

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

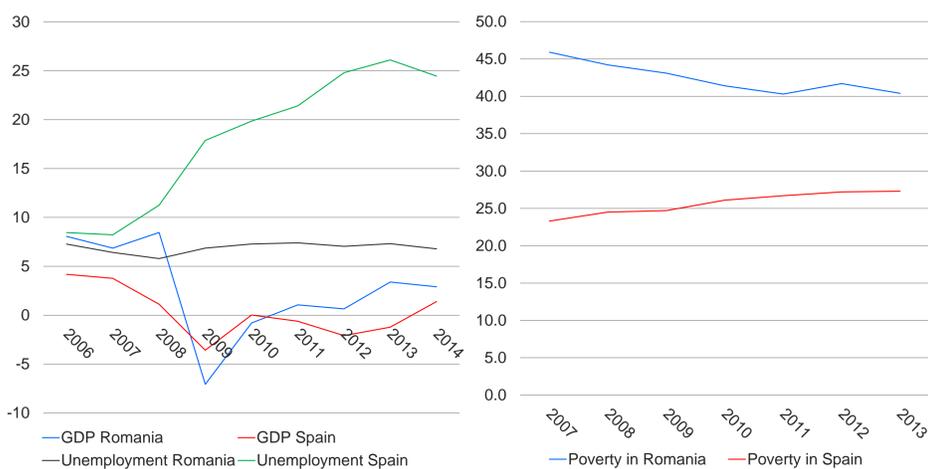
Funding/ FP7-PEOPLE-ITN-2012 | Project number 317321 ChangingEmployment



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 on GDP, Unemployment and Poverty in Romania and Spain (2007-2013)

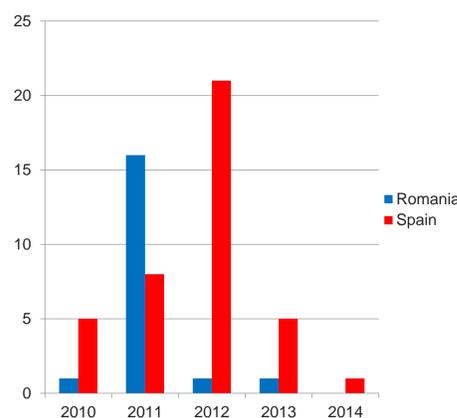


Source: IMF, WEO Database, and Eurostat.

2. LABOUR MARKET REFORMS

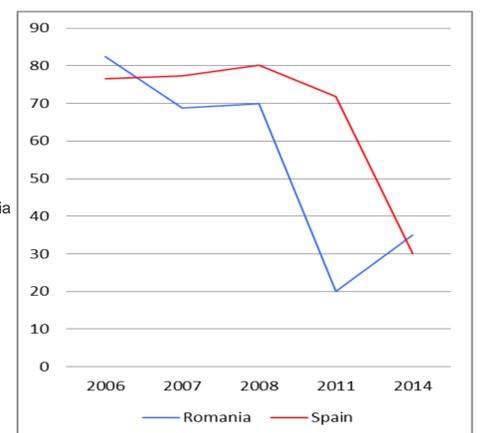
Reforms by emergency decrees (Romania in 2011; Spain in 2012)
 Flexibility for firms (internal and external measures)
 Deregulation of individual labour rights
 Collective bargaining and industrial relations systems deeply affected

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



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

Figure 4: Evolution on Collective Bargaining Coverage



Source: ICTWSS Database, Eurofound and SMESS

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 Energía |
|-----------------------------|---|--|--|
| Sectoral context | 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. |
| Company context | 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 (EWC 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. |
| Trade Union strategy | Strikes and negotiate plant CBA | Indirect influence on local management and government. EWC as source of information for local purposes. | Promoting elections to workers' representatives. Unite at the national level, push to a centralized CBA negotiation. |
| PR mobilized | Organizational. Structural | Associational. Institutional. | Organizational. Associational. Institutional |
| Success | 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 |
| Costs | Increase in productivity and pace of assembly line means loss 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?