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# Spain: Works Councils or Unions?

Modesto Escobar

#### 6.1 Introduction: Industrial Relations in Spain

In Spain works councils are legally defined as unitary bodies for the representation of workers at the workplace. The law also regulates the existence of union sections inside the firm. In this sense, there is a dual system of worker representation in Spanish labor relations. However, in contrast to many other systems, the "second channel" of interest representation is especially salient in relation to the unions, which control the works councils and implement their policies at the firm level through them. One of the main questions that the Spanish case raises is precisely whether and to what extent it is possible for a union to pursue its policies effectively by means of an institution with union and nonunion duties. Another important question concerns the implications of a council representation system in a country with two main unions divided along ideological and political lines: the socialist Unión General de Trabajadores (UGT—General Union of Workers) and the communist Comisiones Obreras (CCOO—Workers' Commissions).

Historically there has been a succession of very different labor relations systems in Spain. Since the 1930s, the country has experienced four different combinations of unionism and works councils: free unionism without works councils during the Second Republic (1931–39), neither free unions nor works councils under fascism (1939–53), works councils without free unionism (1953–77), and both free unions and works councils (1977 to the present).

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Works councils were first discussed in 1921 when the Institute for Social Reforms, a government advisory body, inspired by the creation of works councils in Germany in 1920, proposed the introduction of industrial cooperation councils, through the Law on Employment Contracts that was being debated at the time. However, unions and employers, both represented in the institute, took very different positions, and the project did not succeed (Borrajo 1975; Cabrera 1987; Soto 1989). However, it returned during the Second Republic in 1931, when a parliamentary commission approved the creation of unionized "intervention councils of workers" in all nonagricultural firms with a workforce of more than 50. Again, employers opposed the project, and it failed to get the approval of the Republican parliament (Borrajo 1975; Cabrera 1983).

During the Spanish Civil War many firms were expropriated. Revolutionary works councils led by the anarchist National Confederation of Labor (CNT) and, in some cases, by the socialist UGT confiscated enterprises and imposed a collectivistic production regime in agriculture and industry, especially in Republican regions such as Catalonia, Aragón, and Valencia (Girona 1987; Bosch, 1987; Casanova 1988).

The industrial relations system changed dramatically in the first phase of Francoism (1939-58), when it came to be based on "corporations." Unions were outlawed, with the exception of an official syndicate which both employers and workers were forced to join. Through this "vertical union," the state controlled labor relations on the assumption that there was no basic conflict between the interests of employers and those of workers. Wages and working conditions were regulated by governmental decree, and the hierarchical organization of the firm was established under a set of statutes called ordenanzas laborales. However, the official union was unable to control the regulation of production in every firm, as its activists were not numerous enough to be present in every workplace. For this reason, restricted works council elections were introduced, to legitimize the vertical union and to ensure the effective implementation of the ordenanzas laborales. This explains why the law on jurados de empresa, the first form of legally based works councils in Spain, was passed as early as 1947, long before the economic liberalization program of the late 1950s.

The second period of the Franco regime (1958–75) was characterized by economic liberalization. The autarchic economic strategy was replaced with an opening toward international markets. Labor repression was loosened through the introduction of a controlled system of collective bargaining in 1958 that gave negotiating rights to the already existing works councils and paved the way for the emergence of semiclandestine unions (Maravall 1978; Foweraker 1989; Balfour 1989). The state tried to control the system by reserving for itself the right to veto the candidates in works council elections, approve agreements between employers and workers, and impose compulsory arbitration if the two sides did not come to an agreement (Amsden 1972).

During the transition to democracy the main reforms in industrial relations

were aimed at granting bargaining autonomy to employers and workers and making the Spanish industrial relations system similar to that of other Western European countries. Free unions and employers' associations were admitted, and most of the mechanisms of state intervention in this area were dismantled. Works councils had their name changed from *jurados de empresa* to *comités de empresa*. Their compulsory presence was extended from enterprises with more than 50 to those with more than 10 employees, although in the smallest firms they were called *delegados de personal* (staff delegates). Also, state control over the electoral system was abolished, and workers and unions were given the right to present freely selected lists of candidates. Furthermore, unions were given certain competitive advantages in council elections over nonunion lists, and councils became worker-only bodies, no longer including the employer as they had under Franco. Finally, their cooperative functions were deemphasized in favor of representative functions, without detracting from the employer's right to manage.

There was a general conviction that works councils were institutions that should be allowed to survive in the context of a democratic industrial relations system. More problematic was their function in relation to unions. At the beginning of the transition, union workplace organizations were not legally recognized, putting many functions in the hands of the works councils, including firm-level negotiation and the organization of strikes. The bargaining role of unions inside the firms was not recognized until the Ley Estatuto de los Trabajadores (LET—Workers' Statute) of 1980.

At the same time, the new democratic labor legislation eliminated the representation of workers on the boards of enterprises, which had existed since 1962 and had provided for one worker for every six employer representatives. This is explained by union rejection of participation in a minority position in the management of private firms, as well as by employer resistance to parity on company boards. Unions were, however, eager to participate in the management of public enterprises. Participation was implemented in two stages: first, via union representation in public regulatory institutions and, second, with the introduction of union representation on the boards of public enterprises by an agreement in 1986 between UGT and the National Institute of Industry (INI), which is the holding company for Spanish public enterprises.

Simultaneously, a new union system emerged in the course of the democratization of Spanish institutions. To understand Spanish works councils better, it is necessary to sketch the main features of this system. First, the Spanish model of unionism may be labeled one of *representative duopoly*. In response to the multitude of union names that were registered immediately following the opening of the Register of Union Organizations in 1977, legal mechanisms were devised to insure the predominance of majority unions, similar to the French and Italian concept of "most representative" worker organizations. In contrast with these cases, however, works council elections, which are held nationwide every four years within a period of three months, are used to establish the representativeness of the unions. This has resulted in small unions losing representative status unless they are strictly concentrated in one sector or geographical area.

Representative duopoly in Spanish unionism has a number of exceptions, the most important ones being regionally based unions. In the Basque country, the Christian Democratic Solidarity of Basque Workers (ELA-STV) fills the largest number of council seats. The same holds in Galicia for the Nationalist Union of Galician Workers (INTG), now known as the Galician Inter-Union Coalition (CIG). As a consequence, both have achieved the status of representative unions in their regions as well as for national-level collective bargaining. In addition, in individual enterprises there often are minority unions with more than 10 percent of elected councillors, giving them the right to negotiate collective agreements. Among these are the socialist autonomous Union Sindical Obrera (USO), the anarchist General Confederation of Workers (CGT), which exists mainly in Catalonia, the Independent Union Confederation of Civil Servants (CSIF) in public administration, and various company unions or nonunion lists that arise where the majority unions are weak, or where there are charismatic leaders that are not integrated in those organizations.

A second feature of Spanish unionism is its *political dependence*. As in all southern European countries, the major unions are linked with political parties and are typically subordinate to them. The relationship of the UGT with the Partido Socialista Obrero Español (PSOE—Spanish Socialist Workers'party) is rooted in the origins of the two organizations. The UGT was set up by PSOE activists. During the tenure of its first general secretary, Pablo Iglesias, the top leadership was the same for both organizations. After Iglesias's retirement in 1918, the leadership was divided between Francisco Largo Caballero and Julián Besteiro, although each of them was on both the PSOE and UGT executive committees.<sup>1</sup> In the Second Republic the two leaders disagreed fundamentally on economic and political matters, leading to deep division among the party and union rank and file during the Civil War (Gillespie 1988, 35–52).

Both Largo Caballero and Besteiro lived in exile until the beginning of the 1970s, a time when younger leaders emerged in Spain. Most prominent among them were Nicolás Redondo, from the Basque socialist movement, and Felipe González. The 1973 UGT congress in Toulouse, France, marked the ascent of Redondo to the top leadership of the union. After Redondo relinquished his role in the party at the 1974 congress in Suresnes, Felipe González, leader of a Sevillian group of socialists, was named the new secretary general of the PSOE, with an executive committee composed of domestic leaders.

Until 1985, Redondo and González worked together without major frictions. Their common goal was the growth of their respective organizations, which

<sup>1.</sup> At the end of the 1920s, "of the eleven positions in each of the two executive committees, eight were held by officials who were in both committees, and the five who were in control of daily decision-making were the same in both organizations" (Tuñón de Lara 1985, 257).

they could achieve only through mutual assistance. The PSOE, the main opposition party from 1977 to 1982, formed a common front with the UGT against the government of the Unión de Centro Democrático (UCD), a coalition of many small parties. In the first years of the Socialist government, the UGT took advantage of its good relations with the government to improve its position in competition with CCOO. However, the PSOE's program of economic stabilization was bound to conflict with the desire of the UGT to protect workingclass interests. The new law on retirement benefits, the project for industrial restructuring, the liberalization of labor markets, the priority given to the fight against inflation, low wage increases, and high unemployment caused a progressive deterioration in the relationship between the party in government and the unions. The schism began with Redondo's vote in Parliament against the new pension law and continued with the resignation of the UGT leadership from the Socialist parliamentary group; it climaxed in a general strike in December 1988 that paralyzed the country in protest against the government's economic policy.

The CCOO, on its part, which had emerged spontaneously from worker activism under Francoism, was used by the Partido Comunista de España (PCE—Communist party) in its fight against the dictatorship from within its institutions. Although originally the union was a politically independent organization committed to the struggle for working-class interests and accepted in its core not only independent members but also activists from other parties (Ariza 1976), at the beginning of the 1970s all major executive positions were held by PCE members. After the transition, however, the CCOO also gained more independence, although for very different reasons than the UGT—not because of differences in political strategy, but because of the PCE's political weakness. As long as the party was strong, it used the union as a platform for its political objectives. However, when the PCE lost almost its entire parliamentary representation in the 1982 elections, the union recovered the political initiative.

Third, Spanish unions are *organizationally weak*, having together with France the lowest membership figures in Western Europe. Today, approximately 10 to 15 percent of the employed wage-earning population is affiliated to a union (Escobar 1991). Membership density reached its peak in 1978 with approximately 40 percent and declined to a little more than 20 percent in 1981. In the manufacturing industry, too, surveys have periodically shown a declining tendency since the end of the 1970s. In 1978, 42 percent of industrial workers were *not* affiliated to a union. In 1980, this proportion increased to 60.7 percent, and in 1984, it reached 75.4 percent (Pérez-Díaz 1985, 1992).

This dramatic decline has several explanations. The euphoria of the transition was associated with rapid but unstable growth in the desire to participate in public life, principally through neighborhood associations and workers' associations. There also was an initial belief that union members would have advantages over nonmembers—this was disappointed by the unions' inability to gain favorable agreements for their members at a time of economic crisis. Spanish unions also failed to offer attractive services to their members. In addition, the economic crisis with high unemployment did not favor stable membership, nor did the evolution of the economic structure, especially the growth of the service sector, of the black market, and of new forms of business organization. The membership decline reached its bottom before the general strike of 1988. The strike seems to have resulted in a progressive absolute increase in membership, tracing the simultaneous growth in employment. According to the UGT, between 1986 and 1989 its membership grew from 333,000 to nearly half a million, a 44 percent increase (UGT 1989, 53). In the CCOO there was a 33 percent increase between 1984 and 1989, from 375,000 also to about half a million.

Membership figures do not adequately reflect the power and influence of Spanish unions, however. Support for unionism, as reflected in voting behavior in council elections, must also be taken into account. At the beginning of the transition, three-fourths of industrial workers were in favor of unionism. In a 1980 survey 47.8 percent showed no support for any union organization, and in 1984 the same segment had declined to 41.2 percent, despite the continuing decline in membership (Pérez-Díaz 1992). In 1988, 43.5 percent did not sympathize with any union (Instituto de Estudios Sociológicos [IDES] 1989), and in 1991, with a differently worded question, 62.4 percent of the workers responded in this way (Escobar 1991). The data seem to indicate growing disenchantment with unionism during the mid-1980s and early 1990s.

The weakness of Spanish unions is especially visible in their organizations. The low number of full-time staff working for the UGT—less than 100 people in 1989—the low number of elected officials, and the poor training of its activists impinge on the union's effectiveness. Unlike their Western European counterparts, Spanish unions are very young. After 40 years of illegality, they had to build their organizations in a short period of time. Fifteen years, mostly of economic crisis, are not enough to create the organizational infrastructure of effective union activity. Organizational weakness is particularly evident in the shortage of financial resources. Spanish unions keep their dues low to avoid further loss of members. This forces them to cut costs, though at the same time they must offer services to their members. As a consequence, unions have to turn to other sources of revenue. In particular, the state became the big benefactor of the unions in the mid-1980s, mainly as a result of the law requiring restitution of union property confiscated by the Francoist regime—a law that was especially advantageous to the UGT.

It is also true, however, that Spanish unions have considerable mobilizing capacity. In part this is the result of the experiences of the working class under Francoism. During Franco's last 20 years, worker organizations were illegal; it was, therefore, impossible to build a formal network of union activities. However, by allowing collective negotiation, the regime gave union leaders the op-

portunity to learn to mobilize workers in adverse conditions of police control and semi-illegality of strikes.

This has produced three major forms of union mobilization: sectoral or enterprise strikes, general strikes, and demonstrations. Strikes at the sectoral or enterprise level are the main way of promoting union demands. They take place either during the negotiation of collective agreements or when employers do not adhere to an agreement. The majority of work days lost results from this type of conflict. During the 1980s, industrial conflict was more frequent in Spain than anywhere else in Europe—it was slightly higher than in Italy. Conflict was most intense in the four years from 1976 to 1979 (table 6.1), during the transition period, when workers mobilized for demands pent up from the time of the dictatorship and the unions acted to establish their presence and prove their power.

The main indicator of the unions' mobilizing capacity is the effectiveness of their strike calls, which can be measured by the percentage of workplaces or workers that join a strike. Since 1986, the first year for which reliable data are available, the effectiveness of strike mobilization with respect to workplaces has normally been above 70 percent, and with respect to workers it

| Year | Unemployment<br>(%) | Inflation<br>(%) | Growth<br>(%) | Strikes* |
|------|---------------------|------------------|---------------|----------|
|      | · ·                 |                  |               |          |
| 1975 | 4.0                 | 16.7             | 1.1           | -        |
| 1976 | 4.9                 | 16.7             | 3.0           | 12,593   |
| 1977 | 5.7                 | 22.8             | 3.3           | 16,642   |
| 1978 | 7.4                 | 20.2             | 1.8           | 11,551   |
| 1979 | 9.1                 | 16.7             | 0.2           | 18,917   |
| 1980 | 11.8                | 13.7             | 1.8           | 6,178    |
| 1981 | 14.6                | 12.0             | -0.3          | 5,154    |
| 1982 | 16.5                | 13.8             | 1.2           | 2,788    |
| 1983 | 18.1                | 11.6             | 1.8           | 4,417    |
| 1984 | 20.9                | 10.9             | 1.9           | 6,358    |
| 1985 | 21.9                | 8.5              | 2.3           | 3,223    |
| 1986 | 21.5                | 10.5             | 3.8           | 2,279    |
| 1987 | 20.5                | 5.9              | 5.6           | 5,025    |
| 1988 | 19.5                | 5.7              | 5.2           | 6,843    |
| 1989 | 17.3                | 7.0              | 4.8           | 3,685    |
| 1990 | 16.3                | 7.3              | 3.7           | 2,443    |
| 1991 | 16.3                | 6.9              | 2.4           | 4,421    |

#### Table 6.1 Macroeconomic Indicators, 1975–91

Sources: Instituto Nacional de Estadistica, Contabilidad Nacional de España (Madrid: Ministerio de Hacienda, Secretaria General Tecnica, various years); Instituto Nacional de Estadistica, Encuesta sobre Población Activa (Madrid, various years).

"Working days lost, in thousands.

exceeded 75 percent every year. In 1986 it even reached 94 percent of a total of one and three-quarter million workers called out to strike.

General strikes may be called for subnational geographical areas. During industrial restructuring, several general strikes took place in localities such as Sagunto and Reinosa, whose main industrial plants were closed, and in regions like Asturias and Murcia. Since the beginning of the transition, only five general strikes have been called for the entire country. The first was called by the CCOO against a wage freeze and for amnesty, freedom, and democracy. At the time the UGT had not yet held its first congress and did not participate in the call to strike. The second general strike was called by the short-lived, Coordinating Committee of Union Organizations (COS), which included the UGT, CCOO, and USO, against the referendum for political reform and in support of a joint platform of Socialist, Communist, and other centrist or leftist parties. The third followed the attempted coup d'état of 1981 led by Colonel Tejero and was called only by the CCOO, as was the strike in 1985 against the Retirement Pension Law. Next was the general strike of 1988, called by the two majority unions against the Socialist government's economic policies, which was a complete success for its organizers. Finally, in 1992 the CCOO and UGT called for a four-hour general strike, with less success, against a governmental decree cutting unemployment benefits and proposed legislation regulating strikes.

#### 6.2 Spanish Works Councils since Democratization: The Political and Economic Setting

Works councils played an important role during the transition to democracy (1975–78). For the 1975 elections of *jurados de empresa*, the CCOO promoted in many firms so-called *candidaturas unitarias y democráticas* (CUD—democratic unitary lists), with candidates belonging to different illegal parties or unions which had been in opposition to the Franco regime. The anarchists and the Socialists of the newly founded UGT, for their part, opposed participation in these elections.

The CUD were successful in some sectors of the economy and in certain geographical areas. Balfour (1989) has reported documents, found in the headquarters of the police in Barcelona, that include a chart of the election results in that province. Sixty-nine percent of the elected delegates belonged to the CUD. Among them, police classified 44 percent as *red* (*sic*)—and of these, 9 percent as *good* (*sic*) and 22 percent as *bad*, many of the latter being members or sympathizers of clandestine organizations with a "criminal" record or at least a personal file in the police archives. In some places an alternative to representation by *jurados de empresa* was organized by the workers. This system consisted mostly in nonstanding committees elected in mass meetings; it disappeared after the first democratic works council elections in 1978.

The initial period of the transition was marked by high political mobilization

and strong demands for higher wages. Works councils whose members belonged to an opposition party or union played an important role in mobilizing workers in favor of one of the two paths to democracy that were discussed at the time. Two main political options were available (Maravall and Santamaría 1986): *reforma* (reform) and *ruptura* (breakup). The former entailed a smooth process of democratization that preserved some elements of the old regime; the latter favored more rapid change through the formation of a provisional government. Most local labor leaders endorsed the second choice and mobilized for it (Fishman 1990). The confrontation between the two models resulted in the adoption of a compromise path to democracy, called "negotiated reform" and backed by the two main leftist parties, the PSOE and PCE. Works councils and workers, backed by the semi-illegal unions, also managed to obtain high wage increases during this period, in a time of international economic crisis.

Nineteen seventy-seven was a key year in the transformation of labor relations in Spain. Unions were legalized under a pluralist model, against the policy of the CCOO, which tried to build a unitary union structure. Two governmental decrees were issued clarifying the rules of industrial relations, one regulating collective bargaining and the right to strike and the other establishing worker representation through *comités de empresa* and the rules for the first democratic works councils. In addition, the first attempt to deal with the economic crisis through social pacts was made, although the first pact included only the main parties with parliamentary representation, ranging from the moderate right to the Communists (Pactos de la Moncloa).

The second period (1978-85) in the evolution of industrial relations in the young Spanish democracy was one of social as opposed to political concertation. After the Moncloa Pacts, the first two accords were reached between the peak employers' organization, the Confederación Española de Organizaciones Empresariales (CEOE), and the Socialist UGT. While the CCOO tried to rely on direct mobilization of the workers, the UGT engaged in negotiation with employers, offering moderation in exchange for union recognition at the workplace. At the national level, wage increases were agreed, together with the contents of the coming legislation on industrial relations, the Workers' Statute. One result were new confrontations at the enterprise and provincial levels between the two main unions, with the UGT willing to negotiate wage raises within the limits set at the national level and the CCOO trying to mobilize workers to obtain more, at least in firms not suffering from the effects of the crisis. This led to a debate about the structure of collective bargaining in which the CCOO defended an articulated form of negotiation, under which agreements at lower levels could improve on the national agreement, while the UGT and CEOE favored the extension of the national agreement to all lower levels of bargaining, except in situations of economic crisis.

Bilateral social concertation between the UGT and CEOE broke up for two reasons: the danger of a breakdown of democracy, as evidenced by the unsuccessful coup d'état of 1981, and the worsening of economic conditions, manifested mainly in high unemployment. These two factors made the CCOO join social concertation, leading to the National Agreement on Employment that was signed in 1981 by the government, the CEOE, and the Socialist and Communist unions. Two years later another agreement followed, negotiated by the CEOE, UGT, and CCOO, without the signature but with the approval of the Socialist government. The two agreements reduced the conflict between the unions but generated tensions inside the CCOO that led to a decline in its membership and its representation on works councils, in favor of the UGT. At the time, social concertation seemed to be effective in controlling inflation and labor conflicts; it was, however, unable to improve employment (table 6.1).

In 1985, the UGT, but not the CCOO, signed together with the employers and the Socialist government a national agreement that ended the period of centralized collective bargaining and income policies (Espina 1990). All pacts had focused on industrial relations outside the firm, giving a salient role to the peak union organizations at the expense of works councils and other local union structures (Giner and Sevilla 1984; Roca 1987; Zaragoza 1988; Pérez-Díaz 1992). At the workplaces, a deep division developed between the two unions' sections, with the CCOO accusing the UGT of following and implementing government policy, and the UGT accusing the CCOO of supporting Communist party opposition to the Socialist government. After the CCOO had won the majority in the two first works council elections, the UGT, backed by the Socialist party, won the majority of seats in 1982.

During the period of social concertation, the Socialist government promoted a tough plan to restructure several sectors affected by the crisis. While the UGT took a moderate position on this, the CCOO adopted a strategy of countermobilization. Works councils, under pressure from the rank and file, tried to defend the current level of employment and negotiate the best possible conditions for layoffs. The Socialist government also tried to make labor markets more flexible, amending the chapter on employment of the Workers' Statute to open the way for new forms of employment contracts. While this was to increase employment and facilitate the creation of new jobs, it resulted in the segmentation of the workforce and the creation within workplaces of two kinds of workers with different interests, raising new problems for the works councils.

In its dealings with unions, in its first period the Socialist government backed the UGT. Legislation was passed that gave union sections a seat on works councils and the right to be recognized by employers. In addition, measures were taken to support unions financially in a way that favored the UGT. After Spain's accession to the European Community in 1986 and as a result of a restrictive monetary policy that raised interest rates, foreign capital increasingly flowed into Spain, mainly benefiting the financial sector but also resulting in key companies being sold at low prices.

A new period began after 1985, when the expectations of UGT leaders that

the government they supported would pursue social democratic policies were finally disappointed. This gave rise to tensions and estrangement between them and the Socialist party. The first strains were related to the government's policy of industrial restructuring, but the issues that led to the greatest tensions were a pension reform designed to reduce public expenditure, various measures to increase labor market flexibility—like the Decreto sobre Empleo Juvenil (Decree on Youth Employment) that was the immediate cause of the successful general strike—and more recently the reduction of unemployment benefits.

After the mid-1980s, macroeconomic concertation no longer took place. The UGT argued that it was time that workers benefited from economic growth and business profits, which were to a large extent due to wage moderation during the democratic transition. The government, for its part, absolutely refused to make concessions, arguing that a wage increase was incompatible with the objectives of low inflation and competitiveness in the European Common Market. The employers' association, the CEOE, closed ranks with the government, while the CCOO, given the Communist party's political weakness, tried to forge an alliance with the UGT in an attempt to weaken the Socialist party's base among workers. As a consequence, wage negotiations had to take place at the regional, provincial, or firm level, where the UGT and CCOO tried to obtain increases above the wage raise proposed by the government. In the public sector, no agreement was possible and conflicts increased; in the private sector, employers, in a context of economic recovery, were willing to concede wage increases as long as they could assure social peace, and perhaps in order to divide the unions and the government.

The effects on works councils of this new economic and political scenario were dramatic. The UGT and CCOO became more likely to take similar positions in negotiating with employers, especially with public firms, while at the same time enjoying greater autonomy from central unions and no longer being restricted by peak-level negotiations. In 1991 and 1992, national unions refrained from issuing general wage guidelines for their members on negotiating committees, and unionized workforce representatives began to negotiate high raises in exchange for collaboration with employers trying to adapt their enterprises to more open markets, subsequent to the integration of Spain into the European Community.

#### 6.3 Legal Regulations

The structure, composition, election, duties, and rights of Spanish works councils are highly regulated, mainly through the Workers' Statute approved by Parliament in 1980, at the end of the transition period. The statute permits further regulation by formal or informal collective agreements and is complemented by a large number of court rulings resolving conflicts of interpretation between employers and employees (Rodríguez-Sañudo 1988; Martín Herrero 1991; Albiol 1992). The rights conferred by the Workers' Statute to the works councils are the following:

Information rights: The employer must inform the works council at least quarterly of the economic development of the sector and the firm's production, sales, and employment prospects. The council must also be informed annually of the balance. In joint-stock companies, the employer must provide the council with all the documents he distributes to shareholders. Works councils must also be regularly informed on other topics, such as the level of absenteeism, work accidents, and occupational diseases. A posteriori, the works council must be given information on all sanctions imposed on workers for offenses. Finally, councils are empowered to review all written contract forms, and since 1990 employers must give councils an abstract of every new employment contract, with the exception of those for senior management.

Consultation rights: Although the Workers' Statute reserves the management function for the employer, works councils have the right to be heard on matters such as reduction of working time, redundancies, job reorganization, functional and geographic mobility of workers, training programs, introduction or revision of systems of work organization or supervision, and changes in the incentive system and job evaluation. These are important resources for works councils in influencing management decisions. The Workers' Statute specifies that in cases of redundancies and major changes in work organization, management must obtain authorization from the public authorities unless an agreement is reached with the works council.

Legal action rights: One of the most important functions works councils perform in Spain in monitoring the implementation of labor legislation and collective agreements. For this purpose, they have the right to take judicial or administrative action against employers and can take them to court for not observing legal regulations regarding not only the works council itself, but also the entire workforce.

*Negotiation rights:* From the legal reintroduction of collective bargaining in 1958, at a time when unions were banned, works councils have been entitled to negotiate collective agreements at the enterprise level. They have retained this right, while unions must meet certain criteria to be entitled to bargain.<sup>2</sup> The scope of the bargaining rights of Spanish works councils includes wages, working time, union rights, and any other labor questions.

*Right to strike:* While works councils in other European countries typically have no legal recourse to the strike, Spanish councils do. The right to strike is usually exercised while negotiations are taking place, during conflicts over the interpretation of collective agreements, or to bring pressure to bear on other employer decisions not regulated by law or industrial agreement.

<sup>2.</sup> They need recognition from the employer. Alternatively, they must, either alone or together with other organizations, have more than 50 percent of the representatives elected in the sector or region for which negotiations are held.

Right to manage the social funds of the firm: Almost every big firm in Spain has a special fund to promote the social welfare of the workers. The money is used to make low-interest loans, to subsidize the education of the children of workers, and to organize sports competitions, parties, and clubs. According to the law, these funds must be co-managed by the works council together with the employer.

Complementing their rights, Spanish works councils have the following obligations: to collaborate with management in maintaining and increasing productivity, to inform the workers on all matters related to the firm's labor relations, and to observe confidentiality on all information their members receive in their capacity as workforce representatives. The law requires the employer to provide works councils with resources, in particular adequate office space and notice boards and paid time off for performance of representative functions, depending on the number of employees in the workplace. Council members also enjoy special protection from dismissals.

Spanish works councils are elected by a firm's entire workforce. However, in firms with more than 250 employees, they also include directly appointed union delegates that have the same rights and obligations as the other members, except that they are not allowed to vote. The number of council members depends on the size of the plant. The Workers' Statute makes the workplace the basis for the election, but the definition of "workplace" is left unclear. Different locations and sizes of a firm's plants gives rise to conflict between workers and employers in delimiting works council constituencies. Workers and unions try to increase the number of elections in order to have adequate organizational structures in each single workplace, while employers prefer to hold common elections for all plants in order to minimize the costs of council representation.

Table 6.2 shows the legal number of council members by size of workplace.

| Size of Workplace<br>(number of employees) | Number of<br>Council Members | Number of Union<br>Representatives | Paid Hours per<br>Council<br>Member |
|--|------------------------------|------------------------------------|-------------------------------------|
| 6-30                                       |                              |                                    | 15                                  |
| 31-49                                      | 3                            |                                    | 15                                  |
| 50-100                                     | 5                            |                                    | 15                                  |
| 101-250                                    | 9                            |                                    | 20                                  |
| 251-500                                    | 13                           | 1                                  | 30                                  |
| 501-750                                    | 17                           | 1                                  | 35                                  |
| 751-1000                                   | 21                           | 2                                  | 40                                  |
| 1001-2000                                  | 23                           | 2                                  | 40                                  |
| More than 2000                             | 25-75ª                       | 3-4 <sup>b</sup>                   | 40                                  |

| Table 6.2 | Legal Number o | f Works Council | Members by | Size of Workplace |
|-----------|----------------|-----------------|------------|-------------------|
|-----------|----------------|-----------------|------------|-------------------|

\*Starts at 25, plus one for every 1,000 additional workers, up to a maximum of 75.

<sup>b</sup>Three for workplaces with fewer than 5,000 workers, and four for larger workplaces.

A firm with three plants in the same province, each with 200 employees, could either agree to set up three works councils with 9 members each, or have only one works council with 17 members, which means that it would have to pay for 10 fewer representatives. A good example of the possible consequences of reorganization of constituencies is the Spanish National Railways, which before the 1986 elections reduced the number of constituencies from 134 to 51—one works council for each province, except for Madrid with four and Barcelona with two—and the number of representatives from 1,947 to 1,139 (Femer 1988, 94).

Although the entire workforce of a plant or firm has the right to vote, the law divides the elections in workplaces with more than 49 employees into two "colleges," one for technical and administrative staff (or white-collar workers) and the other for skilled and unskilled (blue-collar) workers. The Workers' Statute makes it possible to establish a third college for middle management by collective agreement. This, however, has only rarely been done: in the 1990 elections, only 8,143 voters were classified in the third college (excluding the Basque country; UGT 1992). The objective of the division is to assure the proportional representation of each group of workers where one of them constitutes a minority. Unions or workers can call elections every four years. Works councils are not compulsory unless there is an initiative to form one, either from a representative union or from the majority of the workers in a plant or firm. Most works council elections take place within a period of three months, so that the results can be used for granting unions representative status at the territorial or functional level above the individual firm. Where several unions or groups of employees schedule an election, the first initiative has priority over later ones. In the 1990 elections, the CCOO, being a representative union at the national level and thus having the right to call elections everywhere, scheduled elections in more than 200,000 workplaces. Its strategy was to hold elections as early as possible in the three-month period in those firms in which it expected to win a majority and delay elections to the end of the period in firms that it might win. In this way, the campaigns of the rival unions would not jeopardize its victory in "CCOO firms," while a good CCOO campaign might influence the results in the others. However, all this strategy led to a harsh confrontation between the two main unions and mutual charges of electoral fraud during the three-month election period.<sup>3</sup>

#### 6.4 Presence and Composition of Works Councils

From the first democratic elections in 1978, the number of workplaces where works council elections are held within the three-month period has increased, especially after 1986 (table 6.3). This can be attributed to growing

3. Even after the elections, there were mutual accusations of fraud. This is the reason the government did not publish the official results until one year after the end of these elections.

| Year              | Workplaces<br>Participating | Workers<br>Participating | Representatives<br>Elected |
|-------------------|-----------------------------|--------------------------|----------------------------|
| 1978              | 61,850                      | 3,821,839                | 193,112                    |
| 1980              | 61,049                      | 3,419,914                | 164,617                    |
| 1982              | 53,601                      | 2,987,933                | 140,770                    |
| 1986              | 70,812                      | 3,159,778                | 162,298                    |
| 1987°             | 1,432                       | 997,522                  | 13,065                     |
| 1990              | 109,133                     | 5,443,283                | 237,261                    |
| 1990°             | 2,123                       | 1,181,533                | 15,375                     |
| 1990 <sup>5</sup> | 107,010                     | 4,261,750                | 221,886                    |

 Table 6.3
 Official Results of Works Councils Elections

Source: Ministerio de Trabajo y Seguridad Social (MTSS 1992).

\*Public administration only.

<sup>b</sup>Excluding public administration.

competition between the two main unions, as well as to new legislation in 1985 that gave unions more rights in the workplace and confirmed that the "representativeness" of a union depended on the election results. According to the law, a union is representative at any level if it obtains more than 10 percent of council seats at the national level, or more than 15 percent at the regional level. Furthermore, since the 1977 Moncloa Pacts, unions and employers' associations have the right to participate in state agencies such as the National Institute for Unemployment (INEM), the Health National Institute (INSA-LUD), and the National Institute for Social Services (INSERSO), with union positions being allocated in proportion to the election results.<sup>4</sup> Moreover, the Socialist government began to support unions financially in proportion to the number of works council seats they held.<sup>5</sup>

It is difficult to determine precisely the number of firms with a works council since statistically firms are defined as organizational units paying into the social security system, which may not be coterminous with the constituencies of works councils. In 1989, when there were about 20,000 units of this type with more than 50 employees, about 14,000 works council elections were held in workplaces of this size. The number of workers in these firms was about four million, while the electorate included about three million. An approximate calculation shows that about 75 percent of the workers in firms with more than 50 employees had the opportunity to vote for a council, and that roughly 70 percent of the works council.

<sup>4.</sup> In every province, unions are entitled to three representatives in every state agency with provincial offices. A union that obtains a majority of works council seats in all provinces would thus have 100 representatives in just one agency.

<sup>5.</sup> Between January 1986 and June 1989, the UGT, the union with the highest income from subsidies, received 2,127 million pesetas from the government, out of total union revenues of 5,202 million pesetas (UGT 1989, 158).

All in all, the 109,133 works councils officially counted in the 1990 elections represented an electorate of 5,443,000 workers. Since there were more than nine million wage earners in Spain at the time, about 60 percent of Spanish workers were thus represented by staff delegates or works councils. This figure could in fact be somewhat higher because some elections do not take place within the three-month period<sup>6</sup> or are not included in the official results because of procedural problems.

Another source of evidence on the diffusion of works councils are surveys. In the 1984 survey directed by Pérez-Díaz, only 10 percent of the industrial workers in enterprises with more than 500 employees, and 50 percent in enterprises with fewer than 25 employees, answered that there was no works council in their firm. The overall results for the six sectors studied (metals, textiles, building, mining, chemicals, and food processing) showed that 23 percent of the workers did not have council representation in their workplace. Workers employed in public firms in those sectors were less likely not to be represented by a council (8 percent), and the same holds for workers in multinational firms (12 percent). In private Spanish firms, 27 percent of the workers had no works council representation.

The legal regulation of works councils in Spain also pertains to the election process. In workplaces with fewer than 50 workers, voters can vote for between one and three candidates. In larger workplaces voters must choose between lists. Each list is composed of a ranked set of candidates belonging to the same union. The system gives the union section the power to nominate the candidates and makes it very difficult for nonunionized workers to run for election, although this is possible provided a potential candidate manages to obtain a minimum number of signatures from workers. Also, any group of workers may be legally registered as a union and in this case would not have to collect any signatures. This explains the picturesque names of some unions that won seats in the 1990 elections.<sup>7</sup>

A problem with the closed-list system is that a union may not have enough members in a workplace to fill a list. The result is that in some nonunionized firms, union lists include not just union members but also sympathizers, generally the former at the top and the latter at the bottom. In fact, there is evidence that a significant number of council members elected on union lists are not actually union members. In a survey of representatives and members of the UGT, 24 percent of the works councillors were not members, 5 percent had quit the union after the election, and of the 71 percent unionized council mem-

<sup>6.</sup> E.g., a firm studied for this project, with about 10 thousand workers, held elections a year before the general elections since its first elections had been outside the official counting period and it followed the four-year rhythm established by the law.

<sup>7.</sup> E.g., Sociedad Obrera: La Marítima Terrestre (Worker Society: The Terrestrial Navy), Asociación de Mandos Intermedios de Tubos Reunidos (Association of the Intermediate Command of the Jolned Tubes), and Asociación de Personal Encuadrado en la Tercera Categoría de ENDESA (Association of Staff in Third Category of ENDESA).

bers 22 percent had joined only after the election (Bouza 1989). Although data on the other main union in Spain are not available, it is likely that the percentage of nonmembers among CCOO works councillors is even higher, as a result of the greater openness of this union to nonaffiliated workers.

The official election results (table 6.4) show a high and increasing share of works councillors elected from among union candidates. While in the first free election 18 percent of elected councillors were nonunion candidates, in 1990 this figure had declined to less than 5 percent, and the two main unions won almost 80 percent of council seats. These results confirmed the Spanish model of biunionism, with the exception of two autonomous regions: the Basque country, where a nationalist Christian Democratic union won more than 37 percent of the seats, and Galicia, where a nationalist leftist union won more than 23 percent.

While the two main unions interpret the election outcomes as a victory for the class-oriented labor movement, others, such as the USO, CGT, and CNT, point to the electoral mechanism, complain about fraud, and blame political and governmental intervention. As a matter of fact, the electoral rules—for example, excluding from works council seats candidates from lists with less than 5 percent of the vote—favor big unions with the ability to present lists in a large number of workplaces.

Table 6.5 reveals interesting voting patterns. Although on the whole the UGT was the winner, with 42.6 percent of the vote, in workplaces with more than 49 employees the CCOO was more successful (39.8 percent vs. 37.0 percent). The main difference between the two unions is found among skilled and unskilled workers, where the CCOO is clearly favored. Also, small unions and nonaffiliated candidates get most of their votes among technical and administrative staff, while more than one-half of the votes for the UGT come from workplaces with fewer than 50 workers.

Another aspect of the unionization of Spanish works councils is the extent

| Table 6.4         |      | Works Council Elections: Distribution of Seats by Union (%) |     |     |     |      |                 |          |  |
|-------------------|------|---|-----|-----|-----|------|-----------------|----------|--|
| Year              | UGT  | CC00  | USO | ELA | CIG | CSIF | Other<br>Unions | Nonunion |  |
| 1978              | 21.7 | 34.4  | 3.9 | 1.0 | _   |      | 20.9            | 18.1     |  |
| 1980              | 29.3 | 30.9  | 8.7 | 2.4 | 1   |      | 11.9            | 15.7     |  |
| 1982              | 36.7 | 33.4  | 4.6 | 3.3 | 1.2 |      | 8.7             | 12.1     |  |
| 1986              | 40.9 | 34.5  | 3.8 | 3.3 | 0.7 |      | 10.0            | 7.6      |  |
| 1987*             | 23.1 | 24.2  | -   | _   | _   | 24.9 | 27.8            | _        |  |
| 1990              | 42.0 | 36.9  | 2.9 | 3.2 | 1.5 | 2.6  | 7.1             | 3.8      |  |
| 1990 <sup>a</sup> | 26.9 | 28.4  | 0.9 | 2.0 | 1.8 | 19.4 | 18.2            | 2.4      |  |
| 1990 <sup>6</sup> | 43.1 | 37.6  | 3.0 | 3.2 | 1.5 | 1.4  | 6.4             | 3.9      |  |

Source: Ministerio de Trabajo y Seguridad Social (MTSS 1992).

Public administration only.

<sup>b</sup>Excluding public administration.

|                     |                   | Wanderlagen with Deriver  |                            | Workplaces with 50 or More Employees | More Employees              |               |
|---------------------|-------------------|---|----------------------------|--------------------------------------|-----------------------------|---------------|
| Union               | Total             | workplaces with rewer<br>than 50 Employees  | AII                        | First College <sup>a</sup>           | Second College <sup>b</sup> | Third College |
| UGT                 | 1,292,545 (42.6)  | 719,300 (48.5)  | 573,245 (37.0)             | 424,587 (38.0)                       | 145,679 (34.4)              | 2.979 (35.4)  |
| 0000                | 1,201,275 (39.6)  | 585,156 (39.5)  | 616,119 (39.8)             | 409,134 (36.6)                       | 204,807 (48.4)              | 2,178 (25.9)  |
| CIG                 | 44,993 (1.5)      | 25,565 (1.7)  | 19,428 (1.3)               | 12,437 (1.1)                         | 6,948 (1.6)                 | 43 (0.5)      |
| Nonunion            | 107,506 (3.5)     | 43,082 (2.9)  | 64,424 (4.2)               | 53,185 (4.8)                         | 10,927 (2.6)                | 312 (3.7)     |
| Other unions        | 379,092 (12.5)    | 108.211 (7.3)   | 270,881 (17.5)             | 215,010 (19.3)                       | 52,970 (12.5)               | 2,901 (34.5)  |
| Total               | 3,030,947 (100.0) | 1,482,755 (100.0)   | 1,548,192 (100.0)          | 1,116,858 (100.0)                    | 422,921 (100.0)             | 8,413 (100.0) |
| Sources: UGT (1992) |                   | from Ministry of Labor and Social Security data. Basque country results not included. | . Basque country results 1 | hot included.                        |                             |               |

| ks Council Elections. 1990: Distribution of Votes by Union and Employee Category |  |
|--|--|
| Works Co   |  |
| Table 6.5  |  |

Note: Table reports absolute numbers with percentages in parentheses.

<sup>a</sup>Technical and administrative staff.

<sup>b</sup>Skilled and unskilled workers.

Middle management.

<sup>d</sup>Percentages do not add up to 100 due to missing data.

| Composition           | Number | Percentage |
|-----------------------|--------|------------|
| UGT present           | 437    | 82.3       |
| CCOO present          | 412    | 77.6       |
| UGT only              | 30     | 5.6        |
| CCOO only             | 306    | 5.6        |
| UGT and CCOO only     | 232    | 43.7       |
| UGT and others        | 37     | 7.0        |
| CCOO and others       | 12     | 2.3        |
| UGT, CCOO, and others | 138    | 26.0       |
| Neither CCOO nor UGT  | 52     | 9.8        |
| Total                 | 531    | 100.0      |

| Table 6.6 | Works Council Elections, 1986: Composition by Union of Councils |
|-----------|---|
|           | Representing More than 500 Workers                              |

Sources: Ministerio de Trabajo y Seguridad Social (MTSS 1987); Instituto de Estudios Superiores de Administracion (IESA, in preparation).

to which the two main unions are present on them. As no such data are as yet available for the 1990 elections, we must look at the 1986 results. Of the 11,653 councils for which results were computed, 7,602 had at least one UGT representative, and 6,944 had at least one CCOO member. Of the 531 works councils representing more than 500 employees, only 9.8 percent had neither a UGT nor a CCOO representative, and 55.0 percent included only UGT or CCOO representatives. Works councils with only UGT (5.6 percent) or only CCOO (5.6 percent) members were difficult to find in this segment (table 6.6).

#### 6.5 Works Councils at Work

While there are more than 100,000 works councils in Spain, not all of them work properly. For example, according to the survey of UGT representatives and members (Bouza 1989), almost 60 percent of works councils in workplaces with fewer than 30 employees do not use their paid release time. In the remainder of this paper, seven firms in the metal sector are studied in depth.<sup>8</sup> In four of the firms (A, B, C, and D) the works council had negotiated a legally recognized collective agreement; the other three (X, Y, and Z) were covered by the provincial agreement negotiated by the unions and the sectoral employers' association. Three of the firms had a high level of unionization of more than 50 percent, two a medium level of 15 to 50 percent, and the other two a low level of less than 15 percent (table 6.7; see the appendix for more details).

In the seven case studies, all works councils in firms with more than 150 employees have important functions to perform, and they perform them effectively. One indicator of their activity is the frequency of their meetings. During

<sup>8.</sup> In each firm, two works council representatives and the manager dealing with the works council were interviewed.

| Table 6.7 | Firms St   | udied          |                     |               |  |
|-----------|------------|----------------|---------------------|---------------|--|
|           |            |                | Union Density       |               |  |
|           | Agreement  | High<br>(>50%) | Medium<br>(15%-50%) | Low<br>(<15%) |  |
|           | Firm-level | A, B           | С                   | D             |  |
|           | Sectoral   | х              | Y                   | Z             |  |

| Table 6 | .7 | Firms | Studied |
|---------|----|-------|---------|
|         |    |       |         |

the period of observation, the number of meetings ranged from one per month to one per day. The rule for big, highly unionized firms is once a week; in medium-sized, less unionized firms, once a month. Meetings are more frequent when industrial agreements are being negotiated, when the employer takes an unpopular initiative, or when a problem arises.

Unlike the jurados de empresa that preceded them, works councils do not include management; however, in some meetings management representatives may be present, either to give legally prescribed information or at the request of the workers, for example, when they want to raise demands or express disapproval. Councils with more than three members usually have a functional division of labor. Under the law, a works council with five or more members must designate a president and a secretary. In general, the president is the leader of the majority union. The position of secretary tends to go to the leader of the second-strongest union, unless there is a large majority for the first union, or a lack of trust between the main unions in the workplace.

In addition to the positions of president and secretary, there are other functions that are distributed among council members. The council may set up subcommittees on special matters and sometimes is forced to do so by law or collective agreement. In all firms under study, there was a health and safety committee, instituted by law in 1971 with a majority of seats held by managers; its structure is presently under revision. Also, in six of the seven firms there was a commission referred to as "productivity, production, time study methods," or simply the "parity commission," the latter referring to the fact that it was composed of the same number of delegates from management and workers. Other standing committees were concerned with employment and job assignment and the administration of social funds. Moreover, the works council may create temporary and task-specific committees, for example, to negotiate a collective agreement with the employer, to implement a signed agreement, or to lead a strike. Other committees are formed in response to employer initiatives on working-time reduction or job regulations. It must be emphasized that membership in the committees reflects the strength of the different unions at the workplace. Works council members are assigned to the different committees by their unions.

The main functions performed by Spanish works councils are the following:

Negotiation at the firm level: This is one of the main functions assigned to works councils by legislation. Works councils have a legal right to negotiate formal agreements. In practice, this is exercised not by the works council as a whole, but by a committee selected from among its members. This committee is legal if it represents at least one-half of the council members. This means that in a firm where one union has an absolute majority of the works council seats, its union section has the right to negotiate agreements directly with the management. The normal situation, however, is that the bargaining committee includes both of the two largest unions, frequently together with a third partner.

Firm-level negotiations are usually held by plant. But there are also multiplant agreements that involve more than one works council. In this case, the main role is played by an interplant works council, the creation of which requires a collective agreement. In two of the three enterprises with more than one plant, the collective agreement was negotiated by the interplant work council. Company D, with more than 20 plants in Spain, had not recognized an interplant council because management was not willing to assume its costs. According to the Ministry of Labor, of the 3,137 firm-level agreements, more than 10 percent are negotiated at the interprovincial level, which implies the inclusion of members of several works councils. More than one council may also have been involved in some of the other agreements, to the extent that firms have more than one plant within a province.

Works councils may also reach semi-informal agreements with the employer. Agreements of this kind are written and signed by both sides but are not registered with the public authorities. They are usually improvements on the sectoral agreement signed by the employers' association and the representative unions at the sectoral level. Under the Workers' Statute, they determine the month in which bonuses are paid and the holiday periods. But they also often regulate wage increases and working hours; in fact, in the three firms studied that had no formal firm-level collective agreement, there were semiinformal agreements on these matters.

Works councils may negotiate on everything, including wages. The only exception to this was under the social pacts signed by the main national unions, when unionized works councils were charged with implementing at the workplace the conditions negotiated by their peak organizations. The unlimited right of works councils to negotiate gives the Spanish collective bargaining system an anarchic character. In the case of public enterprises, the agreement reached at the national railway company, RENFE, usually serves as a guideline for other agreements. Often, however, works councils begin to negotiate wage increases after a sectoral agreement has been signed, usually trying to exceed it. It is true that in recent years, firm-level agreements show lower rates of wage increase than agreements at the industry level. This is explained by other improvements, for example, in the level of employment or in working conditions, that can be more easily attained at the firm level. Also, sectors without firm-level agreements have lower wages, and the effect of union intervention is to reduce interindustry wage differentials.

Control of managerial decisions: Their legal prerogatives, their facilities, the protection enjoyed by their members, their legitimacy derived from being elected by the whole workforce, and the support they receive from the external unions often enable Spanish works councils to prevent managers from acting against the rights and interests of the workers.

First and foremost, works councils watch over the legality of management policies and their implementation. As firms are highly legally regulated in Spain, a council can threaten to take the employer to court or to go to the labor administration. This is particularly important in health and safety matters, where the employer's majorities on the respective committees make it difficult for conflicts to be resolved inside the firm. Spanish works councils are also involved in the public regulation of labor markets, which includes control over temporal contracts, overtime, and mass dismissals. An empirical study in Catalonia showed that 72 percent of the works councils in the sample had appealed to the courts or to the labor administration in the preceding year. Of the works councils in firms with more than 500 employees, all had done so (Crespán and Falguera 1991).

Second, works councils participate in the governance of the internal labor markets of Spanish firms. They have a voice in promotions and generally do not favor functional or geographic mobility (Alós-Moner and Lope 1991). Both issues are of strong interest to workers. Works councils and unions can use this as a basis for clientelistic practices, which can transform a plant into a de facto closed shop in situations where there is a dominant union. In addition, when the number of short-term contracts increased in the late 1980s, demands for transforming these into permanent contracts were increasingly placed on the agenda of the negotiations between works councils and employers.

Third, Spanish works councils may have an important role in the introduction of new technologies and in major changes in work organization. As such changes may affect the level of employment or the content of jobs, councils take a close look at employer initiatives in these areas and often impede them.

Cooperation with management: Apart from the management of a firm's social fund, the most important issue on which Spanish works councils tend to collaborate with the employer is productivity. As raising productivity makes it possible to increase wages, councils tend to support almost any measure that stimulates production. A related topic is absenteeism, which was very high in Spain during the 1970s, and which works councils helped to fight by agreeing to the introduction of special bonuses.

Very rarely do works councils collaborate with management on improving the organization of work. It is commonly accepted among Spanish workers that this is a managerial matter. However, works councils that are independent from external unions have sometimes contributed to improving supervision at work, especially in firms with low entrepreneurial authority (Iriso 1992). Also, in company X the president of the works council, who belonged to one of the two main unions, became the production director of the plant, and the leader of the rival union was promoted to foreman.

#### 6.5.1 Works Councils and Employers

The introduction of works councils in 1953 was not welcomed by employers whose power over their workers was very high at the time. Works councils could be seen, at least in theory, as an instrument with which the official union could improve the working conditions of its members. A few years later, after the economic liberalization, employers began to see works councils as potentially improving the efficiency of their enterprises, and as a means of coupling wage increases to productivity growth. At the same time, works councils paved the way for free, and at first illegal, unions. The most important of these was the Communist CCOO, making employers and the state again seek to put unionism under some form of control.

During the democratic transition, employers, unionists, workers, and politicians shared the conviction that works councils were an institution that should be included in a democratic organization of industrial relations. Employers feared, however, that the CCOO would establish a monopoly over worker representation. Organized employers therefore promoted a pluralist union system and supported workers organizations other than the CCOO. There are reasons to believe that in the first works council elections, employers backed the UGT especially, which attracted the vote of the moderate workers with its bargaining rather than mobilizing strategy.

The agreement between the UGT and the CEOE in 1979, which paved the way for the Workers' Statute, recognized the important role of works councils at the workplace. At the same time it allowed for the organization of internal unions, which was the main weapon of the UGT against the CCOO, and thus gave a bargaining role to the unions even at the firm level. The CEOE accepted this by signing a national agreement on workplace union organization, which favored the UGT, in exchange for social peace at the workplace in a moment of economic crisis and political transition. Five years later, with a Socialist government backing the UGT while holding an absolute majority in Parliament, the Organic Law of Union Freedom confirmed the union sections by law.

In a survey of 608 employers in seven industrial sectors accounting for 70 percent of Spanish industrial workers, 29 percent called industrial relations in their firm "excellent", and 60 percent "tolerable" (Pérez-Díaz 1985). Seventyeight percent expressed trust in their workers, and 43 percent in their works councils; only 8 percent distrusted the latter. Internal union sections were viewed with less favor. Only 50 percent of the employers had a good opinion of them, whereas 25 percent had a bad one; 53 percent recognized their knowledge of the firm, but 51 percent criticized their ideological stance. Even more respondents lacked confidence in the external unions, which were seen as politicized (65 percent) rather than as promoting the interests of the workers (27 percent).

When managements take unpopular measures, works councils become crucial because they can mobilize the workforce easily. Employers have learned that it is better to announce such measures in advance to the works council. This may delay implementation because, inevitably, negotiations ensue; however, if managers take decisions without previous information, the council can mobilize resistance and thus make implementation even less likely.

Still, in general the strategy of Spanish employers seems to be to reduce the role of the works council to the minimum. Employers prefer to manage the workforce through a hierarchical line of command, unless they are forced to do otherwise by legal regulations. Union strength in a firm also influences the role the works council is allowed to play. Another factor that affects the behavior of the employer toward the council is the extent to which the different union forces are in agreement. When unions are united the works council may take a leading role, while when they disagree the union sections become more important. In company B, where there was fundamental agreement between the two main unions, the works council was stronger than the union sections. In companies A and X, employers had to deal with the union sections because of high interunion conflict, while in companies D and Z, with weak unions, works councils again played the leading role.

Strategies of employers in relation to works councils thus vary from firm to firm. The following, nonexclusive classification can be suggested:

1. The role of works councils can be minimized, in particular by refusing them the right to negotiate by abiding by the sectoral industrial agreement. This can easily be done in small or medium-sized firms without a tradition of collective bargaining, for example, in companies X, Y, and Z.

2. A collaborationist union can be promoted in order to keep other unions out. This is possible only where there is no previous union presence, and there were no examples of this in our sample.

3. Employers can offer to cooperate with unionized council members, granting them involvement in the organization of production and participation in exchange for improvements in efficiency. This is possible in medium-sized firms where external unions have no control over their affiliates, or in some enterprises with foreign capital (companies X and Z).

4. Employers can try to divide the council by signing agreements with the least conflict-oriented group of representatives and thus reducing the popularity and support of the others. This strategy requires a strong division between unions, as was usually the case in the period of national industrial agreements not signed by the CCOO. Company A belongs in this category, although the Socialist union in this case is more radical than its Communist opponent.

5. Employers can take an aggressive position in negotiations on one specific subject, at the risk of a strike and in the hope that this will prevent other issues

from being negotiated, which would reinforce the position of the employer. This pattern was found in companies C and D.

6. Employers can accept the demands of unionized works councils on wages and hours to avoid a strike. This attitude prevailed in companies C and D during the late 1980s. A strategy like this is possible only in prosperous sectors or in periods of expansion.

In public firms, works councils play a more active role, usually advised by external union officials in negotiating collective agreements at the firm level. Public sector managements have recently adopted a more confrontational stance toward works councils, under pressure to contribute to government objectives such as the reduction of inflation and public expenditure and the restructuring of publicly owned enterprises. In public administration, however, negotiations take place only with unions; works councils, called *juntas de personal* instead of *comités de empresa*, play only a minor role.

#### 6.5.2 Works Councils and Unions

As pointed out above, the election system based on closed lists makes running candidates easier for a big union than for independent and small unions. Today almost 80 percent of Spanish works councillors belong to one of the two main unions. The remaining 20 percent is due to three factors. First, in some regions there are strong nationalist unions, especially in the Basque country and in Galicia. Surprisingly, there is no similar union in CataIonia, probably because of the independence and nationalism of the Catalan section of the CCOO, called Comisiones Obreras Nacionalistas de Cataluña, and the high proportion of immigrant workers from other Spanish regions. Second, in the public sector a coalition of independent unions usually wins more than a quarter of the works council seats. And third, in some firms there are groups of independent workers, leftist or rightist, with a charismatic leader trained in one of the main unions before resigning from it.<sup>9</sup>

Apart from works councils, the other legal mechanism of workplace representation in Spanish firms is the union section, defined as the group of workers affiliated to a given union. The union section functions as the extended arm of the union at the workplace. It has a number of legal rights, such as to distribute information to the workers, bargain collective agreements if bargaining is not conducted through the works council, and be given physical facilities for performing its activities. Also, in workplaces with more than 250 workers, each union section is entitled to be represented by one union delegate on the works council, with voice but without the right to vote. In workplaces with more than 5,000 workers, the number of union delegates increases to up to four.

<sup>9.</sup> An example is Pablo Rodríguez, the main leader of the Union Platform in the Municipal Transport Authority of Madrid. After gaining a high wage agreement, he won an absolute majority in the works council while the CCOO and UGT lost all their previous council members.

Given that works councils appeared in Spain earlier than the present unions, one might say that the latter have absorbed them. Yet, contrary to the German case, in Spain two unions compete for representative space at the workplace, which turns the council into an arena of interunion competition where unions discuss and, perhaps, agree on their strategies inside a workplace.

The opinion of the main Spanish unions on the two forms of representation are rather different. The CCOO defends the councils as a representative body that defends the rights of the workers. Works councils are viewed as expressing the interests of the rank and file under the guidance of the labor movement. The UGT on its part stresses the danger that a works council may lose sight of workers' general interests and may defend only the interests of the employees of a given firm. For this reason, the main actor in the negotiation of collective agreements should be the union section, inspired and led by the external union which provides the correct analysis of the situation and pursues the right policy for the working class as a whole.

The two positions were very different at the beginning of the democratic transition, when the CCOO wanted a unitary union built up from below, in which the CCOO-dominated works councils would have played an important role in articulating a confrontational policy at the firm level. The UGT, by contrast, sought recognition with a moderate strategy of negotiation (Zufiaur 1985). Since the general strike of 1988, the two unions have followed a unitary strategy, seeking common platforms at levels above the individual firm and, less frequently, at the firm level and trying to develop more similar conceptions of what a union is or must be. "Far from pushing the works council and the union section against each other, we have to think about how we can enable union policy to penetrate inside the firm" (CCOO 1992).

As a consequence of the long debate between the unions, the views of the workers on the two institutions are divided. In a survey conducted in mid-1988, 25.7 percent of workers answered that the best voice for them at the workplace was the works council, 18.3 percent mentioned the union sections, 14.5 percent (but only 3.8 percent in firms with more than 500 workers) mentioned management, and 10.8 percent mentioned mass meetings (IDES 1989). Union members favor works councils at a higher rate than nonmembers (33.3 percent). What is even more important is that, in spite of the different positions of their unions, there is no major difference in the views of CCOO and UGT members. Workers in firms with more than 49 employees are more in favor of works councils as a mechanism of voice (33.2 percent) than workers in small firms. But, again, CCOO and UGT members or sympathizers are more in favor of works councils than workers belonging to or inclined toward other unions.

The main problems external unions face today are their low presence in some sectors of the economy, in small and medium-sized enterprises, and in the black economy; the autonomy of internal unions due to the strong position of unionized works councils at the workplace; and the lack of organizational resources on the part of the main union federations, which increases the internal unions' autonomy.

There is no legal regulation of the relationships between union sections and works councils. However, there is a pattern of low participation of workers in union activities (Tezanos 1982; Equipo de Investigación Sociológica [EDIS] 1983; IDES 1989; Bouza 1989; Alós-Moner and Lope 1991; Pérez-Díaz 1992; Iriso 1992). Where there is a small union section, its principal members are at the same time the works council leaders (Lope 1991). Almost without exception, the leader of the internal union has the most powerful position in the representative system of the firm. While in small firms there may not be enough union members to fill all council positions, in unionized firms there is no division of functions: those who are on the executive committee of the internal union also represent the whole workforce on the works council (Alós-Moner and Lope 1991).

As the organization of Spanish unions is based on both geographical and sectoral lines, internal unions and works councils may have relations with different kinds of external unions. Works councils located in the main city of a province are likely to have links to industrial unions, while councils in small localities are typically connected to local unions unless their industrial sector is very important in the area. Usually, however, it is the industrial union that supplies the internal union with information and from which works councillors expect help in performing their tasks, such as legal services, training, or programmatic guidance.

Nevertheless, the relationship between members and works councillors on the one hand and the external union on the other is rather loose. In the survey of UGT affiliates, 40 percent of their works council representatives had not been to the external union office in more than a month, and the rate of participation of council members in elections to external union bodies was only 50 percent. Recently, external unions have tried to improve contacts with their representatives by offering them training courses, which according to the survey have been attended by 46 percent of UGT council members. However, works council membership means active participation in union activities and in this sense performs an important training function for the external unions. The majority of present union leaders come from the works councils of important firms, meaning that councils lose their main leaders to the external unions (Fishman 1990). Other losses occur because the external unions' small organizational resources force them to sometimes use elected works council members with paid release time for work at the external union office.

The level at which collective bargaining is conducted for a particular enterprise is a key factor in the relationship of its works council to the external union. In a firm under a provincial or national agreement, the works council watches over the implementation of the agreement and needs the external union to strengthen its power in relation to the employer. One reason why independent or local unions are usually not well regarded by workers is that they are less able to do this. On the other hand, where the contract is negotiated at the firm level, works councils are of greater importance and have more autonomy. In this case, the relationship with the external union depends on the extent to which the company agreement corresponds to the union's recommendations. If there is correspondence, members of the works council are likely to be invited to take part in sectoral or regional negotiations above the enterprise level. Otherwise, there is either growing autonomy of the internal union or a split, with a subsequent loss of union membership.

Firms with works councils have higher union membership than firms without them. But this is a spurious association. Workplaces with councils are larger. In fact, it is likely that the Spanish works council system reduces union membership because the collective agreements negotiated by the council are extended to everyone in the firm. Union members enjoy no instrumental advantage. The election procedure explains why there is a minimum number of members in unions that want to be representative. Once this level is attained, unions usually have little interest in increasing their membership.

#### 6.5.3 Works Councils and Workers

As we have seen, while union membership among works councillors is high, rates of union affiliation in Spain are very low in general. This raises the question of the legitimacy of Spanish works councils. A good indicator for the acceptance of works councils among Spanish workers is election turnout. In 1986, 79.8 percent of those eligible to vote voted in the works council elections; in 1990, this share had declined slightly to 74.0 percent. Another indicator is the way workers evaluate works councils. In Pérez-Díaz's survey of six industrial sectors in 1984, one-quarter of the workers interviewed did not have a works council, one-tenth did not answer the question; 45 percent evaluated their council as satisfactory, and less than 20 percent found it unsatisfactory. Excluding workers without a works council, 60 percent of the respondents were satisfied with their councils, while 36 percent were not. The survey also offers evidence on what workers expect from works councils. With respect to who should negotiate with the employer, less than 10 percent answered that it should be the unions, while more than 60 percent assigned this function to an elected committee. That is, workers tend to accept the negotiating role of the works councils.

Regarding workforce participation through works councils, respondents were asked who decided and who should decide a range of issues in their firm, such as working time, work organization, employment practices, investment, and sales. Possible answers were management only, management after consulting with workers, and management and workers together by agreement. The results show that the only aspect that is negotiated is the time schedule, though even here 40 percent of the workers think that this is decided by the employer alone. At the same time, workers feel that, with the exception of investments and sales, all decisions on matters in the survey should be subject to agreement between the "two sides."

Another important aspect of the relationship between works councils and workers is communication between them. In principle, one may distinguish three possible patterns: (1) an informative relationship, with information flowing from the works councils to their constituents, (2) a representative relationship, where information flows from the workforce to the employer through the work council, and (3) mediation by the works council between employers and employees.

Works councils give information to workers mainly through mass meetings. The Workers' Statute establishes a maximum of six mass meetings per firm every year, at which council members can give information. When the works council is negotiating with the employer, it can call more than one mass meeting in a two-month period. Attendance varies over time and between firms. It is difficult to call a mass meeting in a nonunionized workplace, except in periods of negotiations over wages or employment. In companies D, Y, and Z, attendance at mass meetings was low, apart from special circumstances when more than 70 percent attended. In companies A and B, works councils regularly used the lunch breaks to inform the workforce. Mass meetings enjoy a high degree of legitimacy, in spite of certain perceived shortcomings. In the 1984 survey, more than 90 percent of workers agreed with the statement "Mass meetings are essential for the workers to discuss and solve their problems," and 85 percent with the sentence "In mass meetings one gets information and can discuss, but only a few know the problems and dare to speak up." Unionized workers are better informed than nonunionized ones because of better informal relations with plant union leaders and because of special mass meetings for union members only.

Representation, of course, is at the core of the functions of Spanish works councils and plays a central role in negotiations with the employer. A unionized works council represents at least two sets of interests: those of the union and those of the workers that have elected it to improve or defend their working conditions. There may also be conflicting interests among the workforce itself. Two main cleavages can be distinguished in Spanish firms in the 1990s: technicians versus manual workers and temporary employees versus employees with an indefinite contract.

The main mechanism that works councils and union officials use for defining the interests they represent is the negotiating platform. This is a catalog of demands, written independently by each union or group of workers with representation on the works council and to varying degrees taking into account the recommendations of the external unions and the demands and problems of the employees in the firm. Internal unions are essentially autonomous in defining their policies; in 1991 the two main union confederations stopped giving specific recommendations for wage increases to sectoral federations and workplace union sections. Union sections use different procedures to develop their platforms: they may simply take over the recommendations of their external union, may modify them in line with the views of the local leadership, may sound out the views of rank-and-file activists at the workplace, or may even incorporate the demands of nonunionized workers individually expressed through an informal survey or at a mass meeting.

An alternative, reflecting the recent tendency of the two main union confederations to act in unison, is to write a common negotiating platform. Where this is done, and no union proposes an alternative, the works council takes the lead. Otherwise, platforms developed by the different unions may be unified later, with the unions' works council representatives negotiating a compromise or all workers in a mass meeting voting for a common position to be presented to the employer (Lope 1991). Workplace leaders prefer unified platforms in the belief that they make it easier to extract concessions from the employer.

The most critical moment in the negotiation process arises when the negotiating committee begins to talk to management. Negotiations are accompanied by a continuous flow of information from the committee to the works council, and from there to the workforce. Keeping the workforce informed serves several functions: it mobilizes the support of the workers—who may be asked to go on strike—and makes known the distinctive policies and strategies of the different unions and other groups, in an effort to obtain votes in the future.

Divisions between unions complicate the negotiations. A union may, for example, quit the negotiating committee, making it impossible for the committee to meet the legal requirement of representation of at least 50 percent of the works council members. Unions may also remain on the negotiating committee but refuse to sign the agreement; this will leave unfulfilled the requirement that 60 percent of the committee members must give their consent. To prevent interunion conflict of this kind, referendums are increasingly used on issues on which the two leading unions disagree.

A third, less important function of works councils is their mediating role between employers and workers. Conflicts between the two are sometimes resolved by calling in a works council member, without appealing to a court. Council members both have a closer relationship with management than other workers and are respected as leaders by the workers. They may therefore be in a good position to help resolve everyday conflicts between the employer and individual employees. Sometimes the employer uses the works council to relate information to a worker or a group of workers, and more often workers use the works councils for communicating problems to management. This is more likely to happen if workers are affiliated to a union because their union leader is very likely also a works council member or union delegate. However, nonunionized workers may also find it easier to solve their problems by talking to their representatives than to their superiors. This may be another source of the clientelism of unions at the workplace, serving to recruit members and, more important, to obtain votes.

#### 6.6 Conclusions and Future Prospects

Spanish industrial relations are becoming decentralized. After the mixed success of the social pacts, employers' associations and unions are favorably disposed toward enterprise-level negotiations, letting rank-and-file union members take the leading role.

Works councils in Spain are not an alternative to unions, nor do they stand in opposition to unions. Their main function in the Spanish industrial relations system is to be an arena in which divergent union policies can be confronted and may be joined. This is because there are not clear boundaries between union and works council functions. While the former do try to take over the latter, the existence of another union that competes to represent the workers is an unsurmountable obstacle. Only if the present unity between the two main Spanish unions lasts can the importance of works councils be expected to increase.

In Spain, it has been unusual for works councils to contribute to the restructuring of companies and to help in increasing internal flexibility. The reason is that Spanish councils are highly unionized, and unions face other problems, such as bargaining over wages and hours, regulating working conditions, and surviving in competition with rival unions, as well as dealing with unemployment and developing social services and the welfare state. At the same time, because of works councils' special conditions and their relative autonomy from the external unions, employers and workers may be developing a relationship of trust mediated by councils. In such instances, councils may contribute to improving efficiency through productivity agreements with employers based on a positive-sum game within individual firms.

## Appendix Firms Studied for This Paper

Company A is a 40-year-old firm with three main plants located in three different provinces. It belongs to the automobile sector and has frequently changed ownership. Although it was heavily affected by the economic crisis, it survived because of state funds. Nevertheless, in the last 10 years it has reduced its workforce by half.

The plant studied has around 3,000 workers. Its works council includes 25 elected members and seven union delegates (four representing the UGT and three the CCOO). Union density, at 70 percent, is very high by Spanish standards. While the UGT has more members because of its strong position among clerical workers, the CCOO remains the main union among direct production

workers and in the last works council elections received the highest number of votes. There are also four council members from an enterprise union backed mainly by technicians and clerical workers.

The firm has a collective agreement that covers all three plants. It is negotiated by the interplant council, complemented by plant-level bargaining conducted by local works councils. The latter are also in charge of the implementation of the agreement. Relations between works councils and employer were good when the firm was still a public enterprise. Since privatization, however, there has been less communication, and the works council complains about insufficient information on the restructuring process.

The CCOO and UGT have gone through different stages in their relationship. At the time of the study there were in an intense battle with each other. Interunion conflict had made it necessary to submit the collective agreement for the preceding year to a referendum of the workforce, with the UGT taking the more radical position—mainly on the restructuring of the firm and on mobility and redundancies—and losing.

Company B is a multinational automobile firm. Unlike company A, it has not undergone a loss of employment or change of ownership. Although it has several plants in Spain, its main factory is outside Madrid, with 10,000 employees working in different nearby plants that have only one works council. The council consists of 40 members. The CCOO has one representative more than the UGT, and there is a third union, the anarchist CGT, with five representatives. The works council also includes 20 union delegates, half of them belonging to the UGT and the others to the CCOO and CGT. This reflects the UGT's higher membership; the CCOO, however, obtained more votes in the elections.

The firm does not have an interplant works council. There is only one collective agreement for a two-year period. The negotiators for the workers are drawn from the works council; they are assisted by experts from their unions. Council members were highly satisfied with the last agreement; they had won a high wage increase and had been able to convert a large number of temporary employment contracts into permanent ones. Apart from wages, the most important concern of the unions is employment. Much attention is paid to monitoring the firm's subcontracting activities in order to avoid labor market segmentation.

Relations between council and management were smooth at the time of the study, although there had been conflicts in the past when the unions had been more radical. A works council delegation, composed of the president, the secretary, and one delegate of every union, meets frequently with the personnel director. Interunion relationships are more complicated. Since the late 1980s, the UGT and the CCOO have been working together because of the existence of a common adversary, the anarchist sympathizers who prefer an alternative model of industrial relations based on decisions of the rank-and-file. Before that time, however, the two main unions did not always have the same views, and some collective agreements were signed by the UGT only; within the

CCOO, there had been a history of factions and resignations that ended with a victory for the moderates.

Company C has more than 3,000 employees. The firm belongs to the telecommunications sector and was owned by the state until it was sold to a multinational company. There are two works councils, one for six plants in the province of Madrid and another for a special category of workers based all over the country. The first council has a CCOO majority, while the second is dominated by the UGT. A third, right-wing union also has representatives on both councils. There is also a joint works council with 13 members, drawn from the two directly elected councils, that negotiates those parts of the collective agreement that are common for the two halves of the firm. Union density is around 20 percent.

In the five years before the study the firm's good economic situation led to an increase in its labor force through temporary contracts. However, future prospects are less good, and in spite of union opposition temporary workers are not being reemployed. The works councils supervise the implementation of the collective agreement, especially with respect to working conditions and employment. Relations with management used to be paternalistic but are now changing. A number of unpopular measures were taken that were contested by the works councils with the backing of the workforce. Interunion relations have also been changing. Lately, interactions between the UGT and the CCOO have been cooperative, reflecting the new unity of action at the peak level; inside each union, however, there are different views about this.

Company D is a multinational computer company with 20 plants in Spain. The firm once had more than 2,000 employees but has reduced its workforce by 20 percent in three years, almost exclusively by not reemploying temporary workers. Economic problems remain, and greater employment reductions are envisaged.

In each of the 20 workplaces there is a works council, except in plants with fewer than 50 workers; these have between one and three staff delegates. No interplant works council exists; there is, however, a coordinating committee that negotiates a collective agreement for all workers whose plant is not covered by an agreement of its own.

Union density and union strength in the firm are low, apart from the production plant. While there is a UGT majority in the latter, all other works councils are dominated by the CCOO. There are also a few independent works councillors. Recently, negotiations on employment reduction have been taking place, assisted by officials from the external unions. Relations with management are very poor, and lack of trust is common on both sides. There is also disagreement between the unions on redundancies and negotiation procedures.

Company X is a medium-sized firm with a long history of strong unionism and a number of takeovers, after having been originally a family-owned business. When research was in progress, there was an intense period of negotiations aimed at saving the firm from bankruptcy. The works council has fewer than 10 members, all of whom are from the two main unions, with a slight majority for the CCOO. There is no formal collective agreement; the firm follows the provincial agreement for the metal sector, with specific improvements negotiated formally with the works council but de facto with the two union sections separately.

Parts of management and the works council maintain good relations in an attempt to solve the crisis of the enterprise. Workers and unions, mainly the CCOO, are willing to make concessions in order to save the firm. However, there is a tradition of interunion rivalry that makes collaboration with management difficult. In the present crisis, as in many other firms, external union officials join the negotiations to assist the works council.

Company Y is a medium-sized firm that produces metal furniture. It has more than 500 employees, a majority of whom are low-skilled direct production workers. The firm's economic situation was good at the time of interviewing. Union density, at 25 percent, is high by Spanish standards. Half of the union members belong to the CCOO, the other half to the UGT. In the last council elections there were three lists of candidates, the third submitted by a group of independent workers who won five seats. A short time later, however, all but one of them had joined the CCOO.

The strategies of the UGT and CCOO are very similar. As with many other works councils, the unions try with some success to defend existing working conditions, but it is very difficult for them to obtain improvements. Up to the time of research, the council had failed to get a formal collective agreement for the firm and had been unsuccessful in getting indefinite contracts for a large number of temporary workers. Its main weapon was its control of overtime. Union sections did not work properly, and their functions were completely in the hands of the works council.

Company Z is a medium-sized firm with about 200 workers producing telecommunications equipment. It is owned by foreign capital and uses flexible methods of production, with high functional mobility. Union density is less than 10 percent. The works council consists exclusively of women, although women make up only 30 percent of the labor force. Only one list was presented at the last election, under the name of the UGT; however, it included one CCOO member and a few independent workers. The council's main activities are to police irregularities, especially with respect to health and safety conditions and redundancies. The council sometimes uses help from the external union to solve problems with management.

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