**INSTITUTIONAL RESOURCES AS A SOURCE OF TRADE UNION POWER IN SOUTHERN EUROPE**

**Abstract**

Institutional resources are one of four sources of power available to trade unions (Gumbrell –McCormick and Hyman, 2013). Literature has tended to pay more attention to associational and organizational power and to emphasize the indispensable but problematic character of institutional resources. This paper examines the role of institutional resources in three Southern European countries (Greece, Portugal and Spain) which share common characteristic including post dictatorship political settlements; recent economic crises; external intervention.

Comparative analysis draws out the distinctive role and character of institutional resources in Spanish industrial relation. It shows how their Durkheimian characteristics form part of the explanation of the continuity in the Spanish industrial relations system but also relates continuity to the way in which institutional resources have retained the engagement of key actors by being compatible with their self -interest.

The paper acknowledges the limitations of trade union dependence upon institutional resources, pointing to the plasticity displayed by industrial relations institutions in Spain in terms of labour market outcomes but argues that institutional security and continuity are an essential platform and a precondition for trade unions to be able to develop and exploit other sources of power.

**Key Words**

**Institutional resources; Southern Europe; Durkheim; economic crisis; unions**

1. **Introduction**

Discussion and scrutiny of the power resources available to trade unions in Western Europe has become increasingly more relevant in the difficult environment in which contemporary unions operate. Four forms of trade union power have typically been identified, structural, associational, organizational and institutional (Gumbrell-McCormick and Hyman, 2013). As structural power has declined, Anglo American literature has tended to focus upon associational and organizational power as part of the discussion of trade union renewal (Bryson et al 2011). Discussion of institutional power resources, while stressing their importance for trade union security, has tended to be limited and to emphasize their potentially problematic nature.

This paper examines the role of institutional resources as a source of union power in three Mediterranean economies, Spain, Portugal and Greece. The three countries share common features. Their industrial relations systems were initially a result of post dictatorship institutional settlements in the relatively recent past which have been characterised as being favourable to the trade unions (Barr and Mackie, 2013). A high degree of state intervention with a regulatory framework supportive of the unions emerged in the new democracies. The economic crises recently suffered by all three countries has resulted in calls from international actors for these settlements to be unravelled if these ‘peripheral’ states are to enjoy full European integration. Their economies also display similar characteristics, with a preponderance of SMEs, a later and incomplete industrialization, a dependence on cyclical sectors such as tourism and agriculture and an important role for the informal economy. These common characteristics facilitate a stronger focus on the particular configurations of institutional resources in the three countries; doing so in a moment of crisis the paper provides an opportunity to interrogate in more detail the potential and limits associated with institutional power.

The paper first reviews literature on institutional resources as a source of trade union power. It then outlines the historical institutional resources upon which the trade unions have been able to call in the three countries and considers the impact of the economic crises upon these resources. Following a discussion of the reasons for differences in their resilience, a final section reflects on the implications of the paper for our understanding of institutional resources as a source of union power.

The principal propositions of the paper are i) the institutional resources of the Spanish unions have proved to be the most resilient during the period of economic crisis ii) this resilience can be attributed both to their Durkheimian qualities (e.g. obligational, normative, third party enforced enforced) and the reluctance of employers to challenge them, a reluctance based on the compatibility of the resources with long term employer interests and the availability of alternative avenues to achieve flexibility in a segmented labour market .iii) The resilience of institutional resources continues to be a source of strength for the Spanish unions notwithstanding the limitations in the outcomes delivered.

1. **Institutional Resources as a Source of Trade Union Power**

Institutions, defined as the norms and rules and resulting constructs which shape the interaction of economic actors and their associated interests, have tended to be considered in industrial relations literature as key factors conditioning trade union influence. There is little disagreement that it is difficult for unions to operate without a degree of institutional security which depends to a considerable degree on the labour rights generated by governments, making inevitable the engagement of unions in politics (Gumbrell McCormick and Hyman, 2013; Masters and Delaney, 2008). The importance of particular types of institutions has been emphasized. Thus it is argued only a system of multi-employer bargaining can cover most employees and ensure the involvement of the unions in matters of economic and social policy (Traxler, 2007).

In the last quarter of the twentieth century academic research placed a great deal of emphasis on the role of institutions in conditioning industrial relations outcomes. For example Clegg (1976) related outcomes such as union membership density and strike behaviour to the institutional configurations of national industrial relations systems. Hyman (2001) reviewing this literature, makes the distinction between ‘old’ institutionalism involving a high degree of structural determinism and neo – institutionalism which left more space for actor impact and choice.

More recent Anglo American research specifically on trade unions has been less interested in institutional analysis. The deregulation and institutional displacement associated with liberalism in the UK and USA and the resulting ‘deliberate neglect’ of institutions (Streeck and Thelen, 2005) has encouraged a focus on union renewal which on the whole eschews institutional analysis and emphasizes actor autonomy in renewal strategies such as organizing and social movement unionism, fitting more closely the traditional culture of voluntarism in those two countries. Bryson et al. (2011) question the relevance of this research for unions beyond the Anglo-American world as many European trade unions face a different set of choices, embedded as they are in social, political and economic institutions.

However the work of political economists could be seen as compensating for the limited institutional analysis of trade union researchers. This work often includes industrial relations systems as an important dimension of discussion e.g. varieties of capitalism literature (Hall and Soskice, 2001). Relevant in this context is Streeck’s discussion of Williamsonian and Durkheimian institutions.

Durkheimian institutions are normative and obligational, enforced by government and constitutional a third party and are to be contrasted with Williamsonian institutions, which are voluntary and are, constructed from below by self-interested market participants to increase the efficiency of their exchanges and making co-operation possible in the actors’ long term interest (Streeck, 2009). Streeck discusses the transformation of German industrial relations institutions from a Durkheimian to Williamsonian model via a process of disorganization from below which has involved decentralization, fragmentation, increased flexibility and voluntary employer participation Examples of this process are the establishment of opening clauses in collective agreements and of sections in employer bodies for companies not wanting to be bound by collective agreements. However the categorization of institutions in Durkheimian or Williamsonian terms is not always easy. It can be difficult to identify actor motivation and both normative and self-interested action can, at the same time, be the basis of institutional resilience (Etienne and Schnyder, 2014).

Researchers who have considered the role of institutional resources in supporting trade union influence have often pointed to the problems of relying on such resources. For example, achieving and maintaining institutional resources typically involves political alliances. This can result in unions and workers generally concentrating too much on political routes to achieve their objectives to the neglect of their role on resolving issues in the workplace and developing organization, thus reducing their visibility on a day to day basis. The history of French industrial relations provides an example of this (Parsons, 2013). Unions can become too dependent on particular political allies, particularly if they become organizationally weak. The difficulties of such a dependence has been emphasized by the movement towards the centre of social democratic parties, weakening their ties with the unions which have become less attractive (and necessary) as allies as they have become weaker (Masters and Delaney,2008). Even where union ties with social democratic parties are still important they have become less significant as the strength of these parties has been eroded e.g. the decline of social democratic dominance in Sweden where the party’s vote fell from over 50% in 1968 to just over 30% in 2010 (Gumbrell McCormick and Hyman,2013) .

There also exists the danger of placing too much emphasis on the significance of institutions per se rather than what they deliver. Kinderman (2005), also using Germany as an example, stresses that continuity of structure should not be confused with continuity of content, pointing to the ways in which employer strategies are changing the content of the structures of the industrial relations system and weakening the traditional works council role. Baccaro and Howell (2011) similarly argue there has been institutional change on an incremental basis (institutional plasticity) with the result that the form of the institution may remain but the content is changing. As evidence they point to the de facto decentralization process taking place in France and the growth of firm level agreements.

For other writers a dependence on traditional institutional power resources can create conservative and inward looking trade unions. Hassel (2007) sees institutional security as a liability for German unions. The institutionally secure environment and lack of competition enjoyed by the manufacturing based, industrial unions gives them little incentive to recruit new groups of workers. Institutional resources are a double edged sword, stabilizing union organization but stopping unions from recruiting new groups by establishing monopolies, diminishing competition, and guaranteeing workplace representation. Similarly, Thelen, in her portrayal of Germany as an example of liberalism as dualism, suggests the solidarity of institutions has declined and ‘*manufacturing firms and their workers can be expected to jointly defend traditional institutions and practices for themselves while on the unorganized periphery new….patterns of employment emerge*’(2012,154). This division into insiders and outsiders means divergent goals emerge for different segments of workers. Institutions need to adapt to changed circumstances, embrace vulnerable groups and form wider coalitions ensuring that greater flexibility is balanced by compensatory social policies. This may involve a wider campaigning role for the unions, engaging with collectives outside their traditional constituencies: thus: ‘*reasserting their identity as ‘sword of justice’ unions have to help construct a new type of politics….engaging with campaigning and protest movements’* (Gumbrell McCormick and Hyman, 2013, pp. 203-4).

Finally too great a reliance on institutional power resources alone will make it difficult for unions to translate to the workplace gains accruing from institutional power resources. Thus the impact of bargaining coverage will be limited unless it is supported by a level of union membership density and organization which can make the bargaining effective (Vernon, 2006).

**The Institutional Resources of the Unions in Southern Europe before the economic crises**

This section examines the development of the institutional resources of the unions in three areas - the regulatory framework, the collective institutions of bargaining and representation, and corporatist institutions of social dialogue.

The Spanish unions sought the establishment of a strong regulatory framework in which the union role was assured after the death of Franco. A fragmented, SME dominated economy with a high unemployment rate made it difficult for the unions to exploit structural power resources or rely upon associational and organizational strength. New organizations had to be established rapidly at a time when the new democracy was by no means entirely secure (1) and expectations of the unions were high.

As in the case of Greece and Portugal a strong regulatory culture for industrial relations, typical of Mediterranean models of capitalism (Amable, 2003), was inherited by the new regime from the dictatorship. However the political position of the Spanish unions was strong enough to ensure their interests were reflected in the new institutional and legal framework which emerged, helped by the institutional vacuum and the weakness of the early democratic governments (Hamann, 2012). The unions, having played an important role in the opposition to the dictatorship, were seen as a major part of the new political settlement.

In Greece and Portugal the position of the unions during the transition period was different. In Greece the unions, handicapped by their lack of political independence and political rivalry, were not as directly involved in the transition process which did not result in a complete break with the previous regulatory regime but the continuance of centralized bargaining with provision for state intervention via arbitration. Similarly, in Portugal, the trade unions were not as directly involved in regime change: the transition was more abrupt than the negotiated process in Spain. The Portuguese trade union movement, which had already, before the end of the corporatist regime, achieved official status and a significant role in sectoral collective bargaining, concentrated in the early transition years on demanding more government intervention to legislate working conditions, rather than constructing new industrial relations institutions.

The regulatory framework which emerged in Spain provided for works councils with full bargaining powers and the right to call strike action in companies with 50 or more employees and delegates to be elected in smaller companies. At sectoral level unions which had obtained 10% of the elected delegates in the ambit concerned were recognized as ‘representative unions’ for negotiating purposes. The status of ‘representative’ union at national level was allocated to those union confederations achieving ten per cent of the works council delegates elected, with attendant advantages of state financial support and involvement in national social dialogue. Legislation provided for the automatic extension of collective agreements to all relevant employees and when collective agreements expired, their terms were extended until replaced by a new agreement. Most employees were covered by multi-employer agreements, an exception being those employed in larger companies such as multinationals which completed enterprise level agreements. Labour courts were available to the unions to enforce these rights and wider obligations such as the need for employers to bargain in good faith. They also adjudicated issues arising from the complex system of employment protection.

The Greek and Portuguese regulatory models which emerged had general similarities with the Spanish framework but there were important differences of detail. Portuguese legislation provided for worker representative bodies being elected at company level but they had more limited bargaining rights than their Spanish counterparts and did not provide the basis for union recognition in bargaining and social dialogue (Pinto, 1990). Provision for the extension of collective agreements was not automatic but had to be activated by ministerial decree. In the case of Greece legislation in 1988 provided for works councils to be established in enterprises with more than 50 employees but their powers were limited, based on consultation and they did not develop a strong role nor a basis for union recognition outside the workplace. As in the case of Portugal although provision for the extension of collective agreements existed, it was dependent upon ministerial decree and an agreement already being binding upon companies employing 51% of workers in a sector.

The collective bargaining institutions which developed in all three countries showed similarities with an emphasis upon multi-employer bargaining and relatively high levels of bargaining coverage, helped by extension provisions. In Spain the proportion of workers covered by the agreements tended to oscillate between 70% and 80% (Pitxer I Campos and Sanchez, 2008). Pre-crisis bargaining coverage for Greece and Portugal has been estimated at 65% and 60-70% respectively (Fulton 2013,Schulten et al 2015).A significant role was played by third party intervention in Greece. Initially compulsory arbitration was used to resolve disputes but even after its abolition in 1990 and the establishment of an independent body, 25% of agreements between 1992 and 2008 were a product of an arbitration process structured so as to favour the union position ( Koukiadaki and Kokkinou, 2016).

While the enterprise level worker representation systems were less significant in the industrial relations systems in Greece and Portugal, in Spain, their performance in works council elections resulted in the General Workers Union (UGT) and the Workers’ Commissions (CCOO) dominating both collective bargaining and social dialogue institutions . Electoral participation was typically high (67% in 2007 (Jodar et al, 2012), giving Spain the fourth highest level of worker presentation in Europe (Eurofound, 2013). All three countries had low levels of union membership density immediately before the economic crisis (Greece 23%, Portugal 21% and Spain 17% (OECD, 2014)). The emphasis of the unions on the works council system contributed to low membership levels in Spain: CCOO has typically spent 10 times more resources on winning works council elections than on gaining new members (CCOO, 2016).

A third area of institutional resources available to unions in the countries examined has been involvement in national level social dialogue. In the 1980s peak level agreements in Spain between the social partners covered employment legislation and pay but social dialogue on pay was weakened by the rivalry between socialist and communist aligned union confederations. However from the 1990s peak bipartite agreements on pay signed by both confederations became the norm and the unions consolidated their role in a number of corporatist institutions. The Toledo Pacts in 1995 established an all- party agreement on how key decisions on the social security system including pensions should be taken, setting in motion a number of tri-partite pacts on pension. Consultation took place on key labour market issues such as the minimum wage. Bipartite bodies funded by the state were developed in several areas e.g. training, collective and individual conflict resolution. The development of social dialogue at national level was mirrored by similar institutions in the autonomous regions. The limits of corporatism were evidenced by periodic crises and occasional one-day general strikes. However the fragmentation of corporatist relations into different negotiating arenas meant that a blockage in one arena did not necessarily paralyze dialogue in others. Unity among the actors helped to give some stability to social dialogue. There had only been one major organization of employers, CEOE, since the transition and from the 1990s unity of action also developed between the two major union confederations as they distanced themselves from political alignments (which in turn facilitated dialogue with governments of different political hues). Further stability was also given to social dialogue by the central authority of the union confederations.

As in Spain, national social dialogue gained importance in Portugal after the dictatorship in the form of tripartite pacts on incomes policy. However there was a difference in the stability and reach of the dialogue. Union unity resulted in both Spanish confederations signing agreements from the 1990s, but in Portugal the two major confederations often went their different ways retaining stronger attachments to their initial ideological references than their Spanish counterparts. The CGTP, the largest confederation, signed only 6 of the 17 pacts up to 2008.

Greek industrial relations prior to the economic crisis have been characterized as disappointing in terms of the results of social dialogue, despite efforts to promote it ( Tsarouhas, 2008). Apart from the national collective labour agreement between union and employer bodies which established the minimum wage there was little evidence of concertation. The politicization of the trade union movement and its division into different factions reflecting party loyalties, coupled with the frequent changes of government did not provide the conditions for the development of a mutual trust which could sustain social dialogue. The structure of the Greek union confederation, the GSEE, including approximately 100 autonomous federations also weakened its credibility as an organization able to deliver the results of social dialogue. Similarly on the employers’ side the structure of the main federation, the SEV, was divided between individual companies and local and sectoral organizations of employers. Finally, although the dominant role of state intervention typical of the early years of democracy was modified, social dialogue too often was a rubber stamping exercise, with decisions taken at state level being only communicated to the social partners.

**Institutional Resources and Economic Crises**

All three countries had to respond to the demands of external agencies in return for aid as a result of economic crises beginning in 2008/9. Greece and Portugal were subject to a government debt bailout and Spain to a bank bailout (1**)**. All the countries had to sign memoranda of understanding with the Troika laying out specific economic and social reforms to be implemented.

The reforms required by the Troika during the economic crisis in the industrial relations systems, focusing on increased flexibility and decentralization, showed similar features: limitations on the validity of agreements after expiry, a priority for company over multi-employer agreements, the extension of opening clauses enabling companies to deviate from sectoral agreements under certain conditions and the reduction of protective employment legislation. However there were differences. Restrictions on the extension of collective agreements were confined to Greece and Portugal. No changes were introduced to the worker representative system in Spain while in Greece the arbitration system which had favoured the unions was modified. Unilateral recourse to arbitration was abolished and arbitration was restricted to the determination of basic wages and salaries rather than bonuses, allowances and other benefits (Koukiadaki and Kokkinou, 2016).

A consideration of the impact of crisis-driven regulatory change upon industrial relations in Spain provides a complex and contradictory picture (Fernández et al., 2016) Despite the labour market reforms there is strong evidence for structural continuity in respect of the principal institutional resources. The union role in the representative system largely held up. In 2015 70% of worker representatives elected were candidates of CCOO and UGT, a decline of only 4% with respect to 2011 (CCOO, 2016). Electoral turnout declined slightly from 70.5% in 2007 to 68% in 2012 but the proportion of Spanish companies covered by worker representation was maintained, 20.6% in 2012 compared with 20.5% in 2007 (21.3% of Spanish companies are eligible to be covered, companies with less than six employees are excluded) (Alós et al, 2015). Union membership density remained low in all three countries in 2013 – remaining at 17% in the case of Spain and declining by 2% in Greece and Portugal to 21% and 19% respectively (OECD 2014)

Table 1 indicates the pattern of bargaining coverage in the ten years to 2014, the last available with definitive, rather than provisional data. (3) It is difficult to establish any pattern of decline. 92% of employees continued to be covered by multi-employer sectoral agreements in 2014 despite the primacy allocated to company agreements in the new legislation (Ministerio de Empleo y Seguridad Social, 2017)) while the number of workers employed in organizations opting out of collective agreements for financial reasons was only 66,203 out of an employed labour force of 14.1 million in 2014.

**Table 1: Bargaining coverage (2)**

Year % of employees covered

2005 68

2006 68

2007 68

2008 71

2009 73

2010 69

2011 69

2012 69

2013 73

2014 72

Ministerio de Empleo y Seguridad Social, 2017.

Compared with the stability noted in Spain. Greece and Portugal were in a subset of 10 countries experiencing the heaviest losses in bargaining coverage during the period of economic crisis (Visser, 2016). In case of Greece coverage declined to 40%. Although the national collective agreement establishing minimum pay survived there was evidence of a rapid decline of sectoral agreements (see Table 2). The degree of loss of coverage in Portugal is disputed (Schulten, 2015; Addison et al, 2015). However, even accepting claims that dramatic falls in coverage to less than 10% are misleading because they fail to take into account historical agreements, indices do suggest a significant decline in coverage. Table 2 indicates the decline in multi-employer collective agreements published by the Ministry of Labour during the crisis. There has not been a commensurate increase in company agreements to compensate for this. Since 2011 the number of annual extension decrees has varied between 9 and 17 compared to an annual average of 170 between 2000 and 2010 (Schulten et al.,2015).

**Table 2 Number of multi-employer sectoral agreements in Southern European countries subject to intervention**

2010 2014

Greece 95 17

Portugal 166 72

Spain 1265 1181

*Addison et al, 2015; Koukiadaki and Kokkino, 2016; Ministerio de Empleo y Seguridad Social, 2017.*

Formally the involvement of the Spanish trade unions in social dialogue at national level and in the autonomous regions has not been dramatically affected by the crisis. National agreements between the social partners recommending pay increases have continued to be negotiated throughout the crisis years. The unions are still represented in the same bipartite and tripartite institutions as before and there has been continuing social dialogue with the government and other social partners. Inevitably the economic crisis has had an impact on the results of the social dialogue. For example the funding allocated to the social partner managed occupational training system has been cut (however the unions have not been excluded from seeking funding to organize occupational training). The state funding directly allocated to the representative unions has been reduced by 44% during the crisis (together with that to political parties). It is difficult to point to examples where social dialogue with the government has had much lasting impact during the crisis with trade union initiatives tending to be disappointing in their results e.g. the relatively low take up of union inspired government initiatives on financial aid to the long term unemployed (Nueva Tribuna, 2014).

In the case of Greece the already fragile nature of social dialogue was accentuated during the years of crisis.. The politicization and fragility of the Greek unions which had made it difficult to develop national level social dialogue continued to make social pacts difficult to broker during the crisis. This played a part in the social partners being side-lined by the Troika more than in other countries and being consulted less about labour market reform (Koukiadaki and Kokkinou, 2016). As a result crisis negotiations were monopolized by the state which further entrenched its dominant role in industrial relations. Evidence of this was the pressure it applied in the national collective agreement to restrict increases negotiated to minimum pay rates (Vokeritsian and Kornelakis, 2011).

Portugal had a more established history of social pacts pre-crisis as pointed out earlier. During the crisis national level dialogue continued but union divisions continued to affect its efficacy. The CGTP rejected the intervention of the Troika and the associated government proposals, concentrating more political and social mobilization. Therefore responsibility for dialogue tended to lie with the UGT, the minority union confederation, although its patience was tested and it was forced on occasion to mobilize in opposition to the Government, participating for the first time in a general strike against a socialist government in 2010 (Campos Lima and Artiles, 2011). Nonetheless, despite these union divisions, the input of the social partners into government decision making during the crisis was greater than in Greece and this, it has been argued, contributed to the impact of intervention on bargaining being less severe (Tavora and Gonzalez,2016).

The role of the institutional resources during the periods of economic crisis in the three countries must be considered not just in respect of continuity but also in relation to labour market outcomes. This is inevitably a complicated process. Table 3, comparing the evolution of four indices during the crisis shows a mixed picture. Although the level and purchasing power of the minimum wage and the performance of real pay has been stronger in the case of Spain, labour market segmentation is a greater problem with proportionately more workers employed on temporary contracts. It is therefore difficult to argue that the stability of institutional resources in Spain has been translated into better labour market outcomes as a whole. Positive comparisons in relation to pay have to be balanced against poorer results in respect of precarious employment.

.

**Table 3 Comparative Labour Market Outcomes**

2005 2015

Greece Portugal Spain Greece Portugal Spain

Unemployment 10 9 9 25 13 22

% temporary contracts 10 16 30 9 19 22

Min.Wage (euros p/m) 667 437 598 683 589 757

Minimum wage purchasing power (euros 2013) 715 649 774

Decline in real pay 2009-2013 20% 10% 6%

Sources – Eurostat, Pavelka (2013), Busch et al (2013)

**Discussion**

Our consideration of the three crisis-affected countries has suggested a greater stability of institutional resources in the case of Spain (less regulatory change; more continuity in collective institutions and in social dialogue). This greater stability can, in part, be related to their Durkheimian characteristics. The crisis left intact key obligational elements of the regulatory framework: the automatic extension of multi-employer agreements, the worker representative system, and representative unions. The democratic connection between works councils, the worker representative system, representative unions and the collective bargaining structures and their links to elements of the Spanish Constitution made a fundamental change to the rules of bargaining complex and problematic. The low take up by employers of the provision to opt out of sectoral agreements exemplifies this, with employers being discouraged by the way the labour courts interpreted the need to identify and negotiate opt outs with worker representatives and to negotiate in ‘good faith’ as defined by the Constitution,

Normative elements of the post–dictatorship settlement exercised an influence upon the Government and the judiciary. Thus the Popular Party government, notwithstanding its overall majority and external pressures, held back from radical action, leaving intact key elements of the Worker’s Statute of 1980. With determination it could have drafted legislation more tightly, particularly in the face of unfavourable court decisions (Gomez, 2015). Subsequently the Government has continued to resist demands from the Troika to introduce more flexibility into collective bargaining, even claiming credit for the continuing vigour of the bargaining system. Its restraint can traced to the continuing elements of political capital located in the post Franco settlement. In respect of the judiciary, the ‘denseness’ of the existing regulatory framework as well as their traditional inclination to be more favourable to worker interests enabled them to dilute the impact of the reform package in the labour courts (Gomez, 2015). There was considerable opportunity for legal challenge and for individual labour courts to arrive at their own interpretations of legislation, practising a form of judicial populism (Ruiz, 2016). Thus terminated collective agreements were allow to be continued on the grounds that they were regulated by previous legislation, an interpretation eventually upheld by the Supreme Court (Duran Lopez, 2015).

However their Durkheimian characteristics are not, alone, an adequate explanation of the resilience of institutional resources in Spain. Their maintenance has also been based on the material interests of both unions and employers. The unions wished to maintain an industrial relations system which ameliorated the impact of an SME dominated economy. During the crisis the unions have continued to display the negotiating culture which they had embraced since the late 1980s, maintaining dialogue even at times of conflict. More explicit concession bargaining has been pursued to ensure continuity. Recent interviews with worker representatives emphasized that their bargaining priority had been to preserve their collective agreement even at the cost of a devaluation of its contents e.g. salary moderation or the freezing of salaries (Lago Peñas and Cruces Aguilera, 2016).

The commitment of employers to existing institutional resources and their disinterest in taking part in a process of disorganization merits a more detailed consideration. At a collective level, a considerable part of the *raison d’etre* of Spanish employer organizations lies in their role in collective institutions (3). They have always been ambivalent about the decentralization of collective bargaining, being more concerned about flexibility in relation to dismissal (Hamann, 1998). Thus despite the opportunities offered by the new legislation, employers’ organizations reached agreements with the unions to extend the life of agreements (Fernández et al., 2016).

At an enterprise level Spanish firms have traditionally sought to seek to minimize uncertainties in the labour market by maintaining multi-employer bargaining (Royo, 2007)(3). To the SMEs making up most of the economy a decentralization of collective bargaining could be seen as a disadvantage. They lack the resources to devote to local bargaining and the worker representatives with whom to negotiate (Malo, 2015). Sectoral agreements avoid the transaction costs of negotiating employment conditions in-company and don’t disturb paternalistic management practices (Meardi, 2014). When asked why they had not instituted a company level agreement most employers (73%) said the sectoral agreement met their needs ,15% said they were unable to do so because no worker representatives existed in the company and 10% said they did not know how to (MESS,2014).. Few Spanish companies took advantage of the opportunities afforded by the legislation of 2012 to opt out of sectoral agreements; 0.17% in 2013 (Consejo Económico y Social, 2014) compared with 75% of employers in Germany typically taking advantage of opening clauses (Streeck,2009). However the willingness of employers to support the collective system needs to be also understood in the context of the flexibility and structural power offered by the segmented Spanish labour market with the frequent usage of temporary contracts and high unemployment as discussed above. Thus Spanish employers were able to support Durkheimian institutions because working with them was compatible with enjoying opportunities for considerable numerical flexibility.

In the case of Greece and Portugal, the institutional resources available to the trade unions were not sustained to the same degree as Spain. In both countries the resources were less obligational, particularly in respect of collective bargaining extension and the role of worker representation. There was little evidence for the normative reach of the resources and actor commitment was weaker. Union disunity contributed to this but employers did not show the same desire to maintain collective institutions exhibited by their Spanish counterparts. The removal of the extension mechanism in Greece meant that many employers stopped participating in bargaining, worrying they would lose a competitive advantage against smaller firms paying less and using undeclared work (Koukiadaki and Kokkinou, 2106). Zambarloukou’s (2010) discussion of the banking and telecommunications sectors in Greece shows, in the former, employers seeking to break up sectoral negotiations and, in the latter, a newly privatized and fragmented sector, employers having little interest in developing them. In Portugal, Tavora and Gonzalez (2016) discuss the difficulties unions have had in reaching sectoral agreements with employers’ associations in chemicals and textiles/footwear.

**Conclusion**

This consideration of the institutional resources available to trade unions in three Southern European countries recently suffering severe economic crises has identified a greater degree of continuity in the case of Spanish institutions. We have argued that this is in part a result of the framing of these institutional resources and their Durkheimian qualities. The linking of a robust worker representation system to the actors in collective bargaining establishes the latter’s democratic credentials and limits the political scope for reform (as well as facilitating unity of action and mobilizing capacity). The obligational (Durkheimian) character of institutions such as extension provisions limits disorganization. Therefore the detail of institutional resources is important, particularly when ,as in the Spanish case, it is based on a settlement which continues to exercise some normative influence on key actors such as the government and judiciary.

However the continuity of the Spanish institutions also owes much to their ability to satisfy the Williamsonian type self-interest of united trade unions and employers for collectivist institutions, emphasizing that the same institutions can be based on both normative and self-interested action. As a result there has not been an appetite for a German type process of disorganization in Spain. At the same time a highly segmented labour market, established initially in the 1980s, has met employer needs for flexibility, reducing any pressure to drastically modify the system of multi-employer bargaining.

This paper inevitably invites the question of the value to the Spanish unions of institutional power resources which, although resilient in structure, have failed to prevent a high level of precarious employment and a significant reduction in real pay, emphasizing the importance of distinguishing between continuity of structures and their outcomes (Kinderman, 2005; Baccaro and Howell,2011). In response we would argue that institutional continuity has been beneficial for the Spanish unions for the following reasons:

Firstly the maintenance of the institutional structures including and particularly multi-employer bargaining has been essential to provide the Spanish unions with a platform from which to operate. Given the difficult context of an SME and services dominated economy, collective bargaining and union presence would be likely to have withered away in the absence of multi-employer agreements. Continuity has meant some, albeit limited, amelioration of the impact of the economic crisis in respect of salary devaluation and job loss. In the event of an economic recovery, signs of which are beginning to emerge, a period of disjuncture and discontinuity in bargaining institutions would make it more difficult for the unions to recover ground which has been lost during the recession. A comparative study of the ‘hard discounter’ Lidl showed how worker representatives in Spain could make use of institutions to more effectively counter management power (Geppert el al.2015).

Secondly, from a trade union perspective, the positive impact of institutional continuity on employment relations is wider than the collective bargaining system. The maintenance of the worker representative system, the consolidation of the autonomous system of third party intervention in labour conflicts, the representation of workers’ interests in the judicial system, and union influence in national corporatist institutions are all practical consequences of continuing continuity. Thus the institutional support for workplace consultation and union recognition results in Spanish subsidiaries of MNCs being able to exercise more autonomy in the management of employment relations (Belizón et al, 2014)

Thirdly the continuity of institutional resources as a platform for union action has significance beyond the industrial sphere. Traxler (2004 and 2007) has pointed out that the welfare state is likely to decline if multi-employer bargaining fades away and that organized business and labour are only likely to have significant rights of participation in public policy where an inclusive bargaining system exists. The kind of compensatory social policies pointed to by Thelen (2012) are unlikely to emerge without civil society pressure in most European countries, given the current weakness of social democratic parties. By some degree, trade unions are the most important force in civil society. The legitimacy of the unions to play this wider role will be called into question without their role in collective bargaining and worker representation.

This paper has shown that the ‘right’ institutional resources can play a role in embedding industrial relations actors in collectivism and indicates the importance of beleaguered trade union movements campaigning for and cherishing the ‘right’ institutional resources. However the paper has also displayed that relying on institutional power alone to maintain trade union influence is inadequate. Institutional resources can help to establish a platform for union influence but to push on from this other power resources need developing. The nature of these other power resources will be related to the context of industrial relations. Thus, in the case of Spain the structure of the economy is always likely to make it difficult for the unions to develop a high level of associational and organizational power. It is therefore important for them to focus on the development of moral and collaborative power resources (Gumbrell-Mccormick and Hyman, 2013), building upon the wider campaigning role, in which the Spanish unions have traditionally engaged, to not only renew and revise the existing institutional configuration but to ‘re-embed the economic system in society with new mechanisms of regulation, social protection and re-distribution’ (Standing, 2014, p132-133).

**Funding**

This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

**Notes**

1. It is difficult to assess the implications of this difference. Spain was forced to make commitments in secret letters in return for the bailout and the European Central bank’s purchasing of government bonds.

2.. A characteristic of Spanish data on bargaining coverage is that definitive figures only become available 18 months after the year in question following a long process of registering agreements. Definitive data typically shows around 30% more workers covered than provisional data. Efforts to identify changes bargaining coverage in Spain as a result of the economic crisis and which show a significant decline e.g. Eurofound, 2015 have based their calculations on provisional data.

3 .A recent example displays the continued wish of Spanish employers to co-ordinate when three employers’ associations successfully challenged in the High Court government efforts to distribute national training funds without involving the social partners.

**References**

Alós R, Beneyto P, Jódar P, Molina O, y Vidal S (2015) La Representación Sindical en España, Madrid, Fundación Primero de Mayo.

Addison J T, Portugal P and Vilares H (2015) Unions and Collective bargaining in the wake of the Great recession, Working Papers 2015, Banco de Portugal**.** http://ftp.iza.org/dp8943.pdf

Amable B (2003) *The Diversity of Modern Capitalism*, Oxford, Oxford University Press

Baccaro L and Howell C (2011) A Common Neoliberal Trajectory: The Transformation

of Industrial Relations in Advanced Capitalism, *Politics and Society*, 39, (4):521-563

Barr M and Mackie D (2013) *The Euro are adjustment about halfway there*, J P Morgan

Belizón M J, Gunnigle P, Morley M J and Lavelle J (2014) Subsidiary autonomy over industrial relations in Ireland and Spain, *European Journal of Industrial Relations*, 20 (3): 237-254

Bryson A, Ebbinghaus B and Visser J (2011) Introduction; Causes, consequences and cures of union decline, *European Journal of Industrial Relations*, 17(2): 97-105

Busch K, Hermann C, Hinrichs K and Schulten T (2013) *Euro Crisis, Austerity Policy and the European Social Model*, Friedrich Ebert Stiftung.

Campos Lima, M and Martin Artiles, A (2011) Crisis and trade union challenges in Portugal and Spain: between general strikes and social pacts, Transfer: European Review of Labour and Research, 17(3): 387-402

Clegg H A (1976) *Trade Unionism under Collective Bargaining*, Oxford: Blackwell

Comisiones Obreras (2015) Informe Trimestral de Afiliación 1o Trimestre 2015, Madrid

Comisiones Obreras (2016) Informe Elecciones Sindicales Periodo 2011-2015, Madrid

Consejo Económico y Social (2014) *Memoria sobre la situación socioeconómica y laboral de España 2013***,** Madrid

Durán Lopez, F (2015) Spain’s post reform labour market legal framework, Spanish Economic and Financial Outlook, 4(2): 41-47

Etienne J and Schnyder G (2014) Logics of action and models of capitalism: Explaining bottom up non- liberal change, *Swiss Political Science Review*, 20,3,365-387

European Foundation for the Improvement of Living and Working Conditions (2013) *Employee Representation at Enterprise Level in Europe* *:200http://www.eurofound.europa.eu/sites/default/files/ef\_publication/field\_ef\_document/ef1143en.pdf8-9.*

Fernández Rodriguez C J, Ibañez Rojo,R and Martinez Lucio M (2016) Austerity and Collective Bargaining in Spain: The political and dysfunctional nature of neoliberal deregulation, *European Journal of Industrial Relations*, Special Issue Article, 1-14

Fulton L(2013) *Worker representation in Europe*. London: Labour Research Department and ETUI.

Geppert M, Williams K and Wortmann M (2015) Micro-political game playing in Lidl: a comparison of store-level employment relations, *European Journal of Industrial Relations*, 21 (3):241-257

Gomez M (2015) Los tribunals moldean la reforma laboral, *El País*, 10th May,

Gumbrell- McCormick R and Hyman R (2013) – *Trade Unions in Western Europe: Hard Times, Hard Choices*, Oxford: Oxford University Press

Hall P and Soskice D (2001) An Introduction to Varieties of Capitalism in P A Hall and D Soskice

(ed.) The Institutional Foundations of Comparative Advantage,1—68, Oxford University Press,

Oxford and New York.

Hamann K (1998) Spanish Unions: Institutional Legacy and Responsiveness to Economic and Industrial Change*, Industrial and Labour Relations Review*, 51 (3): 424-444.

Hamann K(2012) *The Politics of Industrial Relations: Labour Unions in Spain*, London, Routledge

Hassel A (2007) The Curse of Institutional Security: the Erosion of German Trade Unionism, *Industrielle Beziehungen*, 14(2):176-91

Hyman R (2001*) Understanding European Trade Unionism*,London:Sage

Jodar P. Alos R, Beneyto P, Molina O (2012) – Un Breve Panoramica de Las Elecciones sindicales, 2011, con apuntes de su evolución desde 2003 in *Anuario Socio Laboral 2012*, Madrid: Fundación primer de mayo: pp.541-557.

Kinderman D (2005) Pressure from without, Subversion from within: The Two Pronged German Employer Offensive, *Comparative European Politics*, 3: 432-463.

Koukiadaki A and Kokkinou C (2016) Deconstructing the Greek system of industrial relations, *European Journal of Industrial Relations*, online 1-15

Lago Peñas J M and Cruces Aguilera J (2016) Estrategias de los Interlocutores Sociales in *El Impacto de la Reforma Laboral en La Negociación Colectiva*, Madrid, CCOO.

Malo M A (2015) Los impactos de la reforma de 2012 en la negociación colectiva, , *Cuadernos de Información Económico*, 246: 23-34

Masters M.F. and Delaney J T (2008) Organized Labor’s Political Scorecard.in Bennett J T and Kaufmann B *What can unions do? A Twenty Year perspective?* New Brunswick, New Jersey: Transaction Publishers, pp 492-519

Meardi G (2014) The (claimed) growing irrelevance of employment relations. *Journal of Industrial Relations*, 56(4): 594-605

Ministerio del Empleo y Seguridad Social(2014) Encuesta Annual Laboral http://www.empleo.gob.es/es/estadisticas/anuarios/2014/EAL/EAL.pdf

Ministerio de Empleo y Seguridad Social (2017) *Boletín de Observatorio de la Negociación Colectiva, http://www.empleo.gob.es/es/sec\_trabajo/ccncc/B\_Actuaciones/Boletin/Boletin.htm*

Nueva Tribuna (2014*) La nueva prestación para parados de larga duración es ‘una medida imprescindible para una situación insostenible’*., 23/12/14.

OECD (2014) <https://stats.oecd.org/Index.aspx?DataSetCode=UN_DEN>

Pavelka T (2013) The Minimum Wage and its Development in the Member States of the European Union, *Intellectual Economics*,7 (3),320-332.

Parsons, N. (2013) France in C. Frege and J. Kelly (eds.) *Comparative Employment Relations in the Global Economy.* London and New York: Routledge

Pinto M (1990) Trade Union Action and Industrial Relations in Portugal, in G Baglioni and C Crouch (eds) *European Industrial Relations: The Challenge of Flexibility*, Sage, London

Pitxer I Campos J and Sánchez Velasco A (2008) Estrategias sindicales y modelo económico español, *Cuadernos de Relaciones Laborales*,26 (1):89-122

Royo S (2007) Varieties of Capitalism in Spain: Business and the Politics of Co-ordination, *European Journal of Industrial Relations*, 13 (1):47-55

Ruiz Soroa, J M (2016) Populismo Judicial?, *El País*,5th March, 2016

Schulten T, Eldring L and Naumann R (2015) The role of extension for the strength and stability of collective bargaining in Europe, in G Van Gyes and T Schulten –*Wage bargaining Under the new European Economic Governance*, 361-400

Standing G (2014) *A Precariat Charter: From denizens to citizens*, London: Bloomsbury

Streeck W (2009) *Re-forming Capitalism: Institutional Change in the German Political Economy,* Oxford*,* Oxford University Press.

Streeck Wand Thelen K(eds**.)** (2005**)** *Beyond Continuity: Institutional Change in Advanced Political Economies,* Oxford: Oxford University Press

*Coalition: Strategies for Strong Unions and Social Change*, New York: ILR Press

Tavora, I. & Gonzalez, P (2016). Labour marker regulation and collective bargaining in Portugal during the crisis: Continuity and Change, *European Journal of Industrial Relations,* online 1-15

Thelen K (2012) Varieties of Capitalism: Trajectories of Liberalization and the New Politics of Social Solidarity, *Annual Review of Political Science*, 15:137-59

Traxler F(2004) The Metamorphoses of Corporatism*, European Journal of Political Research*,43:571-598

Traxler F (2007) The Role of Collective Bargaining in the European Social Model in O Jacobi, M Jepsen, B Keller and M Weiss (eds*) Social Embedding and the Integration of markets- An Opportunity for Transnational Trade Union Action or an Impossible Task*? Hans Bockler Stiftung, Dusseldorf.

Tsarouhas D (2008) Social Partnership in Greece: Is There a Europeanization Effect? European Journal of Industrial Relations,14 (3), 347-365.

Vernon G (2006) Does Density Matter? The Significance of Comparative Historical Variation in Unionization, *European Journal of Industrial Relations,* 12 (2): 189-209

Visser J (2016) What happened to collective bargaining during the great recession? IZA Journal of Labor Policy,5:9

Voskeritsian H and Kornelakis A ( 2011) Institutional Change in Greek Industrial Relations in an Era of Financial Crisis, GreeSE Paper 52, Hellenic Observatory, European Institute, London School of Economics and Political Science

Zambarloukou S (2010) Ownership, corporate governance and industrial relations in the banking and telecommunications sectors: the case of Greece, *Industrial Relations Journal*, 41 (3):233-248