

Spain: Trade unions support Telefónica's scheme to lay off a third of its workforce

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Last week, Spanish multinational telecommunications company Telefónica announced its intention to lay off over 5,000 workers across Spain. This represents a third of its 16,000 staff.

These layoffs come after 11,300 workers were made redundant in 2015, 2019 and 2021, on top of 6,830 redundancies between 2011 and 2013. In 12 years, Telefónica has destroyed more than half its workforce. In 1992, 74,437 people worked at Telefónica, 60,000 more than those employed three decades later.

Telefónica is the fifth largest telecommunications company in the world and the second largest in Europe, behind only Vodafone, with operations across Europe and Latin America. In Spain, it is the fourth largest corporation by revenue and market presence, behind textile company Inditex (Zara, Bershka, Massimo Dutti, Pull&Bear and Lefties) led by billionaire Amancio Ortega, and banks Santander and BBVA.

Unlike the last three rounds of layoffs in 2015, 2019 and 2021, implemented through so-called voluntary resignations and early retirements, Telefónica will return to the redundancy scheme it used in 2011, known by its Spanish acronym ERE (*Expediente de Regulación de Empleo*). This enables companies to carry out collective dismissals based on so-called “objective” reasons, such as economic downturns, technical innovations, organisational changes and productivity increases.

It allows companies to slash severance pay and saves them money by not having to continue paying for health insurance and pension plans. And, unlike voluntary resignations, workers cannot refuse their dismissal.

The announced job destruction has little to do with the company's economic results between 2013 and 2022. Throughout this period, Telefónica has achieved profits of 32 billion euros. Meanwhile, the average salary per employee has decreased in this period by 2,000 euros.

Last June, Telefónica announced accelerated growth

during the second quarter of the year reaching a net income of €462 million, 44.5 percent more compared to the same period in 2022. This ERE will allow Telefónica to save between 200 and 400 million euros in wages.

Telefónica claims that the ERE seeks to resolve a “functional surplus” of workers who are no longer necessary, either due to technical improvements or due to the disappearance of services such as copper-based telephone wiring. However, this process must be placed in the context of the drive for profit by telecommunications companies throughout Europe, where up to 100,000 layoffs are expected in the coming years.

This is a sector with fierce competition between companies, especially due to the appearance of low-cost operators. One result is a bidding war to lower prices for customers and increase market share. To this must be added multimillion-dollar investments by companies into fibre optics and 5G.

The announced layoffs seek to put all these costs on the backs of the workers, by reducing the workforce and wages, and increasing precarious work conditions. This is the reason why Telefónica prefers to make redundancies rather than retrain workers in other positions. In this way, companies such as Telefonica plan to expand their profits.

Telefónica's announcement is part of a global offensive against telecommunications workers. British company BT Group (the former British Telecom) has announced it will cut its workforce by between 40,000 and 55,000 employees this decade, slashing between 30 percent and 42 percent of its workforce. Finnish company Nokia will lay off 14,000 people and British Vodafone will make 11,000 layoffs, 10 percent of its workforce. The Swedish Ericsson will lay off 8,500, Virgin Media O2 (Telefónica's subsidiary in the United Kingdom) will lay off 2,000, whilst Deutsche Telekom and the Swedish Telia have announced 1,650 and 1,500 job losses, respectively.

The global character of the capitalist offensive against

workers shows that jobs and living conditions can be defended only through an internationally coordinated struggle by telecommunication workers across all companies to oppose the race to the bottom. But the pro-capitalist trade unions are opposed to any such global struggle.

In Spain in recent decades they have refused to organise any fight against Telefónica's mass dismissals or against the more than 4,000 jobs destroyed by Vodafone and Orange, two of the largest operators in Spain.

Two of Spain's main trade unions, the Sumar-linked Workers Commissions (CCOO) and the social-democratic General Union of Workers (UGT), have made clear they have no intention of challenging Telefónica's ERE. As of writing, they have called no protests or any other significant action. Instead, they have made clear they accept the savage redundancy scheme.

UGT, the largest trade union within Telefónica, has stated that "any redundancy plan will be linked to the signing of a new Agreement... with a minimum duration of 3 years that protects the workforce and their working and economic conditions." In other words, UGT accepts the ERE in exchange for some symbolical concessions which will not prevent new dismissals from being repeated in the future.

From CCOO, the person responsible for union action in the telecommunications sector, Ramona Pineros, assessed the layoffs positively. She agreed with the company's claims by stating that "it is true that ... there are a lot of jobs that have stopped having activity".

Rejecting any alternative or protest, she summed up perfectly the role of the unions. Their role is not to defend jobs, but to work with companies to slash them. He said that "our job, in this case, will be to achieve the best conditions for the people who take advantage of the dismissal."

The unions have also whipped up a nationalist frenzy, seeking to minimize attacks against "their own" workers, favouring attacks against those of other countries. This doomed perspective serves to divide workers along national lines, giving the companies a free hand to implement their corporate agenda.

When Vodafone announced 11,000 layoffs in May, the aforementioned Ramona Pineros of CCOO described the news as a "probe balloon" saying that "the explanation they give has given some peace of mind." The Spanish unions claimed to have received guarantees that no layoffs would be made in Spain among the 11,000 the company intends to carry out worldwide, ensuring that

these would be imposed in the United Kingdom, Italy, Germany, India, Egypt and Hungary.

If unions act in practice as a sub-department of human resource management, specialising in policing the workforce, the role of the pseudo-left Sumar embodied by its leader and Minister of Labor Yolanda Díaz is not very different.

In an interview with *La Sexta* on Monday, Díaz said, "When I have the ERE on my table, I'm going to evaluate it and meet with the parties to learn about it." Díaz knows fine well that her ministry has no veto power over an ERE, thanks to the right-wing Popular Party's labour reform in 2012, that she herself expanded last year. This year, 25,000 collective dismissals took place through EREs compared to 24,215 last year, without either Díaz or Sumar opposing the measures.

To break out of the impotence imposed by the trade unions, workers must be mobilised independently of the union bureaucracies and Sumar. The bankruptcy of the unions and the ruthlessness of the ruling class against telecommunications workers demonstrates the need for workers to unite internationally. The alternative, as the International Committee of the Fourth International has explained, is building the International Workers Alliance of Rank-and-File Committees, mobilised in a struggle for socialist policies against exploitation and imperialist war.



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