

# Labour Reforms during the Great Recession in Romania and Spain: how do Trade Unions respond to the challenge?

Researchers / Mona Aranea, Dragos Adascalitei and Sara Lafuente Hernández

Theme 1/ Management and Employees

Funding/ FP7-PEOPLE-ITN-2012 | Project number 317321 [ChangingEmployment](#)



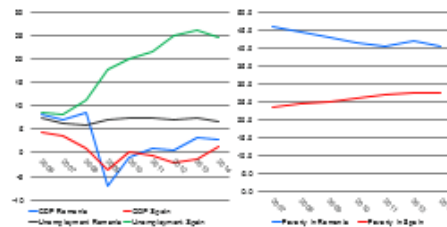
## 1. CRISIS CONTEXT

Supranational interventionism from the European Union: austerity measures

Macroeconomic data severely affected (GDP, Unemployment, poverty)

Welfare State eroded (cuts in the public sector, social security, health system, etc.)

Figures 1 and 2: Evolution of GDP, Unemployment and Poverty in Romania and Spain (2007-2013)



Source: IFR, WEO Database, and Eurostat.

## 2. LABOUR MARKET REFORMS

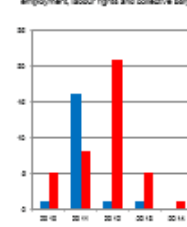
Reforms by emergency decrees (Romania in 2011; Spain in 2012)

Flexibility for firms (Internal and external measures)

Deregulation of individual labour rights

Collective bargaining and industrial relations systems deeply affected

Figure 3: Firms decreasing levels of protection in employment, labour rights and collective bargaining



Source: Own elaboration based on data from European Commission LISEROP Database

Figure 4: Evolution on Collective Bargaining Coverage



Source: ICTHIS Database, Eurostat and SHES22

## 3. CASES OF LOCAL CONFLICT AND MOBILIZATION

Power Resources (PR) Theory (Silver, 2003; Lévesque and Murray, 2010; Grumbell-McCormick and Hyman, 2013)

	Case 1: Automobile sector, Romania, Dacia	Case 2: Steel sector, Spain, Arcelor Mittal	Case 3: Wind power sector, Spain, Acciona Energia
<b>Sectoral context</b>	Expansion, privatizations	Industrial stronghold, privatizations. With globalization, delocation threats.	Expansion, until crisis: Energy Reform and cuts to renewable energies + redundancies → new interest for companies to centralize IR.
<b>Company context</b>	1999: Renault Market strategy of the company: new successful car model	2006: Global company Delocation threat (no investment) National CBA; under renegotiation Decline of transnational alliances (EWIC or bilateral Interplant relations)	Diversity of CBAs and working conditions No TU or WC representation. Unfair dismissals in response to Energy Reform. Interest of management in centralized CBA.
<b>Trade Union strategy</b>	Strikes and negotiate plant CBA	Indirect influence on local management and government. EWIC as source of information for local purposes.	Promoting elections to workers' representatives. Unlike at the national level, push to a centralized CBA negotiation.
<b>PR mobilized</b>	Organizational. Structural	Associational. Institutional.	Organizational. Associational. Institutional
<b>Success</b>	CBA signed at plant level Higher average wage and social benefits	Agreement of R+D Stimulation of local economy and employment	New works councils constituted in several plants. Negotiation of a unified CBA for the group, unifying (sometimes improving) working conditions and wages
<b>Costs</b>	Increase in productivity and pace of assembly line meaningless in working conditions	Indirect influence, but not formal tripartite dialogue. Partner-lobbying?	Not all objectives reached. (average was enough) Irregular working time, mobility, job polyvalence

## 4. FINDINGS

Trade unions reach relative success by mobilizing power resources at the local level.

Decentralization has triggered a reorganisation in the labour movement rather than leading the collapse of social dialogue.

Diverse power resources for diverse situations: Union strategies and success depend on local opportunities

## 5. DISCUSSION

Trade unions follow management strategies: how to measure success for trade unions?

The negotiations take now place in a much unfriendlier context for trade unions: how can this effect of Labour Reforms be measured in the short term?



ChangingEmployment



# European Employment relations as multi-level bargaining arenas in Transformation

**Supervisors** Holm-Detlev Köhler and Sergio González Begega

**Early Stage Researcher** Mona Aranea (ESR2)

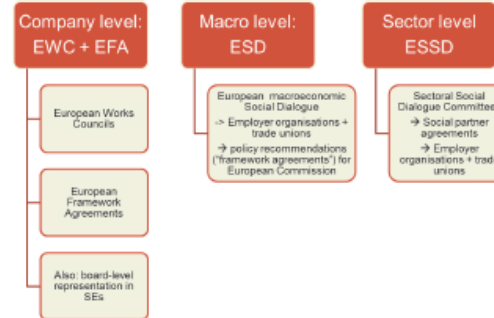
**Home Institution** University of Oviedo, Spain

**Funding** Marie Curie ITN "Changing Employment"; Theme 1 "Management and Employees"

## Employment Relations (ER) in the European Union

- „Transnationalization has not had the effect of displacing the national level, which remains the dominant locus of industrial relations. Its effect, however, has been to redraw and **increase the complexity of the industrial relations map**, adding new levels, actors and institutions, and creating new horizontal and vertical relationships and interdependences among company, sectoral, national and transnational public and private actors.“ (Keune and Marginson 2013: 474)
- „Just as a **'multi-level system of governance'** is the most appropriate metaphor for the emerging EU polity, so too is it for European industrial relations“. (Marginson and Sisson 2004: 25)

## Topic: Multi-level arenas of ER (Marginson and Sisson 2004)



## Multi-level employment relations in TNCs

- agency-focus: looking at actors, their interests and relations
- Industrial relations as social interactions between players who hold different resources
- The MNC as a political complex: historically formed and consolidated set of power relations ("conflict lines") between internal and external interest groups

(Köhler and González Begega 2010)

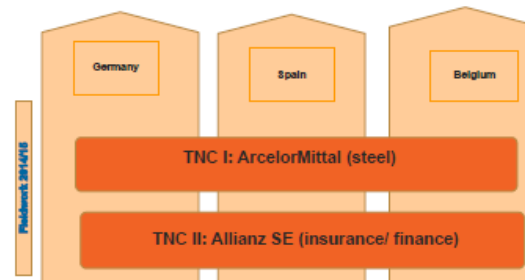
## Theory: Industrial Democracy (Fritz Naphtali 1928)



## Research Questions

- How do actors (management and employees) perceive their position in relation to each other? What are their attitudes, interests and power resources?
- How do actors perceive the European arenas of social dialogue in relation to national arenas?
- In how far do existing arenas of employment relations in Europe contribute to European industrial democracy?

## Comparative Research Design: "nested case studies" (Lieberman 2005)



# Labour Market Reforms since the Crisis: Drivers and Consequences

Supervisor/ Dr. Violetta Zentai

Researchers/ Dragos Adascalitei and Clemente Pignatti

Funding/ FP7-PEOPLE-ITN-2012 | Project number 317321 ChangingEmployment

## Research Questions

- How did the recent crisis impact labor markets?
- What are the labor market subdomains that have been affected the most by the recent crisis?
- What are the effects of labor market reforms around the world?

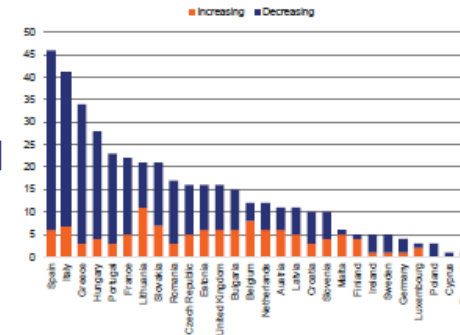
## Research Design and Data

- Data collected on labor market reforms between 2007 and 2014 in 111 developed and developing countries
- Reforms coded by labor market subdomain: collective dismissals, collective bargaining, working hours, temporary contracts, permanent contracts and other forms of employment.
- Data coded by direction of reforms: whether reforms increase or decrease protection for workers.
- A total of 645 reforms passed between 2007 and 2014, with the majority of them (444 reforms) passed in developed economies
- Most of the reforms have aimed at decreasing existing levels of labor market protection for workers.
- The most affected labor market subdomain was permanent contracts, where a number of 193 changes have been passed. Regulation concerning collective bargaining also underwent numerous changes (175 reforms), with most of them aiming to ease legislation.
- In Europe, the crisis has led to numerous deregulatory measures, especially in Mediterranean and East European countries, where collective bargaining institutions have been fundamentally changed towards decreasing the role played by national collective bargaining agreements and enhancing the role of plant level collective bargaining agreements.

Figure 1. Number of Changes in Labor Market Regulation by Year of Implementation and Direction of Change: 2007–2014.



Figure 2. Number of Changes in Labour Market Regulation in the European Union by Country and Direction of Change: 2007–2014.



## Empirical Analysis and Results

- Deregulation was pushed by governments as a solution to rising unemployment levels.
- Regression analysis to test for the short term effects of labour market reforms.
- We find that deregulation leads to more unemployment in the short term, a relationship that holds for developed economies.
- Net effect of the crisis in European countries has been a decrease in labor market protection for workers, with the reforms not solving the imbalances they were supposed to address.

Figure 3. Labor market developments by countries classified by overall changes in EPL. (percentage point changes between 2008 and 2014)

