

**“Cooperation and Confrontation:
Unions and the Government in
Spain during the Economic Crisis”**

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The Changing Role of Unions

- ▶ Indicators of decline:
 - ▶ Union density
 - ▶ Bargaining coverage
 - ▶ Strike activity
 - ▶ Bargaining centralization and coordination
 - ▶ Loss of leftist allies in government



“New Roles”: Social Pacts

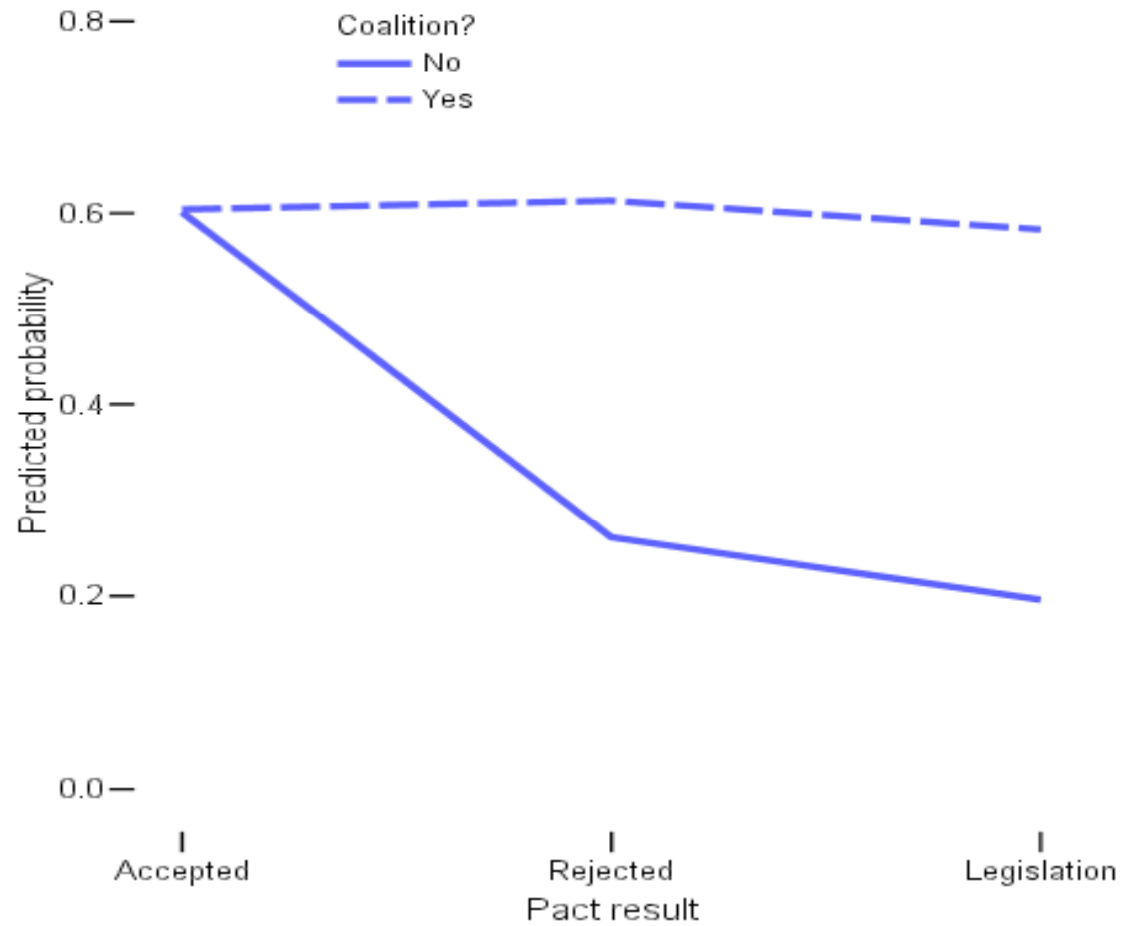
- ▶ Rising number of social pacts since 1980
- ▶ 110 pacts in EU-15 plus Norway; in addition, 47 pact offers by governments
- ▶ Governments prefer to negotiate pacts rather than legislate
- ▶ Issues: labor market, wages, welfare
- ▶ Why pacts? Unions as valuable electoral resource in context of unstable electorates and unpopular reforms
- ▶ Pacts more likely with minority governments, center or leftist governments, broad coalitions, and fragmented legislatures



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- ▶ Pacts as an indicator of weakness or strength?
 - ▶ About one-third of pacts fail, i.e. no agreement is reached
 - ▶ Points to electoral costs of failed pacts for governments and by implication significance of unions for elections



Electoral Consequences of Pacts



“New” Roles: General Strikes

- ▶ Since 1980, number of general strikes against government policy proposals or policies has increased
- ▶ 105 general strikes (plus 13 threats) in EU-15 plus Norway, 1980-2011
- ▶ Particularly noteworthy since economic strike activity has decreased

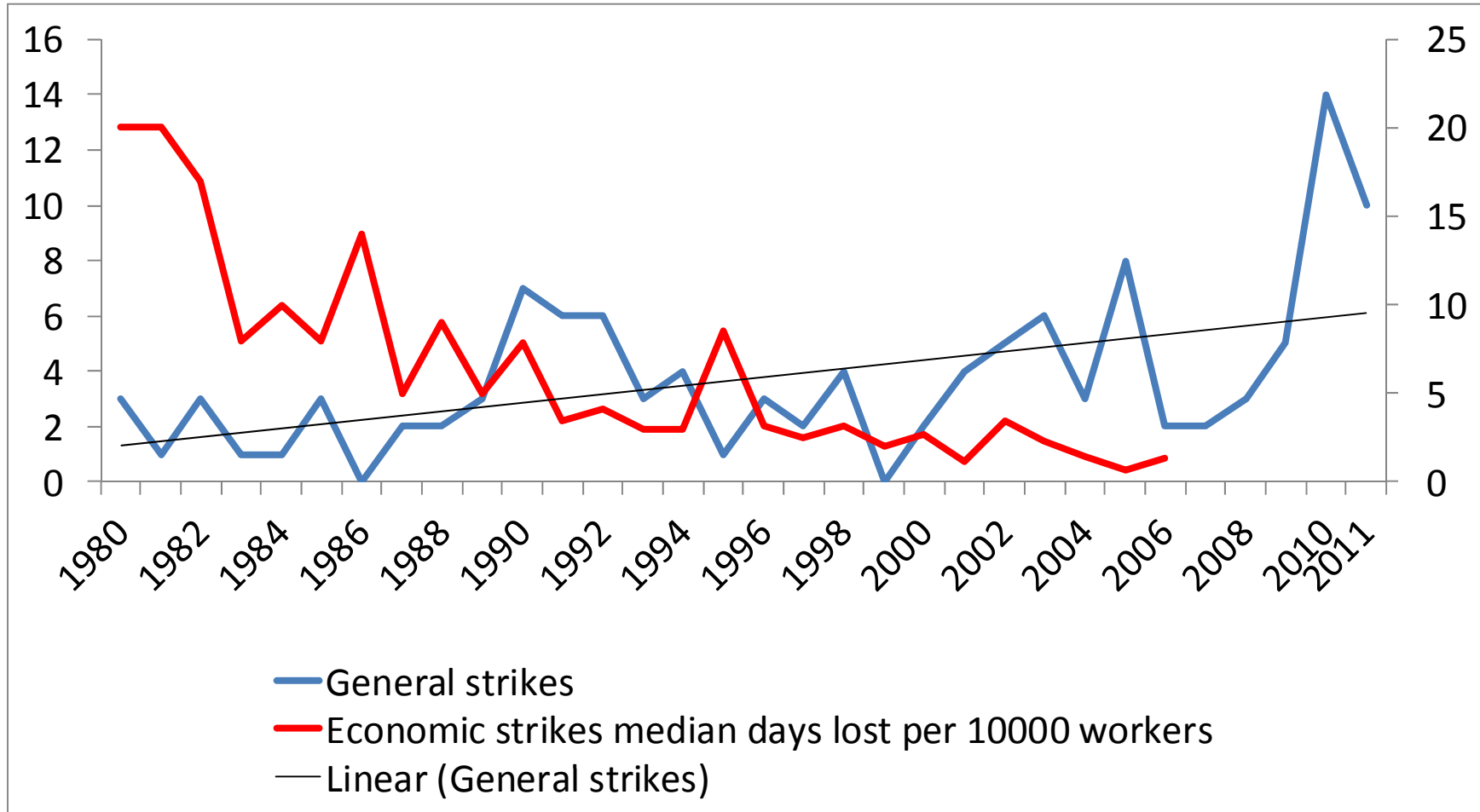


Distribution of General Strikes, 1980-2011

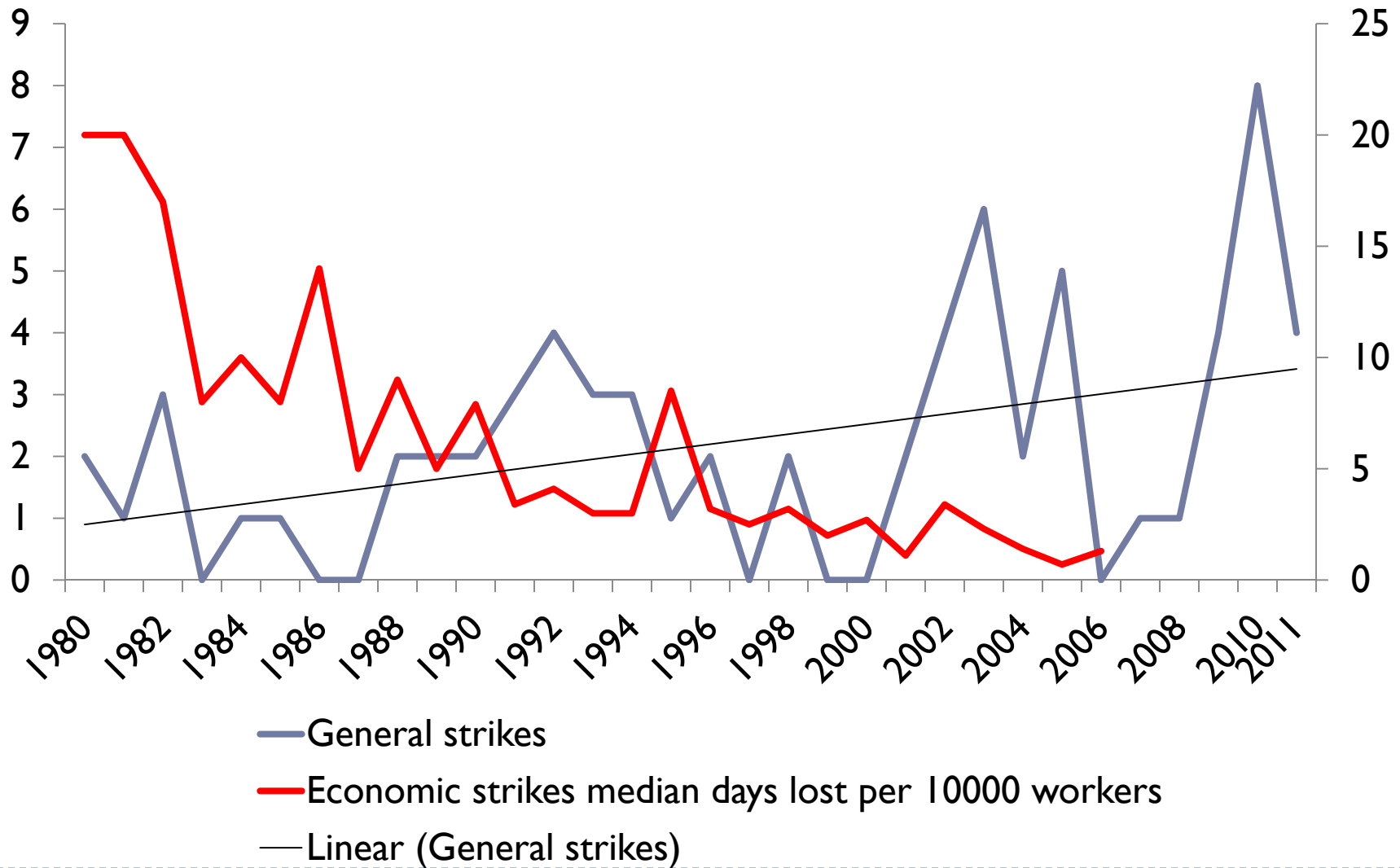
Country	Total (of which threats)
Greece	50 (1)
Italy	22 (4)
France	13
Belgium	8
Spain	8 (1)
Portugal	5
Luxembourg	4 (3)
Finland	4 (4)
Netherlands	2
Austria, Norway	1 each
IRL, DK, GE, SWE, UK	0
TOTAL	118 (13)



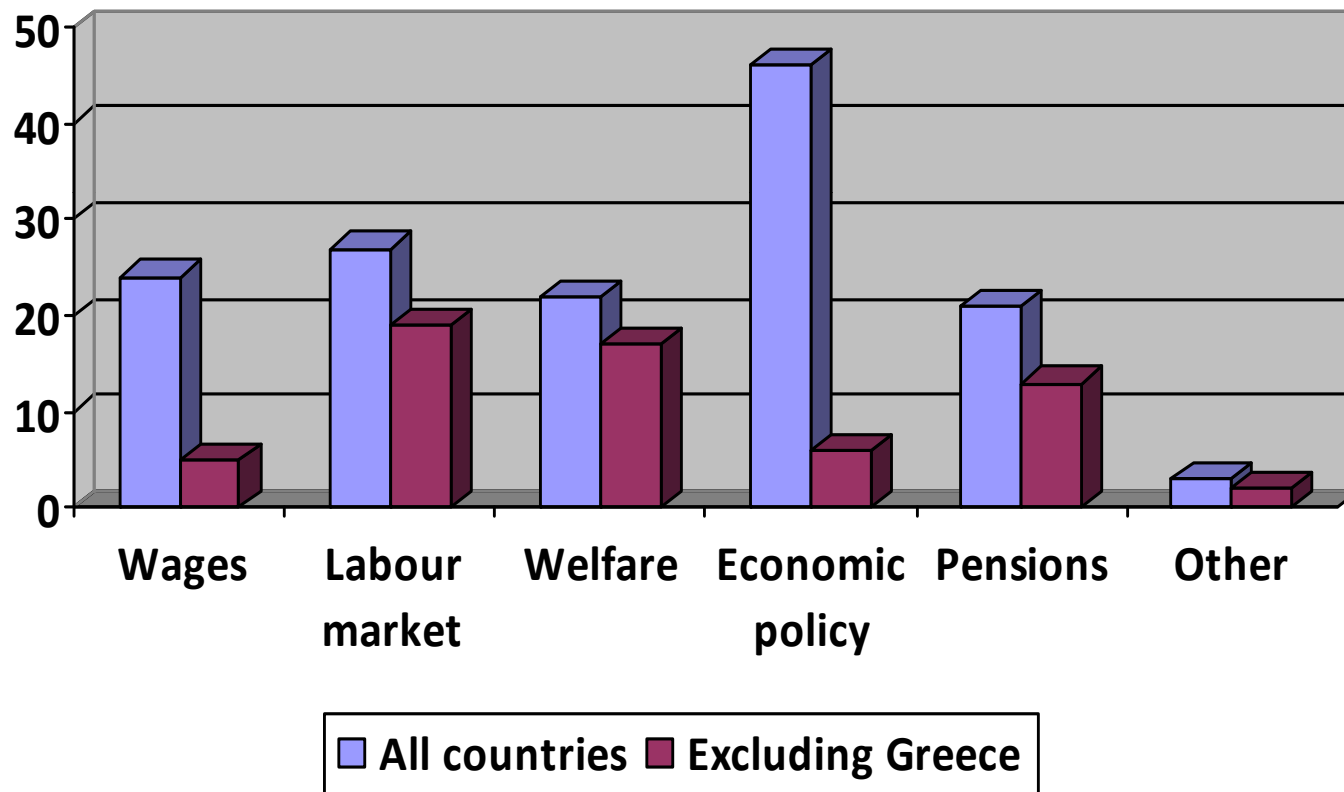
Economic and General Strikes, EU15+NO, 1980-2011



Economic and General Strikes, EU15+NO (excl. Greece), 1980-2011



Issues Causing General Strikes, 1980-2011



National Variation: The Case of Spain

- ▶ **2004: Election of PSOE under Zapatero**
 - ▶ leftist social policies (gay marriage, women's equality, historical memory)
 - ▶ government commitment to social dialog
 - ▶ union inclusion through national-level agreements
 - ▶ broad continuity in economic policies with conservative PP government (1996-2004); economy performed well including employment indicators



▶ **Continuing problems:**

▶ **Imbalances in labor market:**

▶ high share of temporary employment (ca. 30%)

▶ Relatively high youth unemployment (24% in 2004, 18% in 2006, 38% in 2009)

▶ High level of unskilled labor, construction, immigration

▶ Economic growth spurred by cheap credit, unskilled labor, housing boom, domestic consumption



Zapatero's Policies, 2008-2010

- ▶ Again formation of minority government, PP strong showing
- ▶ Economic indicators deteriorate starting in 2007, worsening in 2008
- ▶ Spectacular downturn in labor market indicators:
 - ▶ Rise in unemployment by 600,000 people (total of 13.9%) in 2008, highest in EU
 - ▶ 2009: 18.5% unemployment, highest in OECD
 - ▶ EU-27: Spain worst ranked in unemployment, female employment, and youth unemployment
- ▶ “Shock therapy” reforms announced in May 2010



2004-2009: Era of Concertation

- ▶ Public commitment to social dialog and collaboration with unions after 2004 election
- ▶ Declaration for Social Dialog (July 2004), outlines 13 arenas for social dialog to increase economic competitiveness, productivity, stable employment, social cohesion
- ▶ Result: reforms through concertation
 - ▶ E.g. labor market reform, pension reform, immigration reform, gender equality at work, minimum wage



Social Dialog after the 2008 Election

- ▶ **Renewed commitment after 2008 election:**
 - ▶ Tripartite Declaration to Stimulate the Economy, Employment, Competitiveness, and Social Progress; reaffirms the commitment to social dialog to address the crisis
 - ▶ Also establishes oversight committee to prioritize negotiation topics and oversee negotiation processes and outcomes
 - ▶ Bargaining tables set up on several issue



Union-Employer Agreements

- ▶ **Bilateral agreements:**
 - ▶ Resolve labor disputes out of court
 - ▶ Extension of collective bargaining agreements
 - ▶ National Agreement on Continuous Training
 - ▶ Interconfederal Agreement on Collective Bargaining (ANC), signed annually (except 2009)



Implications

- ▶ Institutionalization of social dialog in Spain?
- ▶ Did the PSOE change the policy-making pattern that had been dominated by a strong executive?
- ▶ Evidence: trilateral negotiations continued even when union-employer negotiations failed (ANC 2009)
- ▶ Did the PSOE make unions an institutionalized partner in policy making regardless of the state of the economy?
- ▶ New role of unions?



From Concertation to Conflict

- ▶ **Spring 2010: breakdown of social dialog:**
 - ▶ Pension reform plans
 - ▶ Wage cuts for public sector employees
 - ▶ Labor market reform
- ▶ **Demonstrations in major cities in Feb. 2010**
- ▶ **General strike in public sector, June 8, 2010**
- ▶ **General strike against labor market reform in Sept. 29, 2010**



Implications

- ▶ Unions' involvement in policy-making process NOT institutionalized
- ▶ Contingent on political and economic factors:
 - ▶ Loss of popularity of Zapatero's government and PSOE
 - ▶ International financial pressure (Greece)
- ▶ Continuity of Spanish policy-making model with strong role of executive in deciding on policy course



Unions and the PP Government

- ▶ Conservative PP government under Prime Minister Rajoy elected with absolute majority in Nov. 20, 2011
- ▶ Economic and financial crisis continues: pressure to cut budget deficit; curb unemployment; labor market reform to end rigidities in employment and decentralize bargaining
- ▶ Tripartite agreements on moving holidays, training, early retirement
- ▶ No agreement on wages, collective bargaining reform, or dismissal laws
- ▶ Rajoy anticipates new general strike in wake of failed negotiations of labor market reforms



Other Effects on Unions

- ▶ Affiliation: membership growth but no increase in union density (ca. 17%)
- ▶ Union model continues workplace elections for union delegates rather than affiliation for indicating relative union strength
- ▶ New types of workers: immigrants (11% of population) remain poorly organized
- ▶ Collective bargaining: decrease in percentage workers covered
- ▶ Extension of bargaining agendas
- ▶ Decline in industrial strikes and worker militancy



Conclusions: Unions in Crisis?

- ▶ Qualified “yes” – or a “new role” for unions?
- ▶ But: As labor market changes, unions have opportunity to carve out new roles, e.g. integration of immigrants
- ▶ In some situations, they constitute political capital for governments in implementing unpopular reforms (social pacts) and also make implementation easier
- ▶ Unions can also protest government reforms through general strikes
- ▶ “New role” emphasizes political arena rather than industrial arena



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- ▶ But: Spanish case shows that in some cases the success of these new roles remains contingent on government preferences
 - ▶ Spanish case: importance to look at national variation and factors that condition how unions are affected and act during the financial crisis; institutional, economic, and political factors crucial

