

**Against the Collective Bargaining and Labour Reform!  
In defence of labour and social rights!**

# GENERAL STRIKE 29 MARCH



**E**LA, in conjunction with other Basque trade unions and social movements, has convened a General Strike against the Collective Bargaining and Labour Reform passed by Rajoy's government on 10 February.

It is the 4th general strike in the Basque Country since 21 May 2009 when ELA, together with other trade unions, convened the first general strike at the start of this economic downturn.

The new reform passed in February is an extremely serious setback in terms of labour rights and upsets enormously the balance of labour relations.

### **1.- The most noteworthy points include:**

- Extending the economic grounds that justify the dismissal

with less compensation (20 days per year)

- Lowering the compensation for unfair dismissal, from 45 to 33 days, with a ceiling of 24 months.

- Applying dismissal on objective grounds in the public sector.

### **2.- The right to collective bargaining is weakened:**

- The indefinite automatic extension of the collective agreements (the extended validity) has been eliminated and will now be limited to two years.

- Absolute applicative priority of the company agreement over the sector agreement.

- It is easier for the company to be out of the scope of the agreements.

### **3.- Increased labour flexibility at the discretion of the company.**

- It facilitates geographical and job mobility, and substantial changes to working conditions. Wages are included among the areas that can be changed.

### **4.- Changes to the contracting process:**

- The maximum term of the training contract is extended from 2 to 3 years.

- It allows overtime as part of a Part-Time Work Contract (which was previously forbidden), which mainly involve women workers and the overtime is not usually voluntary.

- A new contract is created for companies of up to 50 workers, with tax deductions and discounts on Social Security contributions, where dismissal can be fast-tracked during the first year.



## ELA's assessment and alternatives

1.- This report is a savage attack on the labour rights and puts labour relations even more on an uneven footing, leaving the weaker party, the workers, more vulnerable. Not one of the measures requires sacrifice on the side of the company.

2.- Creating jobs is yet again being used as the excuse to justify such a far-reaching reform. However, the series of measures adopted will increase unemployment and poverty.

3.- We are facing an unprecedented attack by the economic authorities, which has the political authorities in their service. The crisis of representativeness of the political class is increasingly more obvious. Who are they governing for?

4.- Collective bargaining has adulterated. The disappearance of the extended validity at the end of 2 years is a great aberration, as the mere passing of time favours management.

5.- This new reform is proof of the state of health of social dialogue in Spain. The agreements and reforms that are being passed (or imposed) are leading to the impoverishment of the working

class compared to an increase in the power of management in labour relations and yet a further lowering of the percentage of earned income in wealth.

## The alternative that ELA proposes envisages:

1.- Radically different policies to the ones that are being applied. The reforms slashing labour rights that have been applied in recent years must be overturned and greater guarantees, more jobs and better quality jobs must be provided.

2.- Trade unionising companies. Trade union power in the companies has to be increased, and trade unions have to get organised and fight to strengthen the collective defence of workers. We will only achieve decent working conditions where we are strong.

3.- Mobilising. We have to react strongly to this and future attacks, express our total rejection and demand a radical change in the policies being applied. ELA will continue to work in this line with other social and trade union organisations.

**29 March, GENERAL STRIKE!**



# FIGHTING AGAINST CUTS

On Saturday 25 February, more than 20.000 people participated in the national demonstration held in Bilbao under the slogan *Move on in favour of our rights*.

The demonstration was called by ELA, along with the trade unions LAB, ESK, Stee-Eilas, CGT, HIRU and CNT, and many social movements and platforms that brought together forces to give a joint, clear and forceful answer to the continuing cuts of rights undertaken by the different governments, as they imply a

setback to workers' rights and they worsen the situation of job insecurity, poverty and exclusion of the more and more people..

These are our requirements:

- The right to participating in public policies.
- The repeal of the legislative and budgetary cuts applied to social benefits.
- To give up applying policies of cuts and to increase in social expenditures to converge with the social protection in Europe.

- Universal public services.
- A fair and progressive tax policy and a real fight against tax fraud.
- Employment of quality.
- Equal opportunities and effective policy of reconciliation of work and personal life.
- A Basque framework of labour relations and social protection with full legislation capacity.

# New wage moderation agreement

# COMPETITIVENESS AT THE

# EXPENSE OF LOWER WAGES

On 25 January 2012, the CCOO and UGT trade unions and the CEOE and CEPYME employers' associations signed an agreement covering employment and collective bargaining. The outcome of the agreement will be an important loss of purchasing power over the coming 3 years and greater labour flexibility on the side of the company. Some of the points of this controversial agreement are:

- **Wages:** the use of the CPI as the benchmark for wage rises has been relinquished, with increases of up to a maximum of 0.6% being agreed for the next 3 years. It has also been agreed that wages would have a variable part linked to productivity.

- **Flexibility:** The agreement envisages that the employer can have a pool of 5 days and that 10% of the annual working hours may be distributed irregularly throughout the year. There are also greater powers for job mobility.

- **Non-application of collective agreements:** formulas introduced allowing the entrepreneur not to apply the agreement in force.

- **Structure of the collective bargaining process:** Sectoral provincial agreements,

which were highly important in Spain until now, will continue to exist, but their contents are now restricted to all aspects of flexibility.

## VALORATION

It is an agreement that is only binding for the signatories, yet nobody will escape from its impact as it will be used as a benchmark and will condition collective wage bargaining throughout Spain. The agreement also implicitly accepts the more than questionable maxim that lower wages leads to more jobs.

ELA has expressed its disagreement with the Agreement, which it considers to be devoid of any reference. Contrary to what the Agreements sets out in its preamble, ELA does not believe that the workers are in no way responsible for the loss of competitiveness of the Spanish economy and refuses

to support the belief that low wages enhance competitiveness. Accepting otherwise means accepting one of the maxims of the most Neo-Liberal discourse.

This Agreement means accepting a significant loss of purchasing power for 2012, 2013 and 2014, and greater labour flexibility on the side of the company. It leaves the working class impoverished and gives management greater power in labour relations.

Three weeks later, the Spanish Government has passed a new labour reform. The chairman of the CEOE (Spanish employers' association) has said about the new reform that "it has been a great help to reach the agreement with the social partners regarding wage moderation in January. The trade unions opened the door and facilitated this step".

