



***THE DECENTRALISATION OF COLLECTIVE BARGAINING
IN SPAIN***

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DECOBA PROJECT WORKSHOP

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BACKGROUND

- **Controversy** about the **structure of collective bargaining** in Spain is not new, but it has gained **momentum** since **2008**
 - Higher scale of the **crisis**, especially in terms of **job destruction**
 - **Supra-interventionism** in the field of industrial relations launched by the NEEG, with special focus in the “decentralisation” of the collective bargaining systems
- New cycle of **labour law reforms**: 2010, 2011, and 2012
- **RDL 3/2012** and **Law 3/2012**: a **landmark reform**, aimed to foster a “**radical decentralisation**” of collective bargaining



THE 2012 REFORM: MEASURES ON CB (1)

- **Widening** of the possibilities of the firms for the **temporary non-application** of collective agreements
 - Easing the derogation of **company-level** agreements
 - Relaxing of the **conditions** and widening of the **issues** subjected to derogation
 - Imposing a **binding arbitration** when the parties are unable to reach an agreement
- **Limitation** of the **temporary extension** rule of **expired** collective **agreements** for a maximum of 1 year, if there has not been reached a new agreement



THE 2012 REFORM: MEASURES ON CB (2)

○ **Absolute priority** of the **company-level** collective bargaining agreements for the regulation of:

- The amount of the **base salary** and the **wage supplements**
- The payment or compensation for **overtime** and **work shifts**
- The schedule and the distribution of **working time**, **work shifts** and the annual **holiday** planning
- The adaptation of the **job classification system** of workers to company level
- The adaptation of the aspects of the **types of contracts** attributed by this law to company level agreements
- Measures to promote the **reconciliation** of working, family and personal life
- Any other matters established by those collective bargaining agreements that **Article 83.2** of **Workers Statute** refers to.



COLLECTIVE BARGAINING IN TIMES OF CRISIS

CB agreements and workers covered in Spain, by year of economic effects and bargaining level: 2008-2016

Year	Collective agreements			Workers (1000)		
	Total	Company-level	Above company-level	Total	Company-level	Above company-level
2008	5.987	4.539	1.448	11.968,1	1.215,3	10.752,9
2009	5.689	4.323	1.366	11.557,8	1.114,6	10.443,2
2010	5.067	3.802	1.265	10.794,3	923,2	9.871,1
2011	4.585	3.422	1.163	10.662,8	929,0	9.733,8
2012	4.376	3.234	1.142	10.099,0	925,7	9.173,3
2013	4.589	3.395	1.194	10.265,4	932,7	9.332,7
2014	5.185	4.004	1.181	10.304,7	867,2	9.437,5
2015*	5.295	4.280	1.015	9.375,5	816,9	8.558,6
2016*	2.956	2.255	701	7.466,8	438,2	7.028,6

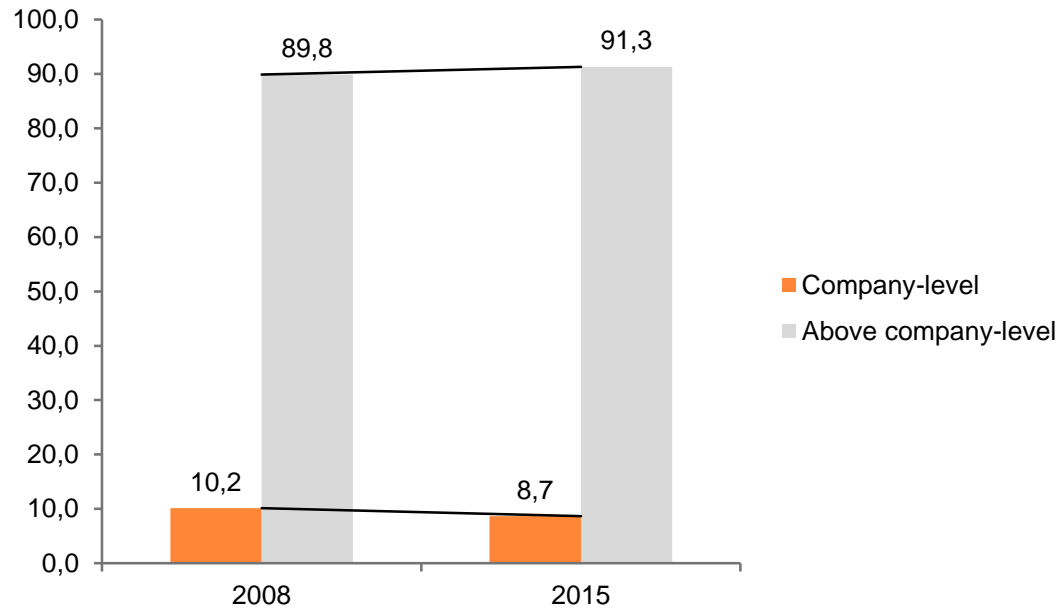
*2015 and 2016: provisional data (registered up to December 2016)

Source: *Statistics of Collective Agreements*, Ministry of Employment and Social Security



EFFECTS ON THE STRUCTURE OF CB (1)

**Workers covered by CB agreements in Spain, by bargaining level: 2008 and 2015
(% over total workers covered)**

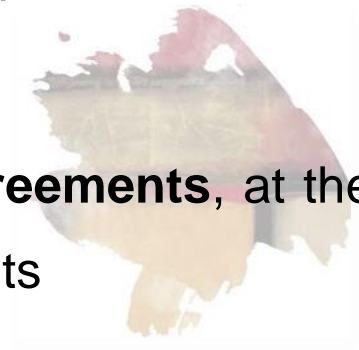


2008= Definitive data; 2015= Provisional data, registered up to December 2016
Source: Own elaboration based on *Statistics of Collective Agreements*, Ministry of Employment and Social Security



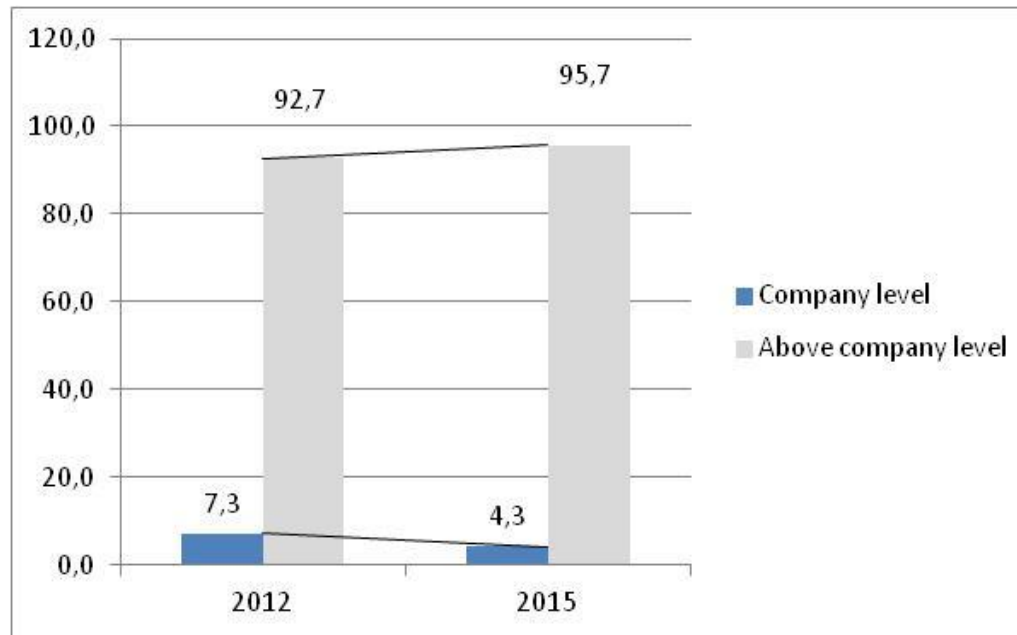
EFFECTS ON THE STRUCTURE OF CB (2)

- Most of the **new company level agreements** signed by **SME**, with low personal coverage
- Company-level collective bargaining means **high transaction costs for employers**, especially in the smaller firms
- **Employers' preference** for recourse to “**unilateral internal flexibility**”, reinforced after the 2012 labour law reform
- **Union strategies** aimed to preserve the **sectoral agreements**, at the expense of the **temporary devaluation** of their contents



EFFECTS ON THE STRUCTURE OF CB: COMMERCE

Workers covered by CB agreements in the **commerce sector** in Spain, by bargaining level: 2008 and 2015 (% over total workers covered)

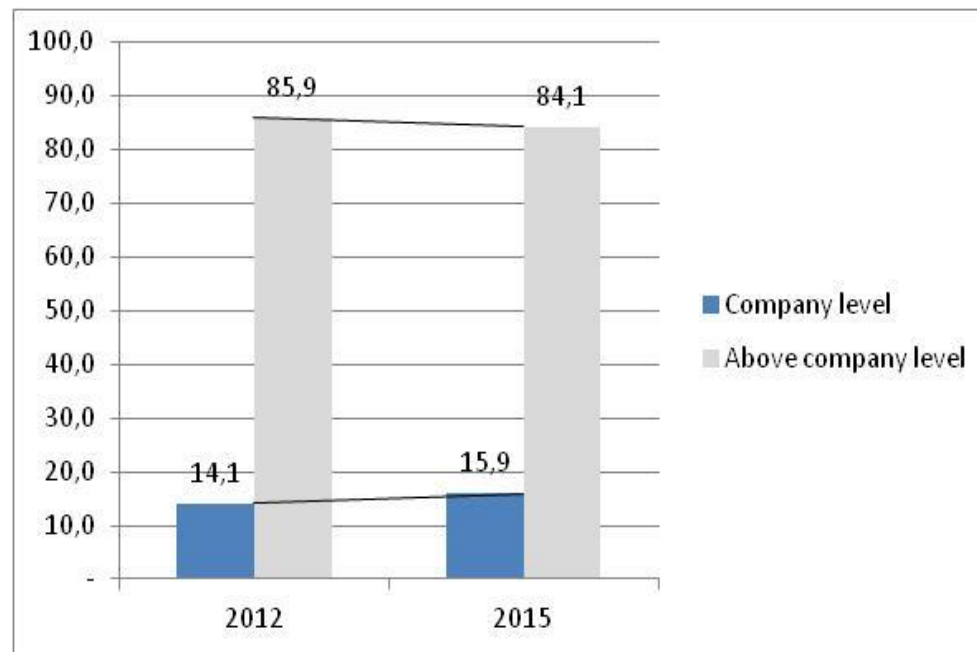


2008= Definitive data; 2015= Provisional data, registered up to December 2016
Source: Own elaboration based on *Statistics of Collective Agreements*, Ministry of Employment and Social Security



EFFECTS ON THE STRUCTURE OF CB: METAL INDUSTRY

Workers covered by CB agreements in the **metal industry** in Spain, by bargaining level: 2008 and 2015 (% over total workers covered)



2008= Definitive data; 2015= Provisional data, registered up to December 2016
Source: Own elaboration based on *Statistics of Collective Agreements*, Ministry of Employment and Social Security



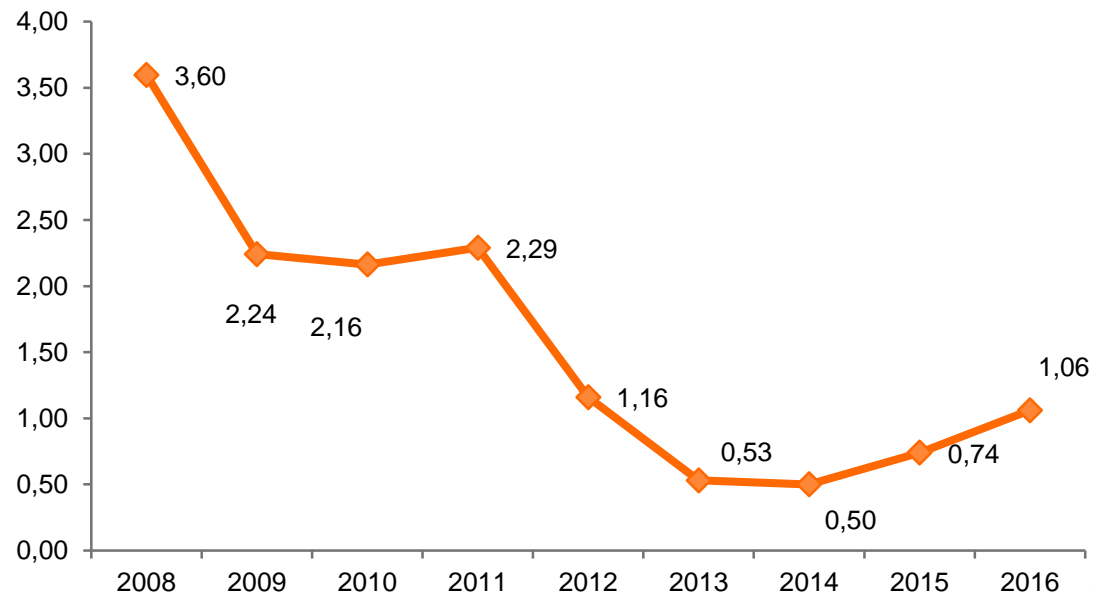
EFFECTS ON NEW COMPANY-LEVEL AGREEMENTS

- Two **controversial issues** arising from the development of new company-level agreements
 - The signature of various agreements “**in peius**”, namely: with **downward regulations** from higher bargaining levels (particularly, with regard to wages).
 - The dispute about the **legitimacy of the workers representatives** involved in the negotiation of some new company-level bargaining units.
- Ex: new company-level agreements signed by **multi-services companies**



EFFECTS ON WAGES (1)

Agreed wage increases in CB in Spain: 2008-2016 (%)



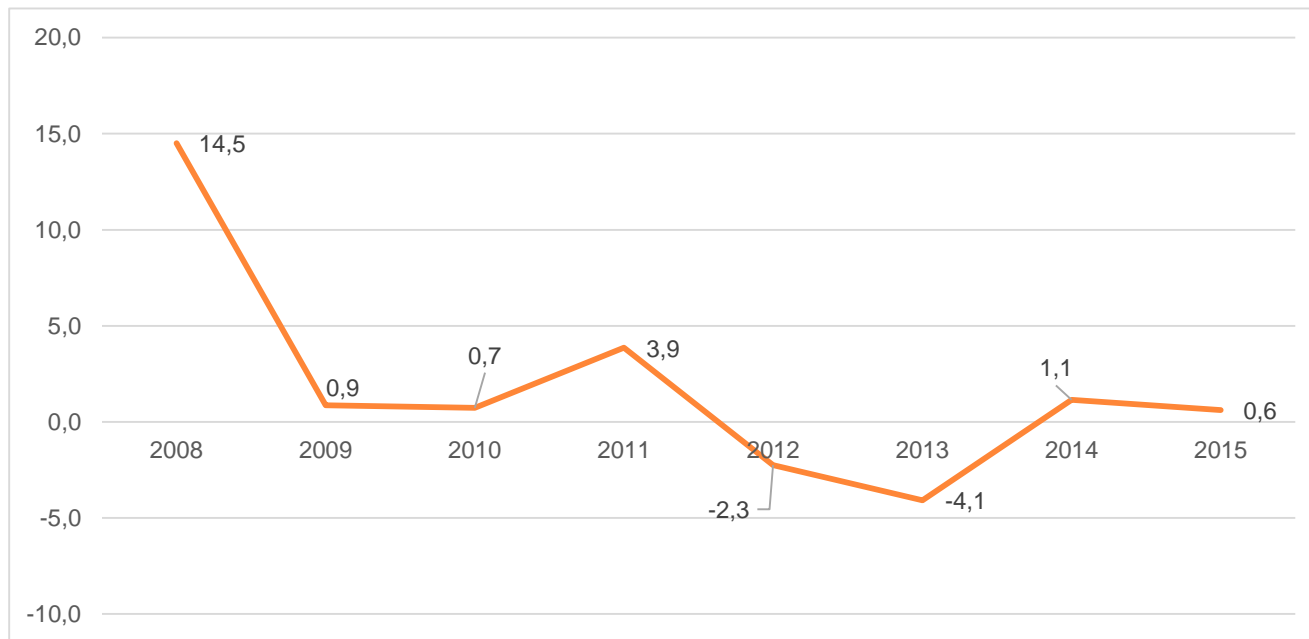
*2015 and 2016: provisional data (registered up to December 2016)

Source: *Statistics of Collective Agreements*, Ministry of Employment and Social Security



EFFECTS ON WAGES (2)

Real wages per hour (employees) in Spain: 2011-2016 (% year-to-year)



Source: Own elaboration based on Spanish National Accounts



EFFECTS ON WAGES (3)

- **Moderate** agreed wage **increases** in the **private sector**, but with some agreements establishing temporary **wage freezes** and **wage reductions**
- **Wage reductions** and wage freezes in the **public sector**
- **Temporary wage derogations** and **unilateral modifications** of working conditions at a company level
- New **company-level** agreements “**in peius**”
- Significant increasing of **atypical jobs** –part-time and temporary- and **precarious working conditions**



EFFECTS ON INDUSTRIAL RELATIONS

- Deepening the **assymetry between capital and labor**, by strenghtening the employer's power for the unilateral flexibility (internal and external)
- Risks of consolidation of a model of “**disorganized decentralisation**”
 - Prevalence of **small and micro-companies**, which is a breeding ground for patronizing and even authoritarian industrial relations, and the reinforcement of the wage devaluation
 - **Weakening** of the **coordination** among bargaining levels
 - **Unfair** competition and social dumping



TWO KEY UNION GOALS IN THE SHORT RUN

- Reversing the logic of **wage devaluation**
 - Signature of the **III Interconfederal Agreement** on Employment and Collective Bargaining (2015-2017)
 - Demanding the rising of **minimum wage** (up to 800 euros in the first instance)
 - Demanding measures aimed to fight against **gender wage discrimination**
- Defending a model of **organized decentralisation** of collective bargaining
 - Ensuring the role of **sectoral agreements**
 - Fostering **sectoral** agreements at **state and regional level**
 - Strengthening the **coordination** among the bargaining levels





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