

Agreement and new process for action, information and debate



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The *Social and Economic Agreement for growth, employment and guaranteed pensions* signed on 2 February last by the Government, trade unions and employers' organisation is undoubtedly important. It needs to be read in depth and at ease – though always bearing in mind the social and economic scenario - with full, detailed information, and has to go with the necessary debate. And this is what CCOO is doing.

At the CCOO Confederation Council, which held a meeting on 1 February at which this agreement was signed, the context for this process of negotiation was discussed, as was the role played by the general strike of 29 September 2010. There can be no doubt that without the 29-S, this process would have ended up in a radically different, and very negative, way for workers' rights.

The resolution approved by the Council expressly mentions, because it is important, the framework in which this process has taken place:

"The negotiations took place in a particularly adverse context: prospects for growth for 2011 are not at all promising and international markets are placing constant pressure on sovereign debt. The EU guidelines continue to focus on 'tough' adjustment plans and the Spanish government has given way to pressure from both speculators and the EU, as shown by its plans to reform the public pensions system, with or without an agreement. This was to make retirement compulsory at age 67, raising the number of years needed to be entitled to one hundred per cent of the assessment basis to 41. [...] There were also plans to promote a reform of collective bargaining based on the traditional demands of employers regarding the ultra-activity of agreements and individualisation of labour relations. Also actions were taken on 3 December with a view to privatising AENA (Spanish Airports and Air Navigation organisation) and the Spanish Lotteries, and eliminating the PRODI (Temporary Programme for protection and training of the unemployed). More recently, the process to eliminate the social elements of the savings banks has been speeded up.

Unfortunately, meanwhile, as we had foreseen, unemployment has continued to grow, exceeding 20%.

The General Strike of 29 September and the announcement of a possible repeat as well as the proximity of the municipal and regional elections led to a more favourable scenario for negotiation which we had not expected when labour reform was first raised."

The above is in line with the reflections made by Professor Baylos in this extraordinary issue of the *Revista de Estudios* analysing, amongst other things, the context in which this process of negotiation took place:

“In this offensive context because of what can be called the ‘internal devaluation’ of wages and of collective trade union power in the regulation of working conditions, the reform of the pensions system basically announced that the next target was to be the Social Security model as the main manifestation of the Social State clause in our Constitution. The trade union reaction to this plan was therefore to call a second general strike. The trade union confederation was then able to force a process of negotiation in which other very relevant matters were included such as reform of collective bargaining, more detailed regulation of redundancy schemes and active employment policies”.

Pensions undoubtedly form an essential part of the agreement but the other parts are no less relevant and, in my opinion, are of strategic importance.

Pensions

In the field of pensions, the reforms agreed on have substantially changed the government’s initial proposals and now, importantly, the public distribution system has been protected as the single pensions model.

Spain’s pensions system has proved to be of high quality and this can be seen in the lower weight held by complementary pensions systems in Spain in comparison with other countries in Europe and beyond. It is this that leads the financial sector to systematically question the viability of the Spanish public pensions system because only by weakening it can new business areas be opened up.

This important matter played a role in a process that was subject to all sorts of pressures, which could be summarised as follows: *Better to have a reform without an agreement than an agreement without a reform.*

This view has a very clear aim: to legally establish a mixed pensions system in which complementary pensions systems end up being substitutive, but this has been made impossible by the agreement.

With regard to the agreement, information must be very exact, detailed and accurate in order to avoid confusion.

Firstly, it must be clarified that, with the new agreement, retirement at 67 is neither universal nor compulsory. Rather, there are two reference ages for retiring with a 100% pension, because the ordinary retirement age is still 65.

It is true that access to retirement has been made more difficult for certain groups, especially for young people and women in that their working lives are still less uniform and continuous, but it is also true that new measures have been set up to increase the contribution schemes for women and young people.

The problem lies in the labour market

It is a serious mistake to not realise that the problem for the future pensions of young people and women is related to the labour market, to late entries into the market and to discontinuous labour lives stemming from the high levels of temporary and unstable employment.

In this debate on pensions, it seems we are expected to assume that most young people will only be able to join the labour market at about age 30, or that the high, intolerable levels of temporary and unstable employment will be with us for ever.

But this cannot be seen as irreversible, and Comisiones Obreras is certainly not

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prepared to do so. We have to continue making proposals, perhaps with greater strength, for new measures, demanding emergency employment plans for young people and for the long-term unemployed. There have to be changes in economic policy and essential changes in the country's production model, which is currently holding back our economy and employment.

With regard to labour policy, there is still an open conflict with the government, whose labour reform has only made the labour market yet more vulnerable.

Employment, wages and pensions form a whole for sustainability of the system, for career development and, therefore, for the contribution period and for economic expectations regarding the future pension. We need to reaffirm the role played by pensions as an anti-poverty mechanism, as a factor for social sufficiency and cohesion, as an essential part of the welfare state.

Income. New rights

The agreement unequivocally affects income because revenue for the system will be stepped up by the changes in the assessment bases for the special regimes which are the ones that make the lowest contributions but involve the highest expenditure on pension supplements.

The main features of the system of pension supplements have been maintained. This guarantees that people who have not been able to make sufficient contributions to build a pension at or above the level of minimum pensions will receive a minimum level of income.

I believe we should also stress the fact that the right to early retirement has been expanded to become a new subjective right with voluntary entitlement after the age of 63. The age is still 61 for workers who lose their jobs because of crises, and 60 for those who contributed prior to 1967. These amount to 900,000 people at present.

The figure of partial retirement is maintained but the regime is changed. Also a minimum contribution of 15 years is maintained for pension entitlement.

Over the next few weeks, work will go ahead on the details of an objective system whereby workers in particularly hard jobs will be able to retire early. The trade union movement has been demanding this for a very long time.

The agreement covers a gradual stepping-up, up to 2022, of the assessment period up to 25 years. I believe the analyses carried out by CCOO should be reviewed in detail to ensure we go beyond superficial data and beyond the sort of level that makes headlines.

Finally, integration of the special agricultural and domestic work regimes is by no means of secondary importance.

Other contents of the agreement

As I said at the start of the article, pensions are undoubtedly an essential part of the agreement but the other parts should not be underestimated as I believe them to be of strategic importance.

The restoration of the benefit for unemployed workers who are not receiving any type of contribution-based benefit is of particular relevance. Restoration of the concept of a nationwide, subjective right to be managed by public employment

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services, with no age limit and in line with the personal working history of each unemployed person, is an important, though insufficient, step in the direction that CCOO has been calling for, that is, placing priority on protecting people.

With regard to collective bargaining, the basis for implementing this agreement is positive because it strengthens the concept of autonomy for the parties. Collective bargaining can take place from sector to company level and regional agreements are possible. The most appropriate level will be determined by the parties depending on the characteristics of each sector. The focus is on internal, rather than external, flexibility and on promoting trade union participation.

The risk of moving towards individualisation in labour relations has been avoided. This would have led to all negotiation being undertaken by the enterprise, especially bearing in mind the degree of business fragmentation that exists in Spain. Also avoided is the intention on the part of the CEOE employers' organisation and the government that agreements, once their time frame has come to an end, should be renegotiated from zero (ultra-activity).

The agreement covers the adoption of policies – industry, energy and firm support for R&D+I – which are essential for changing the pattern of economic growth in our country.

Of radical importance, in my opinion, is the restoration of dialogue with public service workers with the reopening of the civil service negotiating table.

The trade union has not forgotten the 2011 pensions, which the government has frozen.

The trade union movement will have to watch carefully over implementation of this agreement and the parliamentary formalities involved.

Open conflict

But this has not closed the open conflict we have with the government on labour policy. The Popular Legislative Initiative for Stable Employment with Rights, which will start out over the next few days with widespread collection of signatures, will require a new process of mobilisation, information and debate, because all that has been achieved by the labour reform has been to weaken the rights attached to employment contracts, foster temporary employment, a real problem for employment in our country, and increase the possible causes of dismissal.

So, for CCOO, employment is still the main priority. In order to have a very active employment policy, resources will have to be stepped up to promote policies that will stimulate the economy. Fiscal policy has to be reviewed to push up tax revenue in a fairer way, taking a firm stand against tax fraud. And the financial system has to be reformed in a different way, without placing jobs in this sector at risk. All of this should help reactivate the economy and change the pattern of growth, while putting a stop to rising unemployment and helping create more and better jobs.

To close, I quote an article written by labour law professors Carlos Alfonso, Wilfredo Sanguinetti, Francisco Trillo and Juan Vivero:

“The trade unions have not neglected the country’s social and economic problems and have at no time given up the dialogue and debate, but nor have they abandoned at any time their essential role in protecting the interests of the working class, especially the groups that most need social protection.” ♦