

Beat: Business

## The Spanish labor reform turns three with less unemployment and less employment

**Government and unions disagree about it**

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**USPA NEWS** - Three years after its approval by the Government on 10 February 2012, the Spanish labor reform gives a contradictory result: there is less unemployment in Spain, but also less employment. For the conservative government headed by Mariano Rajoy, the balance is positive.

And it refers to the objective figures: in the first quarter of 2012 there were 5,667,900 unemployed in Spain and in the fourth quarter of 2014 -the latest period for which official figures are taken- unemployed persons was 5,457,900, ie 210,000 less than then. Spain is the country of the euro area with the highest rate of job creation and that, for the Government, is significant and neutralizes the negative fact that in the last three years the number of employees has been reduced by 196,000 people: in 2012 was 17,765,100 and in the fourth quarter of last year 17,569,100 people had work.

The reform, which aims to encourage the creation of stable employment in Spain, the country of the euro area with the highest unemployment rate, providing companies with tools to facilitate the dismissal of workers when this measure serves to maintain economic activity, fight against long-term unemployment promoting labor mobility, improve collective bargaining, increase employee training and promote self-employment, is described as "inadequate" by employers and praised by international agencies, however, demand that do not stop reforms and further progress in labor market flexibility.

However, unions disagree and consider current labor reform an attack on workers' rights because, in his view, cut severely those rights. For one of the two main Spanish unions, the General Union of Workers (UGT in Spanish acronym), do not apply the working conditions of collective agreements in companies and establish preference enterprise agreement on sectorial agreement "on issues affecting essentially working conditions" is "an interpretation of the Constitution which seriously undermines the right to collective bargaining which together with freedom of association and to strike, are erected in a constitutional bulwark to defend the rights and interests of workers".

To this union, "allowing a collective agreement does not apply just to the vote of the Directors of the National Advisory Committee on Collective Bargaining is to go back to the Franco era of labor relations and ignore the ruling of the International Labor Organization (ILO ) on labor reform, which has expressly stated that to achieve and maintain the confidence of the parties, any arbitration system should be truly independent, ie the outcomes of arbitration should not be predetermined by legislative criteria" [?].

A study by the Economic Cabinet of the other major union CCOO, shows that labor reform "has caused an increase in labor turnover of permanent employees. In 2014 they were required to sign permanent contracts 1.4 to consolidate a stable job" [?], according to the union, which also shares the positive view of government on reform. And, while the OECD recognizes Spain as the current economic engine of Europe, this organization emphasizes the need to combat unemployment as the new challenge of the Spanish Government.

**Article online:**

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