



# Industrial Relations **Spain: Developments in working life 2018**

[Working life in 2018 – Annual review](#)

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## **Political context affecting working life aspects**

The political context in 2018 has been characterised by the change in government. In early June 2018, the Parliament appointed the Socialist P. Sánchez as the new Prime Minister with the support of the left-wing Podemos and the Basque and Catalana nationalist parties, after winning a no-confidence vote to the incumbent right-wing Populist Party. The reform agenda of the new executive in relation to labour market and social policy included aspects like reducing low pay and in-work poverty through a substantial increase in the minimum wage, the elimination of some aspects of the 2012 labour market reform, the fight against youth unemployment, among others.

## **Labour market reforms or major packages of working life regulations**

Since 2012, there hasn't been any labour market reform or major package of working life regulations. The Socialist government appointed in June 2018 contained in its programme a commitment to revise and eventually revoke some contents of the 2012 reform. However, the weak majority in Parliament has so far been obstacle to introduce any amendment to it. The plan of the executive is to introduce some of the reforms negotiated with social partners during the first half of 2019.

## **Social partners' views and reactions on changes in governments and working life policies**

Trade unions have welcomed the change in government as an opportunity to translate the economic recovery into the social sphere after several years of austerity policies. Moreover, they have also welcomed the government's revitalization of social dialogue. Employers have also welcomed the return to social dialogue, but have alerted about the risk of reverting some of the beneficial effects of the 2012 labour market reform, that according to them has been in key in the economic recovery and employment creation.

## **Developments in industrial relations 2018**

### **Changes affecting the national-level actors and institutions in 2018**

#### *Actors*

No major changes have occurred in industrial relations actors in 2018

#### *Representativeness*

No major changes have occurred in the way the representativeness of social partners is regulated in 2018

#### *Institutions*

No major changes occurred in the main social dialogue institutions in 2018

### **Changes affecting the sectoral and company level social dialogue 2018**

No major changes occurred in company and sectoral level in 2018

#### *Innovation in collective bargaining*

The most representative trade union organisations, CCOO (Comisiones Obreras, Workers Commissions) and UGT (Unión General de Trabajadores, General Workers' Union) and the employer organisations CEOE (Confederación Española de Organizaciones Empresariales, Spanish Confederation of Employer Organisations) and CEPYME (Confederación Española de Pequeña y Mediana Empresa, Spanish Confederation for Small and Medium-sized Companies) signed on the 25th June a peak level inter-sectoral agreement on wages and collective bargaining for the coming two years.

The agreement contemplates negotiated wage increases up to 2% until 2020, with the possibility to have an additional 1% increase conditional to productivity trends, business performance and levels of absenteeism registered. In addition, the agreement also establishes a floor for negotiated wages of 14,000 euros a year, a clear improvement for the lowest salaries, which suffered most in the crisis.

Moreover, in the public sector, the most representative trade unions and the government signed an agreement establishing a minimum wage increase of 6.1% for public employees over the period 2018–2020 (1.75% in 2018, 2.25% in 2019 and 2% in 2020), and a maximum of 8.9% conditional upon GDP growth and the fulfilment of the budget deficit target for 2020. It is the first time that wage increases for public employees will be linked to macroeconomic performance, with higher wage increases to be paid when GDP growth surpasses 2.5%. Moreover, the agreement means that collective bargaining in the public sector is restored after several years of unilateral regulation.

## National social dialogue in 2018 – Scope and Contribution

Themes	Description	Social dialogue interaction	Social dialogue outcome and/or output
<b>Employment - Employment of younger workers</b>	Emergency Plan for Youth Employment 2019-2021. The objective of the agreement is to promote employment of young people through a comprehensive plan, including the hiring of 3000 additional job counsellors in charge of advising the Young unemployed.	The Shock Plan for Youth Employment 2019-2021 was approved by the Council of Ministers in early December after reaching an agreement with trade unions and employer organisations.	The plan contains 50 measures, that will be implemented gradually. These include the hiring of 3000 additional job counsellors that will be in charge of advising the Young unemployed so that they can find employment as soon as possible and to find job offers.
<b>Employment - Decent work</b>	Plan for Decent Work (Plan Director para un Trabajo Digno). The purpose of this plan is to fight against precarious work and improve the quality of employment and working conditions. The plan also aims at strengthening the human and material resources of the Labour Inspectorate.	The Plan was approved by the government after consultation with social partners, regional governments and self-employed organizations.	The outcomes of consultations and negotiations have been a master plan for tackling fraud in the use of temporary and part-time employment. This Master Plan should be then implemented through legislation.
<b>Pension reforms - Indexation of pensions</b>	According to the agreement reached in September 2018, consumer prices will be the main element in order to ensure pensioners maintain their purchasing power. This is in line with the recommendation made in 2011 by the Toledo Pact Commission, but goes against the revaluation system that has governed pensions since 2012.	Negotiations among all political parties with representation in the Parliament and consultation of social partners.	An agreement was reached by all political parties represented in the Parliament (except for the Catalan left-wing nationalist Esquerra Republicana).
<b>Wage setting - Low paid workers</b>	Setting up of a floor for negotiated wages of 14,000 euros a year, a clear improvement for the lowest salaries, which suffered most in the crisis.	Bipartite negotiations between the most representative trade union organisations, CCOO (Comisiones Obreras, Workers Commissions) and UGT (Unión General de Trabajadores, General Workers' Union) and the employer organisations CEOE (Confederación Española de Organizaciones Empresariales, Spanish Confederation of Employer Organisations) and CEPYME (Confederación Española de Pequeña y Mediana Empresa, Spanish Confederation for Small and Medium-sized Companies).	Bipartite agreement between the most representative trade union and employer organisations at national level
<b>Working time - Recording of working time</b>	Compulsory registration of working time to avoid excessive and non-paid overtime work	The government has consulted trade unions and employers about their plan to make it compulsory for companies to register working time of their employees	The plan for this law as part of the labour market reform of the government is expected to be passed in 2019

**Disclaimer:** This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.

*No major social dialogue debates were held on the following themes: Benefits; Health, safety and well-being at work; Skills, training and employability; Taxation and non-wage related labour costs; Terms and conditions of employment and Work-life balance*



## **Selected major social dialogue debates**

### *Improving Real Wages after the Crisis*

Since 2014, the economy in Spain has experienced positive growth rates and the labour market has improved considerably in terms of employment rate. However, real earnings haven't recovered so rapidly and have lagged behind, both in the private and public sectors of the economy. Governments and social partners have implemented a series of initiatives in order to tackle this situation. The first step consisted in the a new framework agreement for working conditions and employment in the public administration, signed between the finance minister and the most representative trade unions in the public sector: the Central Independent Trade Union and of Officials (CSIF), the Workers' Commissions (CCOO) and the General Workers Union (UGT). The agreement establishes a minimum wage increase of 6.1% for public employees over the period 2018–2020 (1.75% in 2018, 2.25% in 2019 and 2% in 2020), and a maximum of 8.9% conditional upon GDP growth and the fulfilment of the budget deficit target for 2020. It is the first time that wage increases for public employees will be linked to macroeconomic performance, with higher wage increases to be paid when GDP growth surpasses 2.5%. Moreover, the agreement means that collective bargaining in the public sector is restored after several years of unilateral regulation.

The second step consisted in the bi-partite peak agreement between trade unions and employers signed in June 2018. With this agreement, social partners want to mark a turning point in relation to the internal devaluation starting in 2010 and that led to an important decline in real wages. This pact also puts an end to the deadlock in bi-partite peak inter-sectoral agreements for collective bargaining coordination and employment, as the last agreement was signed in 2015 and attempts to negotiate a new agreement had failed since then. The agreement contemplates negotiated wage increases up to 2% until 2020, with the possibility to have an additional 1% increase conditional to productivity trends, business performance and levels of absenteeism registered. In addition, the agreement also establishes a floor for negotiated wages of 14,000 euros a year, a clear improvement for the lowest salaries, which suffered most in the crisis.

Finally, late in 2018, the government approved a 22.3% increase of the statutory minimum wage up to 900 Euros per month for 2019, the largest increase in democracy. This increase was set unilaterally by the government in December 2018.

### *Youth Employment Plan to improve public placement services*

Another important debate in social dialogue has been the situation of young workers in the labour market. In spite of the economic recovery, the unemployment rate for young workers remains very high and they very often experience high instability and low wages. For this reason, youth employment has figured high in the agenda of social partners and the government. The Shock Plan for Youth Employment 2019-2021 was approved by the Council of Ministers in early December after reaching an agreement with trade unions and employer organisations. This was one of the issues in the social dialogue agenda agreed in July 2017. Trade unions and the government had reached an understanding in late November and employers joined the agreement some days later.

The objective of the agreement is to promote employment of young people through a comprehensive plan that materializes the commitment of social partners and the government with young people. The plan contains 50 measures. Among them, the hiring of 3000 additional job counsellors is the most important one. Those counsellors will be in charge of advising the Young unemployed so that they can find employment as soon as possible and to find job offers. These counsellors will not be appointed on an open-ended basis but will be hired on an interim basis for a maximum of 18 months. However, the current executive has already made clear their preference for the continuity and stabilization of these counsellors beyond the 18-month period. Once the program has ended, the results will be evaluated, and based on these results, a decision on the continuity of job counsellors by the competent institution in each regional government will be made.

\* Public Employment Service, SEPE (2018) Emergency Plan for Youth Employment 2019-2021

### *Unilateral government actions – without social dialogue*

#### **The Increase in the Minimum Wage**

Contrary to the standard practice, the government decided unilaterally to approve a 22,3% increase in the statutory minimum wage for 2019. The standard practice is for the government to consult trade unions and employer organisations and reach an agreement on the increase for the statutory minimum wage for the next year, based on increases in consumer prices and productivity.

## **Collective labour disputes in 2018**

### **Changes in the regulation of collective labour disputes**

There hasn't been any major change in relation to the regulation of collective labour disputes in 2018

### **Selected major labour disputes of national significance**

#### *Taxi drivers*

Taxi drivers have been striking in Madrid and Barcelona against app-based transportation services like Cabify and Uber. They have two demands. First, to limit the ratio of licenses for on-demand ride service vehicles to one for every 30 taxi licenses. The current ratio is 64,763 taxicab licenses for 5,865 alternative livery vehicle licenses. Secondly, taxi drivers ask to regulate the provision of on demand services by apps through setting a minimum pre-booking time of 1 hour for these services. After some days striking and negotiations with the regional government, taxi drivers in Barcelona have managed to regulate on-demand ride services, imposing a minimum 15 minutes pre-booking time. This has led Uber and Cabify, the two most important apps operating in Barcelona to leave the city. In the case of Madrid, taxi drivers decided to put an end to the strike but didn't get any change in the regulation

#### *Amazon*

Amazon workers in the Madrid logistics plant went on strike in March 2018 to protest against several issues. First, the delay in the re-negotiation of the plant collective agreement that expired in 2016. Secondly, the large share of temporary jobs among workers in the plant. Third, the high levels of absenteeism that according to trade unions, is the consequence of low investment by the company in health and safety procedures. After several strikes, the conflict remains open as the company hasn't agreed to negotiate a new collective agreement. As a matter of fact, the conflict even worsened when in the Fall 2018, when the plant asked the police to guarantee the productivity of the plant in the middle of the strike, based on the essential service provided by Amazon. The police rejected to enter, but this has but worsened the relationship between workers and the technological company.

#### *Dockers*

Before the delay by the executive in developing the reform of the sector, docker workers announced new strikes in the first half of 2018 in order to push the government to speed up the process. The dockers started in a conflict in 2017 against government plans to implement EU Court Ruling of 11 Decembre 2014 that obliged to liberalize dockers' hiring services. These services were directly controlled by dockers workers under the previous regulation. In 2017, the government approved a Royal Decree, but this law hasn't been developed administratively later on.

## **Working time 2018**

### **Changes in the regulation of working time 2018**

#### *Legislation on working time duration or organisation*

There hasn't been any change in the regulation of working time duration or organisation in 2018. However, in November 2018 the government presented a proposal to reform the Workers' Statute, including the compulsory registration of all hours, including overtime work.

#### *Collective bargaining outcomes on working time duration or organisation*

There hasn't been any major development in collective bargaining around working time duration or organisation in 2017-2018

#### *Major debates concerning working time duration or organisation*

Monitoring overtime work. Trade unions had been denouncing for a long time a systematic increase in overtime work for many workers that was not paid accordingly, and asked for a more strict regulation on this issue. The proposal made by P.Sanchez's government to make a compulsory registration of working time is aimed precisely at tackling the abuse detected in relation to this.

A second major debate in relation to working time organisation is the rationalization of working days. More specifically, it has often been argued that the long working days, finishing at 19 in many cases because of a long lunch break it is an additional obstacle for reconciling work and family life. In spite of demands to change the current situation, there hasn't been any agreement nor legal change so far.

## **Health and well-being at work 2018**

### **Physical working environment**

There hasn't been any major development in relation to physical working environment in 2018.

### **Psychosocial working environment**

There hasn't been any major development in relation to the psychosocial working environment in 2018

## **Employment status 2018**

No major changes in 2018 for: 'Standard' employment contracts; Temporary agency workers; Posted workers; Seasonal workers and Zero hour contracts.

### **Self-employed**

A new regulation of self-employment entered into force in January 2018 consisting in a reduction in the social security contributions, mechanisms to reconcile work and family life, tax deductions, among others (BOE 2017).

### **Fixed term contracts**

No major changes occurred in the regulation of fixed-term contracts. The Plan for Decent Work signed by trade unions and the government included a commitment to fight against the fraudulent repetition and extension of fixed term contracts through the Labour Inspectorate.

## **References**

BOE (2017) Ley 6/2017, de 24 de octubre, de Reformas Urgentes del Trabajo Autónomo

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