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Spain's Socialists and Unions Struggle to Adapt

By RACHEL DONADIO and RAPHAEL MINDER

MADRID — With 20 percent unemployment and a series of unpopular new austerity measures, Spain would seem a natural breeding ground for labor unrest. But by most accounts, a general strike late last month was more a demonstration of discontent than a sign of trouble brewing.

Analysts said it appeared to be a well-choreographed effort by unions to show that they were upset with the austerity measures without significantly damaging an ally, Prime Minister José Luis Rodríguez Zapatero, who is at his weakest point since being elected in 2004.

Indeed, recent interviews with the three main protagonists of the strike revealed a peculiar concord: the two main unions declared victory but could not point to specific concessions they expected to win from the government, led by the Spanish Socialist Workers' Party, and the labor minister praised the unions' bargaining skills.

"It was perhaps a necessary ritual," said Enric Juliana, an editor and columnist at the Spanish newspaper La Vanguardia. "Now both sides are condemned to pretend that they can make an accord, which would be very weak."

Above all, the strike underscored the challenges facing Mr. Zapatero, whom Spaniards increasingly

criticize for having failed to respond quickly, decisively or convincingly to the economic crisis, and who now struggles to satisfy workers who see the labor reforms as excessive and investors who see them as weak.

At the same time, the strike reflected the difficult position of the unions, which are faced with an economy moving away from industry and a work force that many say the unions do not represent well.

After the government said for months that it would protect workers' rights while raising state spending to stimulate growth, it reversed itself in May. In June, it introduced austerity measures after hearing concerns by the [World Bank](#) and others about the country's rigid labor market, its bloated deficit and an unemployment rate double the [European Union](#) average.

Among the changes, the reforms cut severance pay for fired workers and made it easier for companies to reduce work hours as a temporary solution to drops in demand. They also reduced the unions' collective bargaining power with regard to some contracts.

"Never in the history of Spanish democracy has a government taken such negative measures," said Cándido Méndez, the president of the Unión General de Trabajadores and an organizer of the strike.

"If the Spanish market were so rigid, then so many people wouldn't have lost their jobs," he added.

The changes led the unions in June to call the general strike — the first since 2002 — for Sept. 29, saying they needed time to coordinate with demonstrations elsewhere in Europe. Ignacio Fernández Toxo, the leader of the Comisiones Obreras, Spain's other major union, said it would have had little impact during Spain's long summer holiday — an irony not lost on critics.

But when the time came, the joint action across the Continent turned out to be little more than pockets of unrest and protest, and the Spanish labor leaders limited the potential impact at home by agreeing to maintain minimum transportation and other basic services.

The two unions, which have 1.2 million members each and together represent 80 percent of Spain's unionized workers, say the changes have simply made it easier to fire workers without addressing

deeper problems, like the Spanish economy's heavy reliance on construction, which led to the nation's housing boom and bust.

They are also opposed to other government proposals, including one to raise the retirement age to 67 from 65, an idea that was shelved earlier this year amid protests.

For its part, the government said it had no choice but to change course.

“The crisis isn't a parenthesis; the crisis is a before and an after,” said Celestino Corbacho, the Spanish labor minister, who is preparing to leave the government to run in next month's regional parliamentary elections in Catalonia. “Neither the government nor the unions will be able to govern with the same tools in the same way as before the crisis.”

The [International Monetary Fund](#) forecast last week that the Spanish economy would grow 0.7 percent next year — compared with the Spanish government's 1.3 percent forecast, on which its 2011 budget is based.

Nevertheless, the government says everything is riding on whether global economic tides rise, and lift Spain, too. “Time is on our side,” Mr. Corbacho said.

But it is unclear if voters will be on their side, too. With such low growth predictions, Mr. Zapatero must walk a fine line between honoring his party's stated commitment to social welfare and its need to reduce spending.

It is not going well. “I have the sense that the Socialist government is committing suicide,” Mr. Fernández Toxo said. “It went into conflict with its social base.”

At the same time, Mr. Zapatero's support is low. Last weekend, he suffered a stinging defeat when the candidate he backed in the Socialist Party primary for president of Madrid Province lost.

“In my view, Zapatero is dead now politically,” said Mr. Juliana, the newspaper editor. “The Socialist

Party just needs to decide when to hold the funeral.”

The most recent poll, conducted Sept. 30 for the newspaper El País, showed the Socialists with about 29 percent and the Popular Party backed by 43 percent.

Some on the left refused to support the strike because they saw it as tantamount to supporting the Popular Party. Others said they could simply not afford to strike. “Striking is an important right, but losing out on my daily wage when things are so tight is just unfeasible, certainly for me and in fact for all my friends as well,” said Begoña González, an employee of Tinto Avenida dry cleaners in Madrid.

Still others said the unions were a self-protecting caste. “I think now the majority of people feel the unions don’t represent workers,” said Antonio del Rio, 65, a retired car factory worker in Madrid.

Indeed, many young people say the unions are a crucial factor in Spain’s troubled two-tier labor market, in which older workers with full-time contracts are protected while new arrivals to the labor market, especially younger workers, live on temporary contracts with fewer protections and benefits.

(The union leaders dispute this and say that the 150,000 new members since 2007 include many younger workers.)

But the unions appear to be aware that times have changed. As the Spanish economy evolves from a more industrial base to one that is more service based, they are repositioning themselves as enlightened critics of welfare reform rather than militants stirring up their industrial rank and file.

“The role of unions in the 21st century is not so much to defend individual salaries but to defend this model of social protection,” Mr. Fernández Toxo said. “You can bargain for a better salary, but what good is it if you lose it all paying for pensions, medical insurance, education?”

But with the state coffers empty and growth forecasts low, how the Spanish state can finance this dream is an open question.



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