised.

- To promote training a further training fund has been set up for all employees in the social security system and every employee has the right to 20 hours paid training a year.

The most radical labour market reform so far thus explicitly strengthens individual employers’ rights as against collective regulations and weakens the negotiating power of trade unions, as well as free collective bargaining. The trade unions organised a general strike on 29 March 2012 and several national days of protest in many cities against the reform package, without being able to prevent or alter it. The official aim of the reform, to promote and safeguard employment by means of so-called – «internal flexibility» (adjustment by means of working time flexibility, short-time working and functional mobility without lay offs) had clearly failed in the first year after the reform. The implicit goal of a shift in power in favour of the employers was achieved, however.
… Makes Spain a Text-book Example of the Neo-liberal Restructuring of Employment Relations

The trade unions regard themselves as under attack from the employers in terms of wage negotiations, the unilateral termination of social dialogue and cheap mass redundancies. As can be seen in the above tables the number of collective agreements concluded since the reform has fallen sharply and many employees are threatened by the loss of collective agreement coverage.

The labour market reform is thus a direct assault on free collective bargaining insofar as it rescinds previous agreements between trade unions and employers. A few weeks before the adoption of the reform the central organisations had signed the second agreement on employment and wage negotiations 2012–2014 with far-reaching mechanisms for flexibilising wages and work assignment. In addition, the fifth agreement on autonomous arbitration of labour conflicts was concluded. This attempt to revive social dialogue was simply strangled by the law. The openly anti-trade union character of the labour market reform is in the context of a generally neoconservative offensive on the part of a number of regional governments and parts of the current central government to discredit and weaken trade union organisations. Besides the undermining of free collective bargaining subsidies to social organisations have been cut, delegates’ rights to time-off have been reduced and targeted anti-trade union campaigns have been conducted. Spain is a textbook example of the exploitation of mass fears of unemployment for the purpose of a neo-liberal restructuring of employment relations in terms of wage cuts, prolongation of working time, undermining of coordinated tariff wages, weakening of trade unions and deregulation of the labour market.

However, the extent to which the neoconservative offensive and the labour market reform will achieve their goal of a deregulated labour market without collective bargaining and with impotent trade unions remains open. A multi-level negotiation system established over many years with social partners who mutually recognise one another cannot be destroyed so easily and has provoked resistance. As already mentioned, the major Spanish trade unions are accustomed to continuous social dialogue and involvement in the political-institutional system. Now, however, they face the problem of either radically breaking with this tradition and transforming themselves once again into a social protest movement or engaging in a difficult tightrope walk between protest and participation.

4. Future Challenges

Given the panorama depicted here the Spanish trade unions face an extremely problematic future. The far-reaching economic crisis has not only weakened their social basis. Neoliberal anti-social policy has also undermined its participation rights and negotiating positions. The traditional «instruments of combat», such as mass demonstrations and general strikes, which previously – for example, 1988 and 2002 – had a significant effect have now come up against a wall comprising the Troika and vulgar neoliberal dogmatism. The Spanish trade unions thus face a fundamental challenge of renewing their role as an effective social force and opposition to a deregulated, financial-market-driven and socially unjust capitalism. Such a renewal strategy will have to contain the following elements:

- Participation in a policy of economic structural change to promote new, fast-growing and innovative sectors and enterprises: without a renewal of the profile of economic specialisation Spain’s social and employment policy problems cannot be solved.

- Organisationally, the trade unions must push ahead with the renewal of their membership structure and more closely reflect the actual employment structure. Given the problems of organising young, precarious employees in small companies the public sector and a number of large companies threaten to dominate, especially in committees and full-time structures. The host of fixed-time employees with precarious contracts and foreign employees are very underrepresented.

- Free collective bargaining and collective agreement coverage have to be protected and strengthened against the recent anti-trade union assault of conservative governments. In addition, new industry-wide forms of negotiation and organisation should be developed. For example, a common collective agreement for a shopping or commercial centre is conceivable.

6. Some trade union federations are trying to reach the dispersed workforces of local companies, for example, with mobile recruitment in large shopping centres, industrial estates or airports.
Another fundamental challenge for the Spanish trade unions is to regain their social reputation and political credibility. In contrast to the political parties, which despite the unfolding of countless corruption scandals continue to attract votes, and of the employers’ organisation, whose president had to be dismissed for white-collar crime and is now in custody, the trade unions have been directly weakened by their involvement in dishonourable dealings. The involvement of the major Andalusian trade unions in the scandal of falsified early retirement and collective redundancy agreements or the participation of trade union representatives in the administrative boards of the savings banks blamed for the financial and real estate crises, further damaged the trade unions’ already tarnished image.7

The two major umbrella organisations held congresses in spring 2013 and had never been so closely aligned. In February the delegates of the CCOO re-elected Ignacio Fernández Toxo general secretary, with 85.6 per cent of the votes. For the first time, there was no opposing candidate and the different wings could be united in a joint list of candidates. The executive was reduced from 44 to 14 members, some younger members were included and the proportion of women increased. After the attacks on austerity policy there was also a self-critical tone with regard to the poor public image, the distance from society and the latest membership losses. The union apparatus should be slimmed down and new groups of members should be attracted.

In April 2013 Cándido Méndez was elected chair of the UGT executive – now reduced to 10 members from 13 – for the sixth time, with 86.3 per cent of the votes. At the same time, in future, a maximum of three mandates (12 years) will be adopted for chairs. The UGT also wants to reform its administrative apparatus, making it more agile and bringing it closer to the members. There will also be an emphasis on the mass of small and medium-sized enterprises and resistance will be offered to the austerity-oriented dictates of Brussels and Berlin and social dialogue will be revived.

With its 2.5 million members, 7 million votes in works committee elections and 11 million employees covered by collective agreements the trade unions remain the most important social organisations in Spanish society. At the same time, they can only once more become a credible threat and opposition to anti-worker and anti-social forces if they return to the fold of society.

7. The general secretary of CCOO, Ignacio Fernández Toxo, and of UGT, Cándido Méndez, explicitly referred to the need for total transparency and an improvement of their public image, as well as internal trade union reforms, at press conferences.
International Dialogue

The Friedrich Ebert Stiftung’s International Dialogue Department promotes discourse with partners in Europe, Turkey, the United States, Canada, and Japan. In our publications and studies we address key issues of European and international politics, economics and society. Our aim is to develop recommendations for policy action and scenarios from a Social Democratic perspective.

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