FROM NATIONAL TO LOCAL:

THE DECENTRALIZATION OF EMPLOYMENT RELATIONS IN ROMANIA AND SPAIN DURING THE GREAT RECESSION

Sara Lafuente Hernández
(Métices, Université Libre de Bruxelles)

CRIMT Montréal, 21 May 2015
Programme Full Partners

UNIVERSITY OF GOTHENBURG

université evry val-d’essonne

KU LEUVEN CESO

University of Strathclyde Business School

Universidad de Opiedo Campus de Excelencia Internacional

ULB METICES Université Libre de Bruxelles

CEU CENTRAL EUROPEAN UNIVERSITY

Universytet Wroclawski

LONDON METROPOLITAN UNIVERSITY

Consulting Europa

Changing Employment

SEVENTH FRAMEWORK PROGRAMME

MARIE CURIE
Theme 1: Management and Employees

ESR2: Mona Aranea
ESR1: Sara Lafuente
ESR4: Dragos Adascalitei
Standpoint, question, methodology

Transformation on IR, institutional change, labor reforms and decentralization of CB.

Impact of Labor Reforms and Decentralization in TU Capacities and Strategies to reach success?

Power Resources Theory (Silver, Lévesque and Murray, Grumbell-McCormick and Hyman).

Case studies of local conflict, mobilization of PR and success

Findings: In the current hostile context, TU still reach relative success by mobilizing power resources at the local level (enhance their working conditions, wages, or bargaining position: significant effects by furthering their own interest).
Crisis context and labor reforms

Crisis → Supranational interventionism in Europe: austerity measures

Macroeconomic data severely affected (GDP, Unemployment, Poverty)

Welfare state eroded (cuts in public sector, social security, health system)

Labor Reforms (internal/external flexibility – opting outs, dismissals, unilateral changes; individual rights; CB)

<table>
<thead>
<tr>
<th>Romania</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011: Labor Code changes</td>
<td>2012: Labor Reform Act</td>
</tr>
</tbody>
</table>
Evolution of GDP, Unemployment and Poverty in Romania and Spain during the crisis

Source: IMF WEO Database and Eurostat
Crisis context and labor reforms

Crisis $\rightarrow$ Supranational interventionism in Europe: austerity measures

Macroeconomic data severely affected (GDP, Unemployment, Poverty)

Welfare state eroded (cuts in public sector, social security, health system)

Labor Reforms (internal/external flexibility – opting outs, dismissals, unilateral changes; individual rights; CB)

<table>
<thead>
<tr>
<th>Romania</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011: Labor Code changes</td>
<td>2012: Labor Reform Act</td>
</tr>
</tbody>
</table>
Evolution of the Collective Bargaining Coverage in Romania and Spain during the crisis

Source: Own elaboration from ICTWSS Database, Eurofound and SMESS
<table>
<thead>
<tr>
<th>Case 1 – Dacia plant (Romania)</th>
<th>Case 2: ArcelorMittal (Asturias-Spain)</th>
<th>Case 3: Acciona Energía (Navarra → Spain)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sectoral context</strong></td>
<td>Steel in the North region of Asturias Few dominant MNC (“regional champions”) Privatization, restructuring, globalization</td>
<td>1990s: Spectacular development (incentives) Fragmented/dispersed sector Energy Reform: cuts to RES New Interest of Management to centralize</td>
</tr>
<tr>
<td><strong>Company context</strong></td>
<td>1999: Renault Market strategy of the company: new successful car model</td>
<td>2006: Global company Delocation threat (no investment) National CBA: under renegotiation Decline of transnational alliances (EWC or bilateral interplant relations)</td>
</tr>
<tr>
<td><strong>TU strategy</strong></td>
<td>Strikes and negotiate plant CBA</td>
<td>Indirect influence on local management and government. EWC as source of information for local purposes.</td>
</tr>
<tr>
<td><strong>Power resources mobilized</strong></td>
<td>Organizational and Structural</td>
<td>Associational (and institutional)</td>
</tr>
<tr>
<td><strong>Success</strong></td>
<td>CBA signed at plant level Higher average wage Higher social benefits (meal tickets, holiday bonuses)</td>
<td>Agreement of R+D Local employment Stimulation of local economy</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td>Increase in productivity and pace of assembly line: loss in working conditions</td>
<td>Partner-lobbying?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not all objectives reached. (average was enough) Irregular working time, mobility, polyvalence</td>
</tr>
</tbody>
</table>
Conclusions and discussion

- Labor Reforms: total collapse of IR and social dialogue?. Relative TU success and power at the local level.
- Diverse power resources for diverse situations: Union strategies and success depend to large extent on local opportunities.
- Decentralization has trigged a process of reorganization of the labor movement, where local unions are the last capable of organizing workers at the local level.
- How to measure success? They follow management strategies. Power as a contested concept.
Merci
Thank you
slafuent@ulb.ac.be
www.changingemployment.eu
Case 3: Process of Union Power Building in Acciona Energía (2011-2014)
Regulatory changes decreasing levels of protection in employment, labor rights and collective bargaining in Spain and Romania during the crisis

Source: Own elaboration based on the European Commission LABREF database