

# Without Unions, but Socialist: The Spanish Socialist Party and Its Divorce from Its Union Confederation (1982-96)

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*To what extent does the loosening of the ties between a social democratic party and its sister unions indicate a shift in the party's traditional objectives or bases of support? In this article it is argued that the estrangement between these parties and their unions is not always an indicator or a proof of the abandonment of workers and solidaristic goals by social democratic parties. The evolution of the party-union relationship is not only shaped by the economic and social policies of the party but is also constrained by the organizational context of the trade unions. And when a close relationship exists in a context of competitive unionism and a growing economy, it is highly likely that the pressure and threats that unions direct at their social democratic parties are largely inspired by their need to maintain and enhance their organizational position vis-à-vis their union rivals rather than by a change in the goals and policies of their sister parties themselves.*

To what extent does the loosening of the ties between a social democratic party<sup>1</sup> and its sister trade unions indicate a shift in the party's traditional objectives or bases of support? Is estrangement the price a social democratic party must pay to enjoy electoral and policy success in the economic and social environment now existing in advanced capitalist societies? Or are such parties' relationships with trade unions in fact quite independent from their relations with workers? It is often argued that a variety of phenomena associated with the socioeconomic transformation of advanced capitalism has turned the traditional party-union relationship

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into a liability for social democratic parties. Hence, it would follow that these parties must throw off their ties with the trade unions if they are to win the electoral support of new social groups and implement sound economic policies. Accordingly, the weakening of party-union relationships would point toward the development of a new type of social democracy intent on adapting to postindustrial capitalism, but at the price of becoming quite indistinguishable from the Right in terms of both its social bases of support and its policies.

It has also been argued that one of the clearest examples of such a breakdown in traditional party-union relations is provided by the divorce between the Spanish Socialist Workers' Party (Partido Socialista Obrero Español [PSOE]) and the General Workers' Union (Unión General de Trabajadores [UGT]) at the end of the 1980s. On one hand, the PSOE held power without interruption for over thirteen years, and its economic policies paved the way for Spain's successful integration into the European and global markets. Hence, the PSOE's split from its former labor ally has been presented as a lesson for other social democratic parties intent on avoiding electoral decline and policy drift. On the other hand, however, the PSOE is thought to have achieved these results by abandoning its commitment to representing workers as well as such traditional social democratic goals as the promotion of wealth redistribution and the expansion of the welfare state.

In this article I am going to argue, on the contrary, that this conventional view of the PSOE's social bases and policies during the 1980s and early 1990s is fundamentally flawed. Throughout this period the Spanish Socialist Party retained the support of workers to a much greater extent than that of middle-class voters, and its policies in fact consisted of a interesting combination of state and market. While the former continued to have responsibility in social policies, the latter was assigned a major role in the economy. The PSOE's split from its traditional union ally was not, therefore, the price the party allegedly had to pay for its success in the new economic and social environment, but was rather a consequence of the divisions within the Spanish union movement and the existence of a context of economic expansion. When a union movement is divided, each union organization is involved in two sets of relationships. Through one of these, unions seek to obtain from employers, their associations and/or political actors, those goods demanded by workers. Through the other, unions compete among themselves for workers' support by trying to bring them greater gains than their rivals do. The business cycle, however, determines what kind of goods workers are more interested in and, hence, which union strategy maximizes their support and which may lead to a "crisis of representation." Therefore, the wage restraint asked in a political exchange with a social democratic government, while rival unions can tempt workers with wage increases, jeopardizes the union's survival. It follows from this that the UGT's organizational concerns played a more decisive role than the PSOE's own strategies in their mutual "divorce." In consequence, the breakdown in the social democratic party-union relationship in Spain should not be seen as a

lesson in how other social democratic parties in Western Europe might avoid electoral decline and policy drift. For in the context of a different labor movement, union support may still prove a valuable resource for socialist parties. Nor should the split be seen as evidence of the Spanish Socialists' willingness to renounce their working-class constituencies and classic social democratic policies. Rather, the Spanish experience demonstrates that a close party-union relationship is not always a prerequisite to retain workers' support and that the evolution of this relationship is not necessarily determined by the kind of policies a social democratic party implements or the social composition of its electorate.

I begin this article by reviewing current interpretations of the divorce between social democratic parties and trade unions in Western industrial countries in general, and Spain in particular, as well as the alleged lessons and implications of the Spanish case. I then present some empirical data that refute the conventional explanation for the split between the PSOE and the UGT. I go on to develop a more convincing, alternative explanation for the evolution of relations between the two organizations. In the light of this analysis, I end by discussing the real implications of the Spanish experience for a more general understanding of party-union relations in advanced capitalist economies.

#### 1. THE CONSENSUS VIEW OF PARTY-UNION DIVORCE: THE CASE OF THE SPANISH SOCIALISTS

Successful social democratic parties have traditionally been workers' parties with close ties to encompassing, centralized trade unions. The close relationship that such parties had with the unions was the product both of a natural affinity with them, given the class composition of their electorate and membership, and of self-interest.<sup>2</sup> First, strong, cohesive and party-aligned unions had the effect of structuring the electorate and reinforcing voting ties between manual workers and social democratic parties. Moreover, when a social democratic party won power, its allied unions were expected to coordinate their actions in the industrial arena with the government's policies. Hence, party-union relations involved a form of "political exchange," in which the unions offered industrial peace and wage restraint through a highly centralized system of wage setting in return for usually Keynesian governmental policies designed to deliver full employment, a higher social wage, and other political gains.<sup>3</sup> This political exchange was at the heart of well-studied macro-corporatist arrangements.<sup>4</sup> In consequence, the party-union relationship was a clear asset for social democratic parties' electoral and policy performance, as well as an unmistakable indicator of the social groups and policies they defended.<sup>5</sup>

Nonetheless, the processes of economic restructuring, increasing international competition, and social transformation of advanced capitalism are believed to have made traditional party-union relations more difficult to sustain or at least less efficient both in electoral and economic terms. It is argued that over the past

twenty years Western societies have seen an absolute decline in the industrial workforce, paralleled by a rise in the number of workers employed in services, particularly in the public sector. These processes of economic change have given rise to occupational, intrafirm, and sectoral conflicts of interest within the working-class constituency, as the relative class homogeneity of the Fordist period, which was heavily reliant on mass-production manufacturing, has given way to a polarization of skill levels. As a result, unions are no longer thought to be able to “deliver” the votes of a homogeneous electoral constituency to social democratic parties. In addition, the linkage between left-wing parties and organized labor appears illegitimate in the eyes of key electoral constituencies and is therefore a liability for social democratic parties attempting to attract such groups.<sup>6</sup>

In political economy terms, there is also a perception that these ongoing changes in the composition of the labor force have reduced the trade unions’ capacity to act collectively. The breakdown of the unions’ organizational cohesion and monopoly of representation has undermined the ability of the peak organizations to ensure either labor peace or wage moderation through centralized negotiations. At the same time, the increasing interdependence of the global economy, and the internationalization of capital markets in particular, impose constraints on social spending and, more generally, restrict the capacity of national governments to regulate or direct economic activity. Individual national governments are forced to adopt policies of fiscal restraint and deregulation and facilitate corporate profits if they are to retain or attract internationally mobile capital. On the basis of these arguments, it is often argued that the special relationship between social democratic parties and trade unions is more likely to be seen as a liability than an asset by both partners. Social democratic parties, it is contended, should break or at least loosen their ties with the trade unions in order to be able to appeal to a new type of electorate as well as to implement stable market-oriented economic policies.<sup>7</sup>

The very different political fortunes of the northern and southern European social democratic parties seen during the 1980s tended to reinforce this view. While the social democratic parties in northern Europe, traditionally linked to their sister unions, had to cope with electoral decline and policy drift, their counterparts in southern Europe, who had either never had or had loosened their organizational and electoral ties to their working-class constituencies, enjoyed spectacular success. They were allegedly in a better position to take advantage of new electoral coalitions that emphasized non-working class constituencies and advanced programs centered on economic efficiency. However, at the same time, as they moved away from workers these parties are deemed to have abandoned the political goals that characterized the “golden age” of northern social democracy. Accordingly, the weakening of party-union relations is seen as evidence of the configuration of a new type of social democracy, relatively indistinguishable from the Right in terms of both its constituencies and policies.

One of the clearest examples of these twofold implications of the unraveling of social democratic party–union relations is commonly believed to be the trajectory of the Spanish Socialist Party. Initially the PSOE had stood out from the other southern European social democratic parties in that it had maintained a close relationship with a trade union confederation, the UGT, for almost a century. Yet, by the end of the 1980s, this partnership had come to an end. Most scholars have seen the divorce between the two organizations as the typical outcome of a social democratic party that had abandoned both the classic social democratic strategy of a mixed-economy model coupled with a comprehensive welfare state, full employment and income redistribution in favor of the less well off, and its core working-class electorate.<sup>8</sup> As a result, it has been argued that by loosening its ties with the UGT the PSOE was able to emerge as one of the most successful examples of a catch-all party in the 1980s. At the same time, the PSOE has also been presented as an example for other social democratic parties seeking to avoid electoral decline and policy drift. The Spanish Socialists increased their share of the vote by an average of 14.3 percent in the 1980s and won the support of more than 40 percent of voters over the course of the decade, enabling them to govern alone from 1982 to 1993, and with external support from regionalist parties until 1996. On the other hand, however, the party–union split is also seen as symbolizing the configuration of a new model of social democracy which has abandoned its traditional objective of advancing workers' interests.

## 2. THE PSOE'S BASES OF SUPPORT AND POLICIES DURING THE 1980S AND EARLY 1990S

The empirical evidence, however, contradicts this conventional explanation for the divorce between the PSOE and UGT. Let us begin with the electoral calculus. It is true that in Spain, as in other European countries, the proportion of male blue-collar workers has been on the decline since the early 1970s.<sup>9</sup> It is also the case throughout the period considered here the right-wing opposition was divided and discredited by the legacy of the Francoist dictatorship. Hence, some scholars have argued that the PSOE would have had little problem in increasing its middle-class support if its working-class voters abandoned it.<sup>10</sup> In practice, however, in the early 1980s the PSOE was able to increase its support among different middle-class groups without losing working-class voters.<sup>11</sup> The Socialists' share of the valid vote rose from 30.5 percent in 1979 to 48.4 percent in October 1982. The party's support among white-collar workers doubled from 20 percent in 1979 to over 40 percent in 1982. At the same time, however, the PSOE saw not the reverse, but the consolidation of its electoral hegemony among industrial workers, support for party among this group rising from 35 percent in 1979 to almost 50 percent in 1982. During the 1980s 58 percent of employed workers voted for the PSOE.<sup>12</sup> The argument that social democratic parties are not condemned to making electoral trade-offs between working-class and non-working class support has been

put forward by a number of authors.<sup>13</sup> Most of them consider, however, that broad appeals of this type are only possible when parties do not have close ties with trade unions. Yet the PSOE was closely linked to the UGT at the time of its first two electoral victories in 1982 and 1986. Hence, it seems clear that the Spanish Socialist Party had little need to loosen its organizational ties to its labor ally in order to improve its electoral performance.

The PSOE's impressive victory in October 1982 can be attributed in part to the exceptional circumstances in the early 1980s, when the profound economic crisis coincided with the collapse of both the governing center-right Democratic Center Union (Unión de Centro Democrático [UCD]) and the Communist Party (Partido Comunista de España [PCE]).<sup>14</sup> Subsequently, however, the PSOE's electoral base was eroded over time. The Socialists took 44.1 percent of the valid vote in 1986, 40.2 percent in 1989, and 37.5 percent in 1993. Therefore, it could be argued that while the extraordinary conditions existing in 1982 allowed the PSOE to build a broad coalition of middle- and working-class voters, as the interests of those two classes became increasingly incompatible the party opted to split from its labor ally in a bid to retain its middle-class rather than working-class support.<sup>15</sup> This interpretation, however, is not supported by an analysis of the class structure of the party's vote. Support for the PSOE remained relatively high among blue-collar workers while falling considerably among students and urban middle-class voters.<sup>16</sup> While the Socialist vote among industrial and service workers dropped from 50 percent in 1982 to 40 percent in 1993, it rose from 26 to 29 percent among small farmers, and from 41 to 43 percent among agricultural workers, at the same time as the party's white-collar voting base decreased very sharply from a solid 42 percent in 1982 to a mere 17 percent in 1993.<sup>17</sup> It can be seen, therefore, that the prevailing image of the Spanish Socialist Party as an example of a middle-class party, and therefore of "socialism without workers," is empirically false. Nonetheless, the evolution of the PSOE's electorate is close to the "negative" bandwagon described by Kitschelt.<sup>18</sup> According to this scholar, as the strategies of social democrat parties become indistinguishable from those of their bourgeois competitors, workers and allies alike abandon the party. However, we still need to explain the paradox that alleged antilabor policies led more middle-class than working-class voters to abandon the party.

Given the widely held view of the Spanish Socialist government's policy performance, an analysis of the PSOE's economic and social policies also produces some rather unexpected results. The Socialist government's economic policies have sometimes been portrayed as an example of a Thatcherite-style conservative economic strategy.<sup>19</sup> It is certainly true that once in power the Socialists did not attempt to implement expansionary policies in order to promote growth and employment. Rather, they adopted a strategy of macroeconomic discipline based on price and wage moderation as well as a balanced budget.<sup>20</sup> The Socialist ministers of the economy and finance believed that demand-side economic policies

would not resolve the structural problems of the Spanish economy and, moreover, that they were inappropriate once Spain had joined the European Economic Community (EEC). The Socialist government expected, on one hand, that EEC membership would boost Spain's attractiveness to foreign investors as well as encouraging the competitiveness of Spanish industry. On the other hand, there was a danger that EEC products might flood the Spanish market. They believed this risk could be limited by reducing the inflation differential between Spain and its main trade partners by controlling wage increases and maintaining a sound economic balance.<sup>21</sup>

Despite all this, however, the austerity of the Socialists' economic policies should not be exaggerated. Public expenditure climbed from 21 percent of gross domestic product (GDP) in 1975 to 36 percent in the mid-1980s, and to 44 percent in 1993. Tax revenue rose from 31.6 percent of GDP in 1982 to 39.5 percent in 1989, and 42 percent in 1993. At the same time, the public deficit increased from 5.6 percent of GDP in 1982 to 7.5 percent in 1993, and public expenditure expanded from 26.6 percent of GDP in 1982 to 43.2 percent in 1989, and 60.5 percent in 1993.<sup>22</sup> As the Spanish employers' club *Círculo de Empresarios* highlighted,

A policy that raises the level of public spending to 50 percent of GDP hardly can be characterized as "liberal," especially when this policy increases so-called "social spending" at a higher rate than that of economic growth. Nonetheless, this has not refuted the accusation, made repeatedly by the trade unions, that the government has pursued a right-wing, neo-liberal policy.<sup>23</sup>

Moreover, the Socialist government not only attempted to follow a strategy of macroeconomic discipline but also assigned the public sector an active role in the transformation of the supply conditions of the Spanish economy by increasing the volume and quality of the Spanish factors of production.<sup>24</sup> Thus, public direct investment increased in 1985 and 1986, was slightly curtailed in 1987 to permit a major cut in the public deficit, but rose again after 1988, when it expanded by almost half a percentage point of GDP each year. By 1991, public direct investment topped 5 percent of GDP. Even in the context of a booming economy, the scale of the "fiscal impulse" (the change in the budget balance adjusting for the business cycle) which hovered at around 1 percent of GDP for four years in a row, was impressive.<sup>25</sup>

The Socialists also embarked on a concerted drive to improve social provision. Public expenditure on pensions, health, and education rose in total by 4.1 points of the GDP between 1982 and 1992.<sup>26</sup> The education budget expanded most significantly, with an increase of 1.9 points of the GDP, followed by pensions, up 1.3 points, and health care, up 0.9 points. One consequence of this was that the secondary education enrollment rate among sixteen- and seventeen-year-olds went up by 18 percent. Maravall shows that if we compare the seven years of center-

right rule under the UCD (1975-82), with the first seven years of Socialist governments (1982-89), public expenditure on unemployment benefits, health, education, and pensions rose by 39.7 percent in real terms in the first period, compared to 57.6 percent during the second. The different record of the two administrations remains striking even when we control for the different rates of economic growth in the two periods: 10.7 percent in cumulative terms under the UCD governments; 27.7 percent under the PSOE.<sup>27</sup> New legislation also altered the model of social policies. A law on noncontributory pensions was introduced in 1990 to complement the existing public scheme. A law passed in 1986 reorganized the national health service, which since then has largely been financed by general taxation. Between 1982 and 1992 education reforms raised the school leaving age by two years, increased the enrollment rate in postcompulsory education, more than doubled the number of grants, restructured the relationship between private and public schools, and granted the universities the autonomy they had previously been denied.<sup>28</sup>

Finally, reference should also be made to the question of the end of neocorporatist bargaining, or “social concertation” as it is normally called in Spain, in the late 1980s. The end of the period of comprehensive social pacts involving the Socialist government and the UGT implied the collapse of one of the major features of party-union relations when the party had won office, the aforementioned political exchange. In this way, it marked the first step in the loosening of the previously close ties between the two branches of the Socialist family. Equally, the end of these social pacts has also been taken as the decisive proof of the way the PSOE abandoned the traditional policy platform of the northern European social democratic parties. It has been argued, therefore, in the wake of the PSOE’s second comfortable victory in the 1986 elections, Spain’s entry into the EEC that same year, and the onset of economic recovery, the Socialist government lost interest in offering pay-offs for labor peace.<sup>29</sup> Once again, however, the empirical evidence provides no support for this interpretation.

During the PSOE’s first term in office (1982-86), neocorporatist bargaining produced typical comprehensive macro-level agreements and led to the signing of two formal social pacts. The first, the *Acuerdo Interconfederal (AI)*, was signed in early 1983 by the main union confederations, the UGT and the Communist-led Workers’ Commissions (Comisiones Obreras [CCOO]), and the Spanish Employers’ Confederation (Confederación Española de Organizaciones Empresariales [CEOE]). Although the Socialist government was not actually party to the agreement, it did press for its endorsement. The second text, the *Acuerdo Económico y Social (AES)*, was signed by the government, but rejected by CCOO. Signed in 1984, the AES had a duration of two years (1985 and 1986). Through these agreements, the UGT participated in the decision-making process in order to reinforce its institutional presence, secure employment growth in general (and good terms for some of the workers affected by industrial restructur-

ing),<sup>30</sup> and obtain social spending in exchange for guaranteeing the effectiveness of state action, mainly through wage restraint. What made the Spanish social pacts different is that the government was not required to boost growth and employment by adopting Keynesian expansionary policies, as was the case in similar pacts in other countries.<sup>31</sup> The Socialist union confederation agreed to a kind of “supply-side corporatism” in exchange for traditional social compensations. Therefore, the neocorporatist bargaining that went on during the PSOE’s first term in office did not oblige the Socialist government to launch a self-defeating process of Keynesian reflation that would have eventually forced it to abandon the agreements.

In addition, if we accept that the political exchange is a particularly useful instrument in the face of inflationary pressures, it is clear that such a situation is more likely to occur when the economy is strong than in a situation of economic crisis, as economic expansion creates a situation of full or nearly full employment, which gives unions the opportunity to push for inflationary wage increases.<sup>32</sup> In other words, the fact that the Spanish economy started to improve in 1986 would logically make the Socialist government more, and not less, interested in social pacts and wage restraint.<sup>33</sup>

The fact is that after Spain’s entry into the EEC and the PSOE’s comfortable victory in the June 1986 elections, the Socialist government did not lose interest in reaching a consensus with the unions. It is commonly believed that the *AES* was the last comprehensive agreement and that the attempts to negotiate a new social pact after the PSOE’s reelection in 1986 came to nothing.<sup>34</sup> However, in September 1986 the Socialist government reached agreement again with the employers in the CEOE and the UGT on its economic and social policies, two of the key objectives of which were to reduce inflation and public deficit.<sup>35</sup> In this agreement the UGT specifically agreed to take these macroeconomic goals into account in the forthcoming round of collective bargaining.<sup>36</sup> In exchange, the union confederation secured a promise of a higher target inflation rate for 1987 (up from 4 percent to 5 percent), greater public investment and employment, more extensive use of general taxes to finance the social security system, higher civil service salaries, pensions and unemployment benefits, and some influence over the fiscal system as a whole.<sup>37</sup> As the Socialist union confederation itself declared: “we believe that we have obtained an agreement for 1987 which fulfills the objectives we have established for our policy of social concertation, and therefore the UGT is satisfied with it.”<sup>38</sup> In contrast, CCOO rejected this political exchange in order to make it clear that it did not endorse the PSOE’s economic policies.<sup>39</sup> Nonetheless, the following year both the UGT and CCOO opposed the Socialist government’s attempt to renew the social agreements.<sup>40</sup> And during the early 1990s they continued to reject the government’s repeated offer to negotiate a global pact on inflation and wages, not least to help Spain meet the stringent conditions laid down in the EEC’s Maastricht Agreement.

However, it has also been argued that while the Socialist government remained interested in further social pacts in order to obtain wage moderation, it was not prepared to deliver social compensations in return.<sup>41</sup> Accordingly, it is suggested that the UGT stopped offering the wage restraint demanded by the government due to the high level of unemployment and the low level of social spending. There can be no doubt that wage moderation did not lead to anything like full employment in Spain. Nonetheless, when the UGT backed away from wage restraint in early 1987 unemployment was in fact on the way down, falling from 21.6 percent in 1985 to 16.2 percent in 1990. It is also true that the Socialist government failed to fulfil some of the commitments made in earlier social agreements, notably with respect to unemployment benefits.<sup>42</sup> Again, however, when the UGT rejected wage restraint, it did admit that in general terms the *AES* had been fulfilled, especially with respect to economic growth, employment, and wages.<sup>43</sup> Moreover, those interpretations of the UGT's decision to abandon wage restraint that emphasize the lack of social compensations are undermined by the way the union itself justified its change of strategy. According to this interpretation, if the unemployment rate had fallen much further, or if social spending had risen higher, the UGT would have agreed to endorse further wage restraint. Yet the Socialist unionists argued that economic expansion meant that wage restraint was unnecessary to facilitate employment growth.<sup>44</sup> They also maintained that the new economic circumstances permitted both higher wages *and* higher social spending, thereby rejecting any notion of a trade-off between the two.<sup>45</sup> Ultimately, the Spanish unions continued to oppose any pact that would have obliged them to accept wage restraint, and this despite the fact that in the early 1990s the Socialist government made substantial concessions on social issues in order to try to encourage the unions to agree to such a pact.<sup>46</sup> Minimum pensions were raised to the level of the minimum wage, noncontributive pensions were established, and expenditure on unemployment benefits was increased from 2.7 to 3.8 percent of GDP in three years. Despite all this, the UGT steadfastly rejected all overtures by the Socialist government, merely agreeing to discuss specific, sectoral, short-term agreements with the government and employers.<sup>47</sup>

In short, the empirical evidence does not support the conventional interpretation of the way social and economic structural changes forced the PSOE to move away from its working-class base and implement antilabor economic and social policies.<sup>48</sup> These paradoxes in fact lend weight to a growing number of studies that challenge the standard notions of the transformation of advanced capitalist societies. Not all scholars agree on the extent and intensity of the structural changes allegedly affecting advanced capitalist economies,<sup>49</sup> nor do they all accept that, even if such structural changes are indeed taking place, it necessarily follows that party-union relations are less beneficial than they once were. On one hand, if the very success of public policies tends to generate their own support base,<sup>50</sup> and unions contribute to the success of these policies, they would still be an electoral

asset even if they could no longer deliver a bloc vote for social democratic parties. On the other hand, wage moderation (offered voluntarily through a centralized system of wage determination) may still be useful to boost growth, and hence employment, and sustainable social policies.<sup>51</sup> If, therefore, the social and economic policies of the Spanish Socialist government do not explain the PSOE-UGT schism or the Socialists' alleged loss of interest in its working-class constituencies, what does?

### 3. THE IMPACT OF UNION PLURALISM ON THE SOCIAL DEMOCRATIC PARTY-UNION RELATIONSHIP IN CONTEXTS OF ECONOMIC EXPANSION

Neoinstitutionalist theory provides us with an alternative hypothesis to explain the divorce between the two organizations. In order for the party-union relationship to produce its benefits, the labor movement has to be encompassing, centralized, and concentrated.<sup>52</sup> If, for example, unions compete among themselves for workers' support, as was the situation in Spain, they cannot fulfill the social democratic unions' role as a pillar of economic efficiency.<sup>53</sup> Nonetheless, we have seen that the UGT had accepted comprehensive macro-level agreements that were rejected by the CCOO in 1984 and again in 1986. Why had it been possible for the Socialist union to do so?

In accordance with neoinstitutionalist theory, competitive unions will not accept political exchange with the government because of their fear that workers will support the union offering higher wages. Competitive unions play, therefore, two games at the same time. One is with employers and political agents to obtain benefits for workers and the organization, and the another with other unions to obtain the workers' support they require if they are to be considered relevant by employers and political agents. Therefore, the outcome of the first game largely depends on the outcome of the second. If we accept, however, that workers' preference for the strategies designed to secure higher wages or wage moderation vary in accordance with the business cycle, this argument requires further qualification. In other words, in the same "institutional" setting, union pluralism can have distinct consequences for union strategies in the first game, depending on the state of the economy.

It is generally accepted that in a context of economic crisis most workers are more worried about keeping their jobs than obtaining wage increases.<sup>54</sup> Hence, they are likely to support a union that does not threaten the viability of their enterprises by overexercising its power in the market.<sup>55</sup> Moreover, employers are more reluctant to grant wage demands, thereby raising the cost of pursuing higher wages.<sup>56</sup> Consequently, during an economic downturn, most workers are likely to support the type of union strategy compatible with the market policy a social democratic union is required to pursue when its party is in power.<sup>57</sup> The logic of collective action will not restrain workers from supporting a union that obtains public

concessions from the government, because the wage restraint required in return for those concessions is at the same time a “selective” incentive, the preservation of their jobs.<sup>58</sup> In other words, a rival communist union will find it difficult to tempt the members of social or Christian democratic unions by advancing a strategy of pursuing higher wages. As a result, supporting its sister party does not imply any organizational cost for the social democratic union. In fact, workers will turn toward it. It is not true, therefore, that interunion competition always forces unions to exercise their market power in collective bargaining and to reject wage restraint.

However, the situation confronting a union that faces rivals and has accepted wage restraint as a part of a political exchange with the government changes dramatically when the economic situation improves. Its rival is now able to offer wage increases for workers, and therefore will attract their support. Sooner or later workers will be tempted to desert the cooperative union either in the expectation that if they support the militant union they can obtain both higher wages and the public compensations that the government has promised to the moderate union, or, if their defection itself stops those public goods from materializing, and leads to renewed inflation, they will not lose as much purchasing power as the workers who had accepted wage moderation.<sup>59</sup> In other words, in times of economic expansion, the wage restraint inherent in the social democratic party–union relationship may create a “crisis of representation” for the union partner. No matter how much the party delivers in terms of public benefits for workers, the social democratic union’s supporters will abandon it for its rival(s). In short, contrary to what might be expected, in contexts of union competitive division, a close relationship to a political party will not pay off for the labor partner when its party is in government and the economy improves, that is, precisely under those conditions that elsewhere have promoted the success of social democratic party–union relations and macrocorporatism.<sup>60</sup>

The empirical data seem to confirm this hypothesis about the effects of the combination of union competition and the business cycle on unions’ strategies. To begin with, Spain belongs to that group of countries in which at least two unions compete for the support of the workers in every industry on ideological grounds as well as their ability to deliver material gains. The Spanish union movement emerged from the Francoist dictatorship deeply divided and profoundly politicized. The Communist-led CCOO’s hopes of retaining a monopoly of representation were soon dashed when the UGT managed to successfully reestablish itself after the end of the dictatorship. Subsequently, the two union confederations disputed the control of the labor movement. The Socialist union clearly stated its intention “to make the UGT the largest and most hegemonic trade union in Spain.”<sup>61</sup> CCOO, while officially proclaiming its commitment to the cause of interunion cooperation and unity,<sup>62</sup> also did its best to win the union elections.<sup>63</sup>

Union rivalry in Spain was particularly intense because of the kind of incentives Spanish workers expected in return for their consent and support, as well as because of the institutional framework for workers' representation. If Spanish workers had asked for identity incentives, there would have been few opportunities for the unions to poach each other's supporters. Lange, Ross, and Vannicelli<sup>64</sup> have argued that, insofar as competitive unions base their support on the provision of identity incentives, "these unions are not really competitive. . . . To leave one's traditional union, much less to join the 'opposition's union,' is likely, from an individual's perspective, to involve considerable psychic costs even when there might be material advantages from doing so." However, this was not the case in Spain. Pérez-Díaz's surveys<sup>65</sup> show that Spanish workers had an instrumental attitude toward unions. This was reflected in their higher preference for obtaining favorable collective agreements (62 percent in 1980, 69 percent in 1984) and professional services (56 percent in 1980, 58 percent in 1984) than for changing government policies (12 and 9 percent, respectively), as well as by the division of opinion regarding who should lead the way in collective bargaining: the unions (25 percent), works' councils (17 percent), a mixed commission of the two (22 percent), and the plant assemblies (5 percent).

The challenge facing Spanish union strategists was, therefore, to develop a course of action that would deliver those benefits Spanish workers expected from them in return for their consent and support. Notice, however, that in the Spanish case consent and support are not expressed through membership as in other countries, but rather through voting for the preferred union list in the elections to works' councils (*comités de empresa*).<sup>66</sup> Unlike in other countries with works' councils (except for Italy), in Spain works' councils are not merely a "second channel" for industrial relations, worker representation, and labor-management communication. Rather, under Spanish law they are the central sphere in which unions carry out their "typical" activities of negotiating wages and conditions and calling strikes.<sup>67</sup> Given, therefore, the Spanish works' councils' role in industrial relations, and the instrumental attitude that Spanish workers have toward unions, Pérez-Díaz<sup>68</sup> has argued that workers show their support for a particular union by voting for its candidates to works' councils, without feeling the need to take the next step of actually joining the organization.<sup>69</sup>

Spanish workers expect unions to bring them improved material conditions, but, as noted above, their preference for different courses of action designed to deliver higher wages or job security will depend on the business cycle. When the PSOE first came to power at the end of 1982 Spain was in midst of a protracted economic crisis. Unemployment had increased steadily from less than 3 percent of the active population in the early 1970s to 17.1 percent in December 1982, and the economy was growing by less than 1 percent a year in real terms. Pérez-Díaz's<sup>70</sup> survey data from the early 1980s show that at that time Spanish

Table 1  
*Different Unions' Share of the Vote in Elections to Spanish Works' Councils (in percentages)*

| Election          | UGT  | CCOO | Other Unions <sup>a</sup> | Nonunion |
|-------------------|------|------|---------------------------|----------|
| 1978              | 21.7 | 34.4 | 25.75                     | 18.12    |
| 1980              | 29.3 | 30.9 | 24.04                     | 15.77    |
| 1982              | 36.7 | 33.4 | 17.79                     | 12.09    |
| 1986              | 40.9 | 34.5 | 17.78                     | 7.6      |
| 1990              | 42.0 | 36.9 | 17.3                      | 3.8      |
| 1995 <sup>b</sup> | 34.7 | 37.8 | 27.5                      | —        |

*Note:* UGT = Unión General de Trabajadores (General Workers' Union), CCOO = Comisiones Obreras (Workers' Commissions).

a. No third union managed to obtain the 10 percent of delegates at the national level required to achieve the status of "most representative union."

b. Share obtained by other unions and nonunion lists are shown together for 1995.

workers clearly prioritized saving their jobs over other material concerns. A full 94 percent of workers believed that it was much harder for people of their age and occupation to find work than it had been two years before. Concern about job security was corroborated by other data: 41.6 percent of respondents emphasized that their principal criteria when choosing a job was job security, while 51.5 percent preferred working in large firms, mainly because they appeared to offer greater job security (51 percent). At the same time, 36 percent preferred a public company compared to 19 percent who preferred working in the private sector, while 38 percent were indifferent; again the main reason for these preferences was job security (59 percent).

It is hardly surprising, therefore, that despite its support for neocorporatist concertation since 1979, by 1982 the UGT had overtaken the CCOO in the elections to works' councils (see Table 1). While the UGT cultivated an image of realistic moderation in the critical years between 1978 and 1980, the CCOO promoted instead an image of social mobilization.<sup>71</sup>

By mid-1985 the Spanish economy was finally on the mend. Private consumption grew by 2 percent in 1985 and by 3.6 percent in 1986. In the summer of 1985 Spain entered an expansionary cycle that lasted through the beginning of 1992, and unemployment finally started to fall in the first half of 1986. Spanish workers eventually began to take note of the improved economic conditions. According to an official survey conducted in 1988 by the Centro de Investigaciones Sociológicas, 45 percent of Spanish workers considered the economic situation to be better or much better than when Franco died, compared to 33 percent who thought that it was worse or much worse. Similarly, 37.2 percent thought their personal situation was going to improve compared to just 13.5 percent who thought that it would get worse, and 31 percent who believed it would remain the same.<sup>72</sup> Consequently, their worries about job security were replaced by a desire for improvements in their personal standard of living. According to the same survey,

Table 2  
*Wage Demands Presented by the UGT and the CCOO, Wage Increases in Collective Bargaining, and Inflation Targets and Outcomes during the First Two Socialist Terms in Office, 1983-89*

|                | 1983     | 1984 | 1985    | 1986 | 1987 | 1988 | 1989 |
|----------------|----------|------|---------|------|------|------|------|
| UGT            | 9.5-12.5 | 6-8  | 5.5-7.5 | 8.0  | 7.0  | 6.0  | 7.0  |
| CCOO           | 9.5-12.5 | 10.0 | 9.0     | 10.0 | 7-8  | 6.0  | 7.0  |
| W/A            | 11.4     | 7.8  | 7.4     | 8.1  | 6.5  | 5.4  | 6.7  |
| I <sub>t</sub> | 12.0     | 8.0  | 7.0     | 8.0  | 5.0  | 3.0  | 3.0  |
| I              | 12.3     | 9.0  | 8.2     | 8.3  | 4.6  | 5.8  | 6.9  |

Source: *El País* (a Spanish newspaper), various years.

Note: UGT = Unión General de Trabajadores (General Workers' Union), CCOO = Comisiones Obreras (Workers' Commissions), W/A = wage agreement, I = Inflation outcome, I<sub>t</sub> = Inflation target.

while 50 percent of Spanish workers were in favor of the social pacts, of that 50 percent, 55.9 percent considered that their personal economic situation should be the main issue to be negotiated, while only 12.1 percent believed that the priority should be to adopt measures against unemployment, and 3.3 percent prioritized job security.<sup>73</sup> CCOO's established strategy of, at least rhetorically,<sup>74</sup> aggressively pursuing wage increases (see Table 2) and refusing to pact (rejection of the AES and the September 1986 agreement) would now begin to pay off among UGT voters.

This shift in workers' preferred union strategy was exemplified by the highly publicized results of the elections to the *comités de empresa* in the fall of 1986. While the UGT increased its overall lead, and even won in sectors affected by restructuring, it lost considerable ground to CCOO in the public sector and large enterprises.<sup>75</sup> The lesson the socialist-led union drew from these results was that, now that CCOO was able to offer material gains, especially in prospering companies and in the public sector, it too would have to focus on collective bargaining and match the wage increases demanded, if not always secured by its rival (see Table 2)<sup>76</sup> in order to maintain its position and influence within the labor movement.<sup>77</sup> The UGT's new stance was clearly reflected in the 1987 collective bargaining round, when, breaking momentarily with its tradition of seeking similar increases for all kind of workers, it presented wage demands that were significantly higher than the increases in pensions and civil servants' wages it had accepted in the September 1986 agreement discussed above.<sup>78</sup>

The UGT's new wage demands implied that it had abandoned its previous strategy of political exchanges, one of the key features of a social democratic party-union relationship, and consequently rejected the social pacts that such exchanges implied. Moreover, this strategic shift had further implications for party-union relations, as it meant that the UGT was ready to renounce close relations with the PSOE. The UGT's new exercise of market power through collective bargaining did not mean that the material interests of those workers who voted in the works' council elections were the UGT's only concern. The Socialist-led

union still demanded social benefits for broader strata of the working population. It was simply no longer willing to accept trade-offs between wages and social spending. And, as a result, it adopted a similar position to that the Italian unions had maintained in the early 1970s, when they had demanded higher wages *at the same time* as increased employment and social spending.<sup>79</sup> The UGT refused to recognize that the existence of economic constraints on their wage and workplace behavior, an attitude that the Italian union confederations had adopted in the belief that wages represented an “independent variable.”<sup>80</sup> The question became, therefore, how to obtain these social benefits from the government.

The UGT could take two alternative paths to have these demands accepted by the Socialist government: it could either seek the mediation of the Socialist Party, or join forces with the CCOO. The first path would imply that a close relationship with the PSOE was still valuable to the UGT, whereas the second meant divorce. Given the linkages that the UGT leadership still had with the Socialist Party, they opted to first test the PSOE to see if it would satisfy their social demands, despite the fact that they no longer accepted the principle of political exchange.<sup>81</sup> However, if the PSOE failed to respond satisfactorily to the UGT's demands, the Socialist union would sever its linkage with the party, and extend its commitment to “unity-in-action” with CCOO from the marketplace to the political arena.

The response of the Socialist government, however, was uncompromising during the critical period in which the UGT leadership was attempting to gauge the extent to which its relationship with the PSOE was still of some use. The Socialist government resented the way the union had breached the September 1986 agreement, and refused to agree to increase social spending by as much as its former labor ally wanted unless it was in return for wage moderation.<sup>82</sup> As far as the government was concerned, once the UGT had abandoned its commitment to political exchange the union's demands represented an intolerable imposition. After all, party-union relations were tacitly based on a tit-for-tat relationship. Then, when in the fall of 1988 the UGT realized that the PSOE executive and the party as a whole backed the stance taken by the González government, it took the final step toward joining forces with the CCOO as a “new” way of acting in the political arena.<sup>83</sup> One consequence of this was that it stopped calling on workers to vote for the PSOE. This decision came after the UGT leaders had agreed for the first time to call a national general strike with CCOO in December to force the Socialist government to accept the labor movement's social demands.<sup>84</sup> Since then, although they do not agree on all issues, the two union confederations have adopted a single, unitary position on issues of national importance and in successive rounds of collective bargaining. In this way, the Spanish unions have followed the path set by their Italian counterparts twenty year earlier, abandoning close ties with political parties to influence the political decision making.<sup>85</sup>

The UGT's divorce from the Socialist Party did not involve the “depoliticization” of the confederation; rather, it meant a shift to “politics” by

other means. This, in turn, highlights the fact that the Socialist Party did not desire the breakdown in the party-union relationship. As already noted, the PSOE had no electoral reasons to break with the UGT. On the contrary, it did not wish to lose the UGT's policy and electoral support.<sup>86</sup> It was not until the European elections in the summer of 1989 and the general elections of October 1989 (the first in which the UGT did not call on Spanish workers to vote for the PSOE) revealed that the party was able to win without the UGT's public support that the Spanish Socialist Party finally sanctioned the split. Ultimately, workers still voted for the PSOE. The party, therefore, only began to see the benefits of moving away from the UGT when it became apparent that retaining the electoral support of the UGT meant accepting the union's "impositions" in policy making, and that it did not need to do this to win elections.

#### 4. CONCLUSION: SOCIAL DEMOCRATIC PARTIES, UNION PLURALISM, AND WORKERS

The traditional interpretation of party-union relationships maintains that the electoral and policy performance of social democratic parties improves when they have close ties with encompassing, industrially based and centralized union centrals. On the contrary, in situations of competitive unionism, when a given union's political party enters the government, and the economy begins to improve, a close party-union relationship ceases to benefit either party, as the competition for workers' support among unions stops them from continuing to cooperate with the economic policies of their sister parties. In other words, competition among unions makes the social democratic party-union relationship worthless precisely under those conditions that elsewhere have contributed to its success. The particular partisan composition of the government may be conducive to the acceptance of political exchange with governments, but clearly this alone is not a sufficient condition. Such exchanges also require the labor movement to have a particular organizational structure, one that insulates unions' maintenance goal from the effects of the business cycle on workers' preferences. Otherwise, unions' willingness to accept a trade-off between the immediate economic gains of organized workers and the long-term likelihood of jobs for all workers and other social benefits will fluctuate in line with the ups and downs of the economy.

According to this interpretation, it would follow that certain social democratic parties are likely to fail because they operate in inappropriate union contexts. Their sister unions cannot deliver sustainable support for their parties' policies. In addition, the unions will also withdraw their electoral support if the social democratic party does not accept their uncompromising demands for higher wages *and* higher social spending. Consequently, the social democratic party would face the stark choice of losing its electoral support among workers, or abandoning stable macroeconomic policies. However, if we restrict our analysis to the electoral domain, the PSOE's two consecutive electoral victories after the break-up with

the UGT show that a social democratic party can continue to win elections despite the union's rejection and opposition. However, the economic crisis in the early 1990s raises the question of the extent to which social democratic governments can succeed in the face of the active opposition of labor. It is true that the PSOE was able to fight inflation by tightening its monetary policy instead of relying on union self-restraint on wages, but it did so at the cost of sacrificing job creation, overvaluing the peseta, and undermining the competitiveness of Spanish industry.

As for the electoral puzzle, this could be explained by this new line of interpretation that suggests that recent socioeconomic changes mean the lack of close linkages with unions is now an advantage for social democratic parties. In the absence of union ties, social democratic parties are freer to implement market-oriented policies and to build new electoral coalitions based around new social groups. The electoral growth of southern European social democratic parties would bear out this view, according to which these parties would point the way forward for social democratic parties elsewhere. We have seen that it is true that the Spanish case indicates that strong organizational ties between unions and social democratic parties are no longer *necessary* for the success of these parties, at least in electoral terms. Nonetheless, the Spanish case does not prove that the opposite is now the case, that is, that the dissolution of these ties is now a necessary condition for the social democratic success. Workers' support can still play a significant role in successful electoral coalitions. In fact, we have seen that the PSOE's electoral victories in the 1980s and early 1990s were not due to new electoral coalitions centered on non-working-class constituencies. Similarly, recent studies on the survival of national corporatist arrangements suggest that unions may even support the new market-oriented economic policies or welfare state reform, above all if they have the appropriate organizational structure. Consequently, a close relationship with concentrated and centralized union movements could still prove an asset for social democratic parties. Where competitive unionism exists, however, everything points to the conclusion that a social democratic government will enjoy better relations with the unions if its supporting party casts off its ties with one of those unions. It is, ironically, when unions break with their respective political parties and start cooperating amongst themselves that they are organizationally in a better position to cooperate with a social democratic government, or, more accurately, with any government that, irrespective of its partisan composition, seeks their cooperation.

The PSOE's electoral strength in the late 1980s and early 1990s, despite its break with the UGT, does not show that social democratic parties have to move away from working-class constituencies, but rather that organizational mediators such as unions are no longer indispensable to retain the allegiance of working-class voters. In other words, a close relationship with union organizations is no longer a necessary condition to maintain working-class constituencies. Therefore, it can be concluded that the absence of strong organizational ties between

trade unions and social democratic parties does not mean that these parties are less likely to be responsive to workers' concerns, and hence that their constituencies and economic policies are indistinguishable from those of their right-wing competitors. The evolution of the party-union relationship is independent of the social democratic parties' concern for workers, since, when defending workers' interests, unions have to take account of the constraints and requirements of organizational maintenance and enhancement. When a close relationship exists in a context of competitive unionism and a growing economy, it is highly likely that the pressure and threats that unions direct at their social democratic parties are largely inspired by their need to maintain and enhance their organizational position vis-à-vis their rivals, rather than by a change in the goals and policies of their sister parties themselves.

## NOTES

1. As it is generally understood, the term "social democracy" is employed here as a generic concept to cover the set of parties that run under socialist, labor, and social democratic labels.
2. Chris Howell and Anthony Daley, "The Transformation of Political Exchange," *International Journal of Political Economy* 22, no. 4 (1992-93).
3. David Cameron, "Social Democracy, Corporatism, Labor Quiescence and the Representation of Economic Interest in Advanced Capitalist Society," in J. H. Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism: Studies in the Political Economy of Western European Nations* (Oxford, UK: Clarendon, 1984).
4. Gerhard Lehmbruch, "Concertation and the Structure of Corporatist Networks," in J. H. Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism*.
5. Walter Korpi, *The Democratic Class Struggle* (London: Routledge and Kegan Paul, 1983), 24-25.
6. Herbert Kitschelt, *The Transformation of European Socialdemocracy* (Cambridge, UK: Cambridge University Press, 1994).
7. Howell and Daley, "Transformation of Political Exchange," 12. Herbert Kitschelt, "European Social Democracy between Political Economy and Electoral Competition," in H. Kitschelt, P. Lange, G. Marks, and J. D. Stephens, eds., *Continuity and Change in Contemporary Capitalism* (Cambridge, UK: Cambridge University Press, 1999), 330.
8. But see Ludolfo Paramio, *Tras el Diluvio: La izquierda ante el fin de siglo* (Madrid, Spain: Siglo XXI, 1988), José María Maravall, *Regimes, Politics, and Markets: Democratization and Economic Change in Southern and Eastern Europe* (Oxford, UK: Oxford University Press, 1997), or Carles Boix, *Political Parties, Growth and Equality: Conservative and Social Democratic Economic Strategies in the World Economy* (Cambridge, UK: Cambridge University Press, 1998) for an alternative explanation based on the organizational features of the Spanish trade unions.
9. Miguel Juárez and Víctor Renes Ayala, "Población, Estructura y Desigualdad Social," in M. Juárez, ed., *V Informe Sociológico sobre la Situación Social en España: Sociedad para todos en el año 2000* (Madrid, Spain: Fundación FOESSA, 1994), 255-56.
10. Richard Gillespie, "The Break-Up of the 'Socialist Family': Party-Union Relations in Spain, 1982-89," *West European Politics* 13, no. 1 (1990): 60.
11. The analysis of the socialist electorate relies heavily on Richard Gunther, Giacomo Sani, and Goldie Shabad, eds., *El Sistema de Partidos Políticos en España: Génesis y*

*evolución* (Madrid, Spain: Siglo XXI, 1986), 243; Hans Jürgen Puhle, "El PSOE: un partido predominante y heterogeneo," in J. J. Linz and J. R. Montero, eds., *Crisis y Cambio: electores y partidos en la España de los ochenta* (Madrid, Spain: Centro de Estudios Constitucionales, 1986), 311; and Boix, *Political Parties, Growth and Equality*, 107-8, 145-50.

12. José María Maravall, "From Opposition to Government: The Politics and Policies of the PSOE," in J. M. Maravall, ed., *Socialist Parties in Europe* (Barcelona, Spain: Institut de Ciències Politiques i Socials, 1991), 18.

13. See for example Kitschelt, *Transformation of European Socialdemocracy*.

14. The UCD plummeted from 34.9 percent of the vote in 1979 to a mere 7.1 percent in 1982, the Communist Party dropping from 10.6 to 4.1 percent.

15. Salvador Aguilar and Jordi Roca, *Epíleg: La Vaga General del 14-D* (Barcelona, Spain: Fundació Jaume Bofill, 1991), 46-52.

16. Maravall, "From Opposition to Government," 19. José Félix Tezanos, "Socialismo y clases medias." *Sistema* 123 (1994): 20.

17. Boix, *Political Parties, Growth and Equality*, 150-54.

18. Kitschelt, *Transformation of European Socialdemocracy*, 50.

19. Gillespie, "Break-Up of the 'Socialist Family,'" 54. Holm-Detlev Köhler, *El Movimiento Sindical en España: Transición democrática, regionalismo y modernización económica* (Madrid, Spain: Editorial Fundamentos, 1995), 155-65.

20. Personal interview with the former Spanish minister of the economy and finance, Carlos Solchaga, on 19 July 1996. See also PSOE (Partido Socialista Obrero Español [Spanish Socialist Workers' Party]), *Programa 1986/1990*, 20-24; and the "Pacto Social de Progreso," unpublished manuscript, Madrid, Spain, 1991.

21. In the "Pacto Social de Progreso" the Spanish government stated that devaluation measures were ruled out because they would undermine confidence in the government's capacity to achieve balanced long-term growth and jeopardize the capital inflows.

22. Data from *European Economy* no. 53 (1993).

23. See "La Economía Española a Comienzos de 1993," in *Documentos Círculo* no. 30 (1993, March): 6. "Liberal" in the *Círculo de Empresarios*' sense has the traditional European meaning of advocating the reduction of the role of the state in the economy.

24. For an excellent analysis of the development of a social democratic supply-side strategy see Boix, *Political Parties, Growth and Equality*.

25. *Ibid.*, 137.

26. Maravall, *Regimes, Politics, and Markets*, 183.

27. *Ibid.*, 184.

28. *Ibid.*, 185.

29. Gillespie, "Break-Up of the 'Socialist Family,'" 52.

30. The seventy thousand workers affected by restructuring came under a scheme based on the early retirement or eventual redeployment of redundant workers (Gillespie, "Break-Up of the 'Socialist Family,'" 51).

31. Personal interviews with Carlos Solchaga (19 July 1996) and with the former minister of labor in the first Socialist government, Joaquín Almunia (29 July 1996). See also *Resoluciones del 30 Congreso del PSOE* (1984), 17-21. Fritz W. Scharpf, *Social-democracia y Crisis Económica en Europa* (Valencia, Spain: Edicions Alfons el Magnànim, 1992).

32. Howell and Daley, "Transformation of Political Exchange." Jonas Pontusson, "Introduction: Organizational and Political-Economic Perspectives on Union Politics," in M. Golden and J. Pontusson, eds., *Bargaining for Change: Union Politics in North America and Europe* (Ithaca, NY: Cornell University Press, 1992). George Ross, *Workers and*

*Communists in France: From Popular Front to Eurocommunism* (Berkeley: University of California Press, 1982). Michael Shalev, "Strikes and the Crisis: Industrial Conflict and Unemployment in the Western Nations," *Economic and Industrial Democracy* 4 (1983). Edward Shorter and Charles Tilly, *Strikes in France 1830-1968* (Cambridge, UK: Cambridge University Press, 1974).

33. It is true that in Spain full employment never existed during the 1980s. Nonetheless, despite the fact that unemployment still stood at 20.5 percent in 1987, and 19.5 percent in 1988, the Spanish unions sought wage increases of two points in real terms, even when, to the dismay of the Socialist government, inflation rose from 4.6 percent in 1987, to 5.8 percent in 1988, and 6.9 percent in 1989.

34. Gillespie, "Break-Up of the 'Socialist Family,'" 52.

35. Declaration of Carlos Solchaga to the Spanish newspaper *El País* (12 September 1986). See also the UGT's (Unión General de Trabajadores [General Workers' Union]) working note "Encuentro Confederal de Acción Sindical: Presupuestos en 1.987" (26 September 1986). An outline of this agreement can also be found in the presentation of the budget for 1987 by the minister of economy himself in the *Congreso de los Diputados* on 28 October 1986.

36. See the UGT's "Memoria de Gestión de la Secretaría de Acción Sindical" (30 March 1987): 23-24.

37. See the UGT's working note "Encuentro Confederal de Acción Sindical: Presupuestos en 1.987" (26 September 1986): 1 ff.

38. *Ibid.*, 3.

39. CCOO's (Comisiones Obreras [Workers' Commissions]) paper, *Gaceta Sindical* no. 44 (1986, October): 22-23.

40. See *El País* (16, 17, 20, and 24 July 1987), the address of the *Ministro para las Relaciones con las Cortes*, Virgilio Zapatero, in the *Congreso de los Diputados* (30 November 1988), the UGT's working note "Circular de Negociación Colectiva" (1 February 1988), and the working note from the UGT's *Secretario de Acción Sindical* (31 July 1987).

41. Wolfgang Merkel, *¿Final de la Socialdemocracia? Recursos de poder y política de gobierno de los partidos socialdemócratas en Europa Occidental* (Valencia, Spain: Edicions Alfons el Magnànim, 1995), 315-17.

42. Gillespie, "Break-Up of the 'Socialist Family,'" 53. Faustino Miguélez Lobo, "Las Organizaciones Sindicales," in F. Miguélez and C. Prieto, eds., *Las Relaciones Laborales en España* (Madrid, Spain: Siglo XXI, 1991). Jordi Roca Jusmet, "La Concertación Social," in F. Miguélez Lobo and C. Prieto, eds., *Las Relaciones Laborales en España* (Madrid, Spain: Siglo XXI, 1991). Kerstin Hamann, "Afiliación, movilización y aliados políticos: las incógnitas del poder sindical español (1970-1988)," *Cuadernos de Relaciones Laborales* 3 (1993).

43. See UGT's "Memoria de Gestión de la Secretaría de Acción Sindical" (30 March 1987).

44. See, for example, the UGT's working note "Carta-circular del Secretario General y del de Acción Sindical de la UGT" (7 January 1987), the article "Algunos aspectos de la política de rentas y su inserción en la política económica," in the UGT's newspaper, *Información Sindical*, nos. 48 (1987, May) and 60 (1988, May).

45. Nicolás Redondo, *Discurso de Nicolás Redondo al Congreso del PSOE de 1988* (Madrid, Spain: UGT ediciones, 1988), 15; see also *Memoria de Gestión, 35 Congreso de la UGT* (1990), 13.

46. Personal interview with Carlos Solchaga (19 July 1996).

47. See the UGT's working note "Circular de Negociación Colectiva" (1 February 1988), and also the UGT's document "La Negociación Colectiva en España desde el Punto de Vista de la Unión General de Trabajadores" (3 November 1987).

48. For a fuller analysis of the break-up between the PSOE and the UGT, see Javier Astudillo, *Los Recursos del Socialismo: Las cambiantes relaciones entre el PSOE y la UGT (1982-1993)* (Madrid, Spain: Instituto Juan March de Estudios e Investigaciones, 1998).

49. Pontusson, "Introduction," 34. Merkel, *¿Final de la Socialdemocracia?*

50. Gosta Esping-Andersen, *Politics against Markets. The Social Democratic Road to Power* (Princeton, NJ: Princeton University Press, 1985).

51. Scharpf, *Socialdemocracia y Crisis Económica en Europa*, and Maravall, *Regimes, Politics, and Markets*.

52. Cameron, "Social Democracy, Corporatism, Labor Quiescence," 166.

53. Pontusson, "Introduction."

54. Richard B. Freeman and James L. Medoff, *What Do Unions Do?* (New York: Basic Books, 1984), 55.

55. Scharpf, *Socialdemocracia y Crisis Económica en Europa*, 233.

56. Peter Lange, "Unions, Workers, and Wage Regulation: The Rational Bases of Consent," in J. H. Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism*, 113.

57. If the social democratic party is in the opposition, however, a strategy of concertation from its union would help the incumbent party/ies, thereby leading to tension between the sister union and party.

58. Scharpf, *Socialdemocracia y Crisis Económica en Europa*, 233.

59. Lange, "Unions, Workers, and Wage Regulation."

60. Jürgen R. Grote and Philippe C. Schmitter, "The Renaissance of National Corporatism: Unintended Side-Effect of European Economic and Monetary Union or Calculated Response to the Absence of European Social Policy?" *Transfer* 5 (1999): 46.

61. See *Resoluciones del 33 Congreso de la UGT* (1983), 40.

62. See *II Congreso de la Confederación Sindical de CC.OO* (1981), 37, and *IV Congreso de la Confederación Sindical de CC.OO* (1987), 46-47.

63. See the editorial "Ganar las elecciones" in *Gaceta Sindical*, no. 19 (June 1982): 3, in which CCOO leaders stated, "We can, we must, and we are going to win the elections [for works' councils]"; and also *Gaceta Sindical*, no. 43 (July 1986): 7-8.

64. Peter Lange, George Ross, and Maurizio Vannicelli, *Unions, Change and Crisis: French and Italian Union Strategy and the Political Economy, 1945-1980* (London: George Allen & Unwin, 1982), 230.

65. Victor Pérez-Díaz, *The Return of Civil Society: The Emergence of Democratic Spain* (Cambridge, MA: Harvard University Press, 1993), 241 ff.

66. Jacint Jordana, "Los Sindicatos y Política en España: La influencia de las condiciones organizativas en las estrategias sindicales," *Revista Internacional de Sociología* 8/9 (1994).

67. It is estimated that about 70 percent of all workplaces in Spain have elected councils, and the electoral turnout is relatively high, standing at around 75 percent.

68. Pérez-Díaz, *The Return of Civil Society*, 271.

69. The divorce of the Spanish unions and the Socialist government has also been interpreted as being a result of the low level of union membership in Spain, which stands at around 16 percent of all workers, and which is thought to make unions unwilling to embrace wage restraint. As we can see, the percentage of Spanish workers who support the unions in Spain is significantly higher than union affiliation rates would suggest (Pérez-Díaz, *The Return of Civil Society*, 269-70). For a criticism of the way union mem-

bership figures are interpreted, see Pontusson, "Introduction," 11; Anthony Ferner and Richard Hyman, *Industrial Relations in the New Europe* (Oxford, UK: Blackwell, 1992); Jacint Jordana, "Los Sindicatos y Política en España," 220; Miriam Golden, Michel Wallerstein, and Peter Lange, "Postwar Trade-Union Organization and Industrial Relations," in H. Kitschelt, P. Lange, G. Marks, and J. D. Stephens, eds., *Continuity and Change in Contemporary Capitalism* (Cambridge, UK: Cambridge University Press, 1999), 198.

70. Pérez-Díaz, *The Return of Civil Society*, 249-50.

71. *Ibid.*, 272.

72. Centro de Investigaciones Sociológicas, *Estudio Sociológico sobre las Orientaciones, Actitudes y Demandas Sindicales de los Trabajadores Españoles* (Madrid, Spain: Centro de Investigaciones Sociológicas, 1989), 53.

73. *Ibid.*, 25, 40.

74. As can be seen in Table 2, wage agreements secured through collective bargaining tended to be closer to the UGT's demands than those presented by CCOO.

75. According to the official data, the Socialist union confederation only won in workplaces with fewer than one hundred workers. In the previous works' councils' elections, the UGT had beaten the CCOO in workplaces with fewer than one hundred, but also in those with between five hundred and one thousand workers, as well as in those with over five thousand workers.

76. See "Elecciones Sindicales 1986: Consolidación y Progreso de la UGT como primera fuerza sindical" in the UGT newspaper *Claridad* no. 17 (1987, January-February), and also *Memoria de Gestión, 35 Congreso de la UGT* (1990), 89-73, 105-6.

77. The CFDT in France in 1983 and Solidarity in Poland in 1992 also split from their governments when they came to the conclusion that their support implied losing ground to their union rivals. See René Mouriaux, *Syndicalisme et Politique* (Paris: Les Éditions Ouvrières, 1985), 94; Kazimierz Klock, "Trade Unions and Economic Transformation in Poland," *The Journal of Communist Studies* 9, no. 4, (1993): 131; Rainer Deppe and Melanie Tatur, "Trade Unions in the Transformation Process: Comparative Observations on the Role of Trade-Union Representation in Poland, Hungary, Russia, and in the Territory of the Former GDR," *International Journal of Political Economy* 24, no. 2, (1994): 29.

78. In the September 1986 agreement the UGT leadership had accepted increases of around 5 percent, the same figure for expected inflation. However, in the negotiations with the employers' association, which took place after the elections, the UGT asked instead for a 7 percent increase.

79. Miriam Golden, *Labor Divided: Austerity and Working-Class Politics in Contemporary Italy* (Ithaca, NY: Cornell University Press, 1988), 62. Lange, Ross, and Vannicelli, *Unions, Change and Crisis*, 265. Peter R. Weitz, "The CGIL and the PCI: From Subordination to Independent Political Force," in D. Blackmer and S. Tarrow, eds., *Communism in Italy and France* (Princeton, NJ: Princeton University Press, 1977) 564-65.

80. Lange, Ross, and Vannicelli, *Unions, Change and Crisis*, 265.

81. See the working note from of the UGT's *Secretario de Acción Sindical* to the Federations and Unions of the UGT (31 July 1987), and also Nicolás Redondo, *Discurso de Nicolás Redondo al Congreso del PSOE de 1988* (Madrid, Spain: UGT ediciones, 1988), 16.

82. Declaration of the Minister of Labor, Manuel Chaves, to *El País* (23 September 1987), and of the Minister of Public Administration, Joaquín Almunia, to *El País* (12 September 1987). See also the address of the Minister Virgilio Zapatero in the *Congreso de los Diputados* (30 November 1988).

83. In order to allow this interunion political rapprochement to take place, CCOO also had to prove that interunion cooperation did not mean support for the Communist Party. In

the case of CCOO this was reflected by the CCOO's election of a new leader in November 1987, Antonio Gutiérrez, who was less closely identified with the PCE (Partido Comunista de España [Communist Party]) than his predecessor, Marcelino Camacho.

84. The UGT and the CCOO urged the Socialist government to fulfill the *Acuerdo Económico y Social* (AES) target for unemployment benefits, increase minimum pensions to the national minimum wage level, improve collective bargaining rights for civil servants, withdraw a youth employment plan, and give a pay raise to civil servants and pensioners to allow for inflation.

85. Golden, *Labor Divided*, 63. Weitz, "The CGIL and the PCI," 567.

86. Personal interview with Joaquín Almunia (29 July 1996). See also the *Resolución del Comité Federal del PSOE* (7 April 1989), in the *Memoria de Gestión del Comité Federal del PSOE al 32 Congreso del PSOE* (1990), 145-49, and Justo Zambrana, "Democracia industrial y sindicalismo en España," *Sistema* 88 (1989): 75; Alvaro Espina "Los Sindicatos y la Democracia Española: La huelga general de diciembre de 1988 y sus implicaciones políticas," in A. Espina, ed., *Concertación Social, Neocorporativismo y Democracia* (Madrid, Spain: Ministerio de Trabajo y Seguridad Social, 1991), 255.