

Spain's Popular Party government imposes savage labour legislation

Alejandro López
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The labour legislation passed by the Popular Party (PP) government, elected last November, will dramatically curtail the employment rights of Spanish workers.

Described by Labour Minister Fátima Báñez as “historic”, the new law is divided into four chapters—“measures to enhance the employment of workers”, “promotion of permanent contracts and other measures to promote job creation”, “measures to promote internal flexibility within companies as an alternative to job losses” and “measures to promote labour market efficiency and reduce labour duality”.

The content of each chapter, of course, is the opposite of what the title says.

From now on, employers can reduce the salaries of workers without agreement, simply by claiming this is necessary for reasons of competitiveness or productivity—as it always is. Under the new law’s “more internal flexibility” measures, employers will be able to claim they are going through “changes or through difficult situations” in order to transfer workers to other jobs within the company, transfer them to other locations, and change timetables, duties and working hours as they see fit. Also, 5 percent of a worker’s annual working hours may be redistributed in line with the production needs of the company.

The new law makes it cheaper and easier for companies to sack workers. Currently, if workers lose their jobs, they are entitled to 45 days’ wages per year of service, up to a maximum of 42 months. This will be reduced to 33 days per year, up to a maximum of 24 months’ salary. If layoffs are “financially driven,” companies only need to pay 20 days’ wages, up to a maximum of 12 months.

In future, the unemployed will lose their benefits if

they reject an offer of a job for a third time, forcing them to accept any job, which in most cases will be of a much lower category and salary than that for which they are qualified. Private employment agencies will have a much bigger role in job placement, with the Public Employment Service (SEPE) being reduced to a secondary role.

New work contracts, including the new “training and apprenticeship contracts”, will supposedly reduce youth unemployment. Experience shows that each time a government brings in such contracts, the number of poorly paying jobs increases, the number of permanent contracts decreases, and older workers lose their jobs.

A new “permanent contract in support of entrepreneurs” is a case of Orwellian double-speak, redefining “permanent” contracts to mean employers having free rein to fire workers as they see fit. Businesses with fewer than 50 workers—95 percent of businesses in Spain—will be able to employ workers on this contract for a year and make redundancies whenever they want.

The government is trumpeting the “right to training”, but this is aimed at increasing useless training courses that businesses will be able to write off against their social security contributions. This measure is specifically aimed at the unions, which will receive even more public subsidies as they are the main organisations that carry out workers’ training. In 2009 alone, the Communist Party-led Workers Commissions (CC.OO) and the Socialist Party (PSOE)-aligned General Workers Union (UGT) received €96 million each from the state and the regional governments.

The law opens up a broad new range of subsidies for employers to hire workers. They will receive tax breaks or a portion of the benefit if someone is unemployed (50 percent for 12 months).

The law eliminates the continued use of temporary contracts for more than 24 months, but they will be substituted by the aforementioned new “permanent contract in support of entrepreneurs”.

The reform means an end to collective wage bargaining. Up to 70 percent of workers currently have their terms and conditions determined by national agreements. Most other workers are covered by agreements at the sector level, within industries like metallurgy, mining or the hotels, or at the regional level. From now on, agreements reached at company level will be given priority. Once a collective agreement expires, the old agreement will cease to be valid, while before, the old agreement would continue until a new one was agreed.

Finally, the administrative process that businesses had to go through when sacking workers collectively, the Employment Regulations (ERE), will be eliminated. Employers will be able to make wholesale redundancies without any hindrance in both the private and public sector.

Three thousand protested in a demonstration in Madrid called through Twitter and Facebook within hours of the legislation being announced. Protesters were brutally attacked by the police. One said, “They are taking away our rights, and then hit us for defending them.”

Deputy Prime Minister Soraya Saenz de Santamaria told reporters that the new law “will mark a before and after in the labour legislation of our country.”

Employers’ organisations welcomed the reform as a “step in the right direction” to create a “more flexible and efficient labour market.”

Opposition Socialist Workers Party (PSOE) leader Alfredo Pérez Rubalcaba also welcomed the reform, saying it “would bring more employment”. The PSOE’s own labour reforms facilitated unemployment soaring to nearly 23 percent (51 percent of young people)—the highest in the European Union. Nearly a third of Spain’s workforce are on temporary contracts.

The main unions have called demonstrations against the reform but have refused to call strike action. The secretary general of the CC.OO, Ignacio Fernández Toxo, said merely, “On February 19 we want the streets of Spain to be filled with noisy protests.”

But Toxo and UGT leader Cándido Méndez said that

they will meet with the government, which has called on the unions to “take the offer of dialogue seriously” to find an “opportunity to amend the shortcomings of the reform.”

There is no doubt they will come up the sordid deal demanded of them, having at the end of January agreed with employers on a maximum increase in wages of 0.5 percent in 2012 and 0.6 percent in 2013, well below the rate of inflation. Toxo said the agreement was “unique within the European Union”. Méndez declared, “These agreements contribute to providing constructive situations that can generate trust.”

The PP is using the economic crisis, the PSOE’s complicity and the wretched response of the unions to drive workers back to the days when they were at the beck and call of the employers.

What the ruling elite can no longer stomach is the relative employment security they had to concede as part of the Moncloa Pact and the Workers’ Statute, agreed to during the transition from the fascist dictatorship of General Francisco Franco to bourgeois democracy. The concessions were enacted by representatives of the old regime and the PSOE and Communist Party in the face of a huge working class movement during the collapse of the dictatorship, and to prevent revolution.

Since then, there have been eight reforms, as the ruling elite has sought to claw back the concessions and impose deregulation, flexibility and job insecurity. The trade unions have been instrumental in this process, providing the necessary safety valve to suppress the anger and opposition that have greeted each reform.



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