Spanish unions collaborate with corporations to cut tens of thousands of jobs

Santiago Guillen, Alejandro López
20 April 2021

Working hand in hand with the trade unions, transnational corporations operating in Spain are cutting tens of thousands of jobs. The list of companies involved covers almost all sectors of the economy.

Companies are using redundancy schemes, known by their acronym ERE in Spanish. This enables companies to carry out collective dismissals based on so-called "objective" reasons, such as economic downturns, technical innovations, organizational changes and productivity increases. The main advantage is that it allows companies to slash severance pay, which they must give to workers.

The trade unions play a despicable role in EREs. Many of the firms that obtained redundancy grants would not have gotten them without the intervention of the unions involved in negotiating the sackings. Part of the redundancy money goes straight into union coffers as commissions per worker made redundant, in most cases without the worker's knowledge.

Trade unions can gain up to 10 percent for each worker dismissed. In addition, workers under EREs pay a fixed amount for the trade union's legal advisory services, ranging from €100 to €400. This helps to explain the popularity of EREs.

In the past six years, over 250,000 workers have lost their jobs under these schemes. Now, summing the ERE announcements in the past several weeks, over 21,000 workers are expected to be laid off in the coming months while all kinds of work centers will be closed, including factories, offices, shops and large shopping centers.

Banking is one of the main sectors. Since the 2008 global crisis, successive PSOE, Popular Party (PP) and PSOE-Podemos governments have promoted the concentration of this sector. In a little over a decade, five large banks increased their market share from 42.4 percent in 2008 to 67.4 percent last year. This was accompanied by a huge assault on workers: 100,000 jobs were destroyed, and 22,060 branches were closed. This assault continues.

With the green light from PSOE and Podemos, Bankia and CaixaBank are to merge, creating Spain's largest bank. The new merger aims to make between 7,000 and 10,000 redundancies. Unicaja and Liberbank plan redundancies affecting 2,500 workers. BBVA has also leaked plans for 3,000 layoffs.

The banks can count on the inestimable support of the trade unions. Banco Santander recently laid off 3,572 workers and closed 1,033 offices. The redundancy agreement was described as a victory by the five signatory trade unions, while the compensation packages were described as "sufficient and worthy." Sabadell bank also recently dismissed 1,800 workers, which the Stalinist Workers Commissions (CCOO) union called a "satisfactory agreement."

In retail, job destruction is also accelerating. The trade unions agreed to the dismissal of 3,292 workers at El Corte Inglés, one of Europe's largest retailers. FETICO union General Secretary Antonio Pérez argued that the redundancy scheme was valid because it was "supported by a technical report prepared by the consulting firm Deloitte" and "El Corte Inglés clearly has surplus staff." FETICO is now calling on its members to sign up for the scheme voluntarily.

German perfume chain Douglas has agreed to 492 layoffs and the closure of 82 stores. A CCOO union bureaucrat described it as "bad news" but was quick to point out that the scheme "has managed to reduce the number of people affected and substantially improves the conditions of those who end up dissociating themselves from the company." "Dissociating" means being sacked.

© World Socialist Web Site

For its part, Swedish fashion multinational H&M plans to lay off 1,100 workers and close 30 stores, as part of a global restructuring plan. CCOO, the main union at the company, described the measure as "unjustified and disproportionate," its usual comment before entering into negotiations and then claiming job losses as victories. The unions have made it clear that they have no intention of mobilising workers against the redundancy scheme.

In the food and beverage sector, Coca Cola aims to cut 360 jobs. Food products corporation Danone will soon negotiate the dismissal of 160 workers between Spain and Portugal, in a global layoff campaign targeting another 1,850 workers. Dairy company Leche Pascual agreed to 137 redundancies earlier this year. The company thanked the unions, welcoming "the rigor and responsibility that characterised the negotiating process from the beginning, always seeking the least possible social impact."

In the manufacturing industry, which has already been ravaged since the 1980s due to the impact of globalization and requirements to enter the European Union, which included mass privatisations implemented by the PSOE, more jobs are expected to be lost.

In the Galicia region, on top of Alcoa's aluminium plant closure, the Endesa-owned As Pontes thermal power plant and a Siemens-owned manufacturer of wind blades are to close. Multinational electrical equipment manufacturer Eaton has announced that it is closing its plant in the Basque country. Petronor will lay off 129 workers at its Muskiz refinery in another ERE, and Tubacex, a group specializing in the manufacture of steel tubes, is targeting another 129 workers.

In Valencia, automaker Ford is negotiating an ERE with the trade unions for 630 employees, within the 10,000 job cuts it plans across Europe, after having already laid off 350 workers in its Valencia plant less than a year ago. Electricity company Naturgy has just proposed another 1,000 layoffs to the trade unions, within an international restructuring plan that led it to lay off already 6,500 workers worldwide. The list of layoffs continues with automotive company U-Shin (76), Nissans ubcontractor ISS (110) and Italco textile (245).

These job cuts are not inevitable. They are the product of the capitalist crisis triggered by the COVID-19 pandemic and the reaction of big business to put the costs on the backs of the working class. In order to improve its competitive position in the world market, they seek to work with the unions to impose wage cuts, redundancies and worsen labour conditions.

In this process, the union bureaucracies rely on the pseudo-left, who like themselves articulate the interests of privileged layers of the upper middle class. An example is that of the Morenoite Workers' Revolutionary Current (CRT) and its mouthpiece, *La Izquierda Diario* .

In one article on the mass attacks on jobs, they fraudulently call on workers to put their faith in the same unions that are profiting from the redundancies. They say: "The only way to avoid rising unemployment and increasing job insecurity is through a plan of struggle imposed on the unions by self-organized workers. It is necessary to demand that the unions break all their pacts with the government and the employers and that they call for unitary measures of struggle."

Characteristically, they add: "We urgently need to organize and get the unions back from the hands of the union bureaucracies. An alternative fight plan must be promoted to defend all jobs."

Such statements aim to conceal a fact experienced by millions of workers worldwide. Trade unions are no longer linked to the defence of the working class, as they were in the middle of the last century. Closely tied to the capitalist state and the corporations, they impose job cuts and social retrogression on the workers in the interests of privileged bureaucracies. They cannot be reformed nor pressured to benefit the interests of workers, any more than the capitalist class itself can be.

To defend jobs requires a political fight against the PSOE-Podemos government, the trade unions and their pseudo-left allies. New organisations, rank-and-file committees, must be built to oppose the capitalist onslaught. They must link up with workers in all sectors and unite with workers internationally who are facing the same onslaught on jobs.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site