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The Spanish Experiment:
A Social Democratic Party-Union Relationship
in a Competitive Union Context

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Abstract
A close relationship with a Social Democratic party has traditionally been regarded as one of the best strategies unions have to defend workers’ interests. This conclusion still seems valid today, since the changes in the economic and social structure in the advanced capitalist societies alter the traditional content of their relationship, not the reason for cooperation. However, this belief assumes among a unitary labor movement. The experience of Southern Europe shows, on the contrary, that, when the union movement is divided according to different partisan preferences, union leaders are forced to choose between their relationship with their parties, or cooperating among themselves and being effective in the labor market. In addition, the divorce between the Spanish Socialist party and the Socialist Union reveals that, no matter how strong these organizations are, and despite their history of close ties, inter-union competition and a growing economy make their relationship even more damaging for the union’s interests.
1. The Social Democratic partisan strategy.¹

Is it always a close relationship with a governing Social Democratic party that is the best way for unions to influence the policy-making? Labor unions, especially those that seek to represent broadly defined wage-earner interests, have usually pursued their varied goals in two different arenas—the marketplace and the political arena, even though the relative importance of each arena varies across national union organizations (Korpi 1983; Freeman and Medoff 1984). Both marketplace and political strategies are not mutually exclusive; on the contrary, they reinforce one another: union strength in the market arena augments strength in politics, and vice versa (Lange, Ross, and Vannicelli 1982:219).² In the marketplace, unions mediate between individuals who need to sell their labor, the workers, and those who might purchase it, the employers. But, given the role of governments in many issue areas related to business, markets and industrial relations, unions are also interested in mediating between workers and the state (Lange, Ross and Vannicelli 1982:219). The presence of reformist governments can bring public policies closer to wage-earner interests. As Lindblom asserted at the end of the forties (quoted by Visser 1990:188): "of the various external sources of union strength, none compares with government."

Now, there are different ways of influencing governments and their policies. Unions can bring direct pressure to bear on policymakers, or they can also develop and maintain close contacts with political parties, what we can refer to as the partisan strategy. In democratic societies, political parties are one of the main institutions through which people control the government. They not only articulate and aggregate social interests, but they may play a relevant role in agenda-setting and policy formulation, as well as in the recruitment of political leadership (Wattenberg 1998). Therefore, maintaining a close relationship with a political party, especially when in government,

¹I would like to thank Andrew Martin, Michel Goyer, Tom Harsanyi, Eric Kurlander, and Maurits Van der Veen for helpful comments and suggestions.
²It is generally accepted that unions can obtain gains for workers either by relying on the exercise of marketplace power through collective bargaining or by relying on the exercise of political power (Hibbs 1978, Pontusson 1992). But this choice means opting between actors (employers, state) from whom to obtain gains for workers, not between arenas in which to act, since each procedure to obtain gains can involve acting in both arenas.
seems to be a promising way of influencing the policy-making to defend workers' interests.

In addition to this generic role political parties play, those that are Social Democratic are particularly attractive to those labor unions seeking the representation of broadly defined wage-earner interests as a class, and not only those privileged labor constituencies with strong market power. Social Democratic parties have traditionally sought to moderate wage earners' exposure to market risks and to engineer a significant redistribution toward the less fortunate in society, while promoting economic growth (Kitschelt 1999:317). Therefore, as Korpi (1983:25) suggested, the presence of a Social Democratic party in government could bring public policies closer to the interests of unions' constituents. In his terminology, reformist socialist parties could be one of the unions' main "power resources" in order to alter the market outcomes through politics.

To be sure, Social Democratic party-union relationship was not only based on this mere calculus of interests. The fact that both actors had overlapping constituencies and memberships and shared an ideology made them feel a mutual affinity. But the particular relationship that Social Democratic parties and unions built over time developed into a complex strategic design based on a division of roles between both partners, an exchange of services between them, and the coordination of their activities (Howell and Daley 1992-93). To start with, according to this strategic design, Social Democratic governments delivered economic and social gains for workers and non-worker allies (such as full employment or high social spending), as well as provided a legal framework favorable to union organization—by means of public recognition and legal supports enhancing union security (Cameron 1984; Visser 1990:188). As a compensation for these benefits, trade unions attempted, first, to deliver votes for the Social Democratic parties. But, secondly, when the Social Democratic party gained government office, their relationship also involved a so-called “political exchange.” The trade unions agreed to coordinate their actions in the industrial arena with the governments' Keynesian economic policies, offering industrial peace and wage restraint through a highly centralized system of wage setting (Cameron 1984). Had they not chosen to accept this role, when Keynesian economic policies were successful leading to a tight labor market, unions could then press for excessive wage increases, producing both inflation and a
The profit squeeze, and ultimately an economic disruption. This "political exchange" that comprised government initiated income policy deals, Keynesian policies, and a centralized system of wage setting was the core of well-known macro-corporatist arrangements (Lehmbruch 1984). In sum, a close relationship with a governing Social Democratic party seemed a good strategy for labor unions to defend workers’ interests.

2. Are politics (and parties) now less salient for unions?

Two different kinds of arguments have questioned the validity of this assertion. The first one contends that, even if a close party-union relationship can be a good way to accede to policymaking, socioeconomic changes in advanced capitalist countries have made politics altogether a much less rewarding arena for unions. The party-union relationship loses thus much of its *raison d'être*. The second argument does not question the utility of politics, but it asserts that under certain forms of organization of the union movement, the costs of a close relationship with a Social Democratic party exceed its alleged benefits. Both arguments, however, lead to the same conclusion: the partisan strategy, even with governing Social Democratic parties, is not a good strategy for unions to follow in order to achieve their goals.

Starting with the first argument, economic restructuring, increasing international competition, and social transformation are believed to have made the party-union relationship less feasible or at least less efficient in running successful campaigns, governing the economy, and producing social benefits for all. On the one hand, the increasing interdependence of the world economy, and the internationalization of capital markets in particular, imposes constraints on social spending and more generally restricts the capacity of national governments to regulate or direct economic activity. Each national government must pursue policies of fiscal restraint and deregulation, and facilitate high corporate profit earnings, in order to keep or attract internationally mobile capital. Putting it flatly, unions can now expect less from their governments. In addition, new issues at the workplace level pertaining to job security, differentiation of pay or working practices, have caused a further concern for unions. At the same time, employers push for wages to be set at the plant level. Consequently, union organizations should
increase their focus on the firm to deal with increasing decentralizing tendencies and not so much on broad "political" negotiations.

On the other hand, trade unions are thought to be less able to deliver their services to the parties, making the latter less interested in maintaining their close relationship. It is thus asserted that the last twenty years have witnessed a decline in the absolute number of workers employed in manufacturing, and a rise in the numbers employed in services. In addition, the economic transformation has contributed to occupational, intra-firm, and sectoral conflicts of interest within the working-class constituency. The relative class homogeneity of the Fordist period, which relied heavily on the weight of the mass-production sector, has given way to a polarization of skill levels. Therefore, unions are now viewed to be less able to "deliver" both wage moderation through centralized negotiations and a homogeneous electoral constituency to Social Democratic parties (Kitschelt 1994). Even worse, the linkage between Social Democratic parties and trade unions seems illegitimate to new key electoral constituencies and it is therefore a hindrance for these parties to attract them.

In sum, all these arguments lead to the conclusion that a close Social Democratic party-union relationship is more difficult to put together because both partners are less able to deliver their goods and coordinate their actions with the other; in addition, they are less interested in what the other can offer (Howell and Daley 1992-93:12; Kitschelt 1999:330).

Still, not all scholars agree on the extent and intensity of the alleged socioeconomic changes, nor do they agree that, if these changes do take place (and Social Democratic parties do not seek redistribution nor implement Keynesian policies, or unions are not able to mobilize many voters), it must necessarily follow that a close relationship is now less useful for them. Some scholars have thus pointed out that the empirical evidence shows that the political exchange does not present a general general trend towards its decay or collapse in those countries most often identified as highly corporatist (Lange, Wallerstein and Golden 1995:77; Wallerstein and Golden 1997). Only some of them, mainly Sweden, exhibit clear signs of corporatist breakdown. In fact, many highlight that there has been a "revival" of corporatist pacts in the 1990s through
most of Western Europe (Regini 1997; Rhodes 1996; Visser 1998; Grote and Schmitter 1999).

The maintenance thus of classic features of the traditional party-union relationship can be explained in the first place because the economic and social changes were not so deep. Some scholars have questioned the extent to which "Fordism" has been substituted by "Postfordism," as well as the proposition that demand for mass-produced goods has been exhausted (Pontusson 1992:34). Others think that the failure of demand-side policies may be only temporary (Merkel 1995). But, as a second explanation, even though we accepted that the European economies and electorates have experienced some degree of structural change, we could still question the belief that the Social Democratic parties and unions do not have common interests and reasons to cooperate (Howell and Daley 1992-93. On the one hand, if the success of public policies creates its own base of support (Esping-Andersen 1985), and unions can contribute to the success of those policies, counting on unions' policy support would be an electoral asset, even though they are not able to mobilize directly a significant voting bloc towards a particular party. On the other hand, Scharpf (1992) has argued that even though social democratic government cannot resort to expansionary demand-side fiscal policy, this does not mean that wage moderation (obtained through a centralized system of wage determination) is no longer needed to boost growth and hence employment. More in general, governments still need to find partners in achieving broad macroeconomic objectives at a time of difficult adjustment to the demands of European integration, since unions can still effectively veto many policies to which they are opposed (Rhodes 1996; Ebbinghaus and Hassel 2000). In addition, the employers, in order to develop new forms of 'best practice' management and work organization, or to embrace the principles and techniques of flexible specialization, lean production and total quality management, need cooperative labor relations. Finally, from the point of view of unions' interests, even though they have to accept the supply-side policies of economic economic modernization and labor requalification, income policies may still facilitate beneficial trade-offs among wages, investment, employment, and social policies. As Maravall (1997) has pointed out, trade unions and employers might both benefit from negotiating lower wages than the unions would unilaterally choose, and higher employment than companies would choose if those
wage rates were established. Given that high wages would reduce investment, the unions may be willing to accept a trade-off between present consumption and investment, and thus future employment and consumption. They could even accept these income policies and the reform of labor market regulation and the Welfare State because at least they could preserve social protection and consensus instead of facing a unilateral full-scale deregulation of the labor market and a substantial equity deficit (Rhodes 1996). They may be especially inclined to accept these deals if they have suffered a curtailment of their power so that their complete rejection of economic reforms is not possible, but not as much as to the point employers and governments can unilaterally implement their reforms (Visser 1998; Ebbinghaus and Hassel 2000).

In brief, if unions still have a stake in influencing policymaking, and are able to offer something to Social Democratic parties in return, we could conclude that a close relationship with these parties is still one of the main strategies for unions to pursue their varied goals.

3. The effects of interunion competition on the Social Democratic party-union relationship.

The second argument, in contrast, focuses on how a particular way union movements are organized can hinder in general the alleged benefit of a close party-union relationship. Several scholars have pointed that, for unions to be effective in the marketplace, they have to organize most wage earners and achieve a monopoly on representation (Lange, Ross, and Vannicelli 1982; Wallerstein 1989). But when workers of the same occupational category have the choice of supporting different unions, making them compete for their representation, inter-union cooperation is a condition for unions to increase their effectivity in the marketplace (Weitz 1977, Ross 1982, Regini 1984, Schain 1984, Daley 1996). Still, that inter-union cooperation requires among other things

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3 For this competition to happen workers must demand non-identity benefits from unions. Otherwise, Lange, Ross and Vannicelli (1982:230) have remarked that, to the extent competitive unions base their support on the provision of identity incentives, "these unions are not really competitive (...). To leave one's traditional union, much less to join the 'opposition's union,' is likely, from an individual's perspective, to
that unions loosen their close relationship with their respective political parties (Golden 1988:53; Martin 132). As Lange, Ross, and Vannicelli (1982:263) have pointed out, inter-union cooperation would only be lasting "if each one could be assured that its energies would not be turned, through unity, towards the achievement of a political agenda which was that of another confederation." It is true that if the effects of unions' actions in the marketplace and in the political sphere were completely separated, unions with different partisan preferences could agree at least to cooperate among themselves vis-a-vis the employers (Ross 1982, Daley 1996). But few marketplace actions do not have political consequences. Their joint actions in the first arena would therefore tend to favor the political fortune of one of their parties, and to jeopardize the fortune of the other. As a result, contrary to the situation of unitary unionism, when the union movement is divided according to different partisan preferences, unions cannot be equally effective at the same time in the two arenas where they can obtain gains for workers. The traditionally considered best way for unions to have clout in the political arena (a close party-union relationship) rules out the needed cooperation among the different union confederations for them to achieve their goals in the marketplace. In this specific union context, union leaders face a dilemma: they can either attempt to obtain their goals in the political arena through the intermediation of their party, or in the marketplace by cooperating amongst themselves, but not both at the same time. Their choice between partners would involve in practical terms a choice between strategic arenas as well.

Still, we cannot say that partisan strategy is not the best way to influence policymaking, but that acting in one arena is at the cost of being effective in the other. Therefore, depending on the political strength of the party the union has a close relationship with, the partisan strategy could still be quite effective to act politically. However, the effects of a divided and competitive trade unionism seem to be even harsher for a Social Democratic party-union relationship. As we saw, a Social Democratic party-union relationship entailed the coordination of the union’s actions in

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4Clearly this result does not occur when the political parties the unions are linked to do cooperate among themselves, as in the case of consociational countries like Belgium, the Netherlands, or Switzerland.
the labor market with the Social Democratic government’s policies. But the conventional view considers that the said Social Democratic unions' role as a pillar of economic efficiency cannot be sustained in a situation of competition among trade unions for workers' support (Pontusson 1992). Therefore, the failure of Social Democratic unions in the marketplace—because of their lack of coordination with other unions given their different partisan preferences—would also imply the failure of their partisan strategy, since they cannot perform that role in the marketplace. For social democratic unions, inter-union division would not involve a dilemma between politics and the market arena, but rather an inescapable failure in both arenas.

The problem with this theory about how a divided and competitive unionism is a stumbling block to the success of Social Democratic unions' partisan strategy to intervene in politics is that this kind of unionism was traditionally linked in the European experience to other factors that could also make this relationship fail. We encounter thus the typical problem of overdetermination. In countries with competitive unionism, such as France and Italy, the Social Democratic unions were not the biggest labor organizations, nor did they have close ties with the Social Democratic parties. On the contrary, the main union confederations (the CGT, the CGIL) were associated with the French and Italian Communist Parties. As Goetschy recalls (1998:357), commentators have argued that West European Communist parties attempted to use the trade union movement to mobilize a mass base. Then, as a result of the Communist parties' long exclusion from political power, their close relationship with the major component of the union movement inevitably entailed the marginalization of the latter as well. In other words, it could be argued that, if a divided unionism is linked to the absence of the classical social and economic policies associated with the traditional Social Democratic party-union relationship, this was because Social Democratic partners were too weak and/or had a distant relationship. What would happen, however, if the Social Democratic union were one of the main labor organizations and had at the same time close ties with a strong Social Democratic party? Can the strong political will of a Socialist party and the solid allegiance of a Socialist union overcome the effects of inter-union division and competition?
4. The Spanish experiment.

Spain belongs to that group of countries such as France, Italy or Portugal where unions seek to organize workers according to the principles of industrial unionism, rather than those of craft unionism, but where there are in each industry at least two unions seeking to organize all the workers of that industry (Pontusson 1992). These unions belong to separate confederations and attempt to appeal to workers on the basis of ideology and political affiliations, as well as their ability to deliver material gains. The Spanish union movement emerged from Franco's dictatorship highly divided and politicized. During the transitional period of struggle against Franco's immediate successors, Spanish trade unionism acquired its contemporary shape. In 1976 the Communist-led CCOO made the transition to a trade union confederation. Its hopes of sustaining a monopoly on representation were dashed, however, when the UGT was successfully reestablished. Therefore, since the start of the political transition, both confederations sought to achieve a "hegemonic" position within the union movement.

But Spain had other characteristics that made this country exceptional among the Mediterranean countries with competitive unionism, and that lets us analyze whether the effects of union pluralism on the efficiency of a relationship with a Social Democratic party are still present when that relationship is close, there is a strong Social Democratic party in government, and the Socialist union is at least one of the relevant union confederations. We can thus control the other factors that could undermine the efficiency of the partisan strategy, and gauge the effect of the competition factor on it. To start with, the PSOE and the UGT had maintained a close relationship for almost a century since the foundation of the union confederation by socialist activists in 1888. In addition, both members of the Socialist family had during the 1980s and early 1990s a relative strength vis-à-vis other competitors that was unparallel in other Mediterranean countries where the union movement is competitive. The PSOE enjoyed the support of more than 40 percent of voters in the 1980s. It stayed in office for over thirteen consecutive years, governing alone from 1982 to 1993, and with external support from regionalist parties until 1996. In so far to the UGT, this union confederation had a similar level of union membership to the other main Spanish union confederation--both of them comprised more than 70 percent of all union membership (Milner and Nombela 1995:5), and especially important
in the Spanish system of industrial relations (as we will see later on), the UGT fared better than its rival in the worker representative elections held during the 1980s. In 1982 it surpassed the CCOO for the first time and kept first place until mid-1990s (see table 1). Still, it is clear that UGT lacked a monopoly on worker representation in Spain. Its social democratic role as the pillar of economic efficiency had to be done in a situation of fierce competition with the CCOO and other smaller unions for workers' support.

Table 1.
Respective union shares in Elections to Spanish Works Councils, shown as percents

<table>
<thead>
<tr>
<th>Elections</th>
<th>U.G.T.</th>
<th>CC.OO.</th>
<th>Other unions¹</th>
<th>Non-Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>21.7</td>
<td>34.4</td>
<td>25.75</td>
<td>18.12</td>
</tr>
<tr>
<td>1980</td>
<td>29.3</td>
<td>30.9</td>
<td>24.04</td>
<td>15.77</td>
</tr>
<tr>
<td>1982</td>
<td>36.7</td>
<td>33.4</td>
<td>17.79</td>
<td>12.09</td>
</tr>
<tr>
<td>1986</td>
<td>40.9</td>
<td>34.5</td>
<td>17.78</td>
<td>7.6</td>
</tr>
<tr>
<td>1990</td>
<td>42.0</td>
<td>36.9</td>
<td>17.3</td>
<td>3.8</td>
</tr>
<tr>
<td>1995²</td>
<td>34.7</td>
<td>37.8</td>
<td>27.5</td>
<td>-</td>
</tr>
</tbody>
</table>

¹None of them managed to obtain the 10 percent of delegates at the national level required in order to be considered a "most representative union."
²Share of other unions and non-union lists together for 1995.

During the PSOE's first term in office (1982-1986), the UGT offered loyal support to the Socialist government and engaged in neocorporatist bargaining with it and the employers' association (CEOE), resulting in two formal comprehensive macro-level social agreements for 1983 and again for 1985-86 (but not for 1984). They were pacts agreed to, though not necessarily signed, by governments, employers' associations and trade union confederations. Thanks to them, the UGT participated in the decision-making process in order to obtain increased institutional participation, higher employment in general (and good terms for some of the workers affected by industrial restructuring), and social spending in exchange for guaranteeing effectiveness of state action, mainly through wage restraint. The first one, the Acuerdo Interconfederal (AI), was signed at the

⁵The 70,000 workers affected by restructuring came under a scheme based on the early retirement or
beginning of 1983 by the main union confederations, the UGT and the CCOO, and the
employers' association CEOE. Despite the fact that the PSOE's government did not
formally sign it, it pressed for its endorsement. The second one, the *Acuerdo Económico
y Social* (AES), was signed by the government, but this time the CCOO rejected it.
Signed in 1984, the AES had a duration of two years (1985 and 1986). In both pacts there
was an income policy that based wage increases on expected inflation, not on past ones,
and set a single economy-wide increase band. This formula had already been accepted by
the UGT and the CCOO under the center-right UCD government. What it is distinctive
about the Spanish social pacts is that the government was not required to boost growth
and employment through Keynesian expansionary policies as had similar pacts in other
countries (Scharpf 1992). The Socialist union confederation agreed to a kind of "supply-
side corporatism" in exchange for the traditional social compensations.

Early in 1986 there was public disagreement between the PSOE and the UGT
over Spain's continued membership in NATO. However, the UGT did not campaign
against its party on this non-trade union issue. Months later, the Socialist union once
again endorsed the PSOE's electoral program in the June 1986 general elections in which
the market economy was even more staunchly defended than in 1982. After the
elections, the minister of Economy and Finance Carlos Solchaga was still willing to
accept the continuation of the political exchange in order to obtain wage moderation and
control of inflation. Thus, although it is commonly believed that the AES was the last
comprehensive agreement, the Socialist government agreed with the employers' association and the UGT on its economic and social policies, where the reduction of inflation and public deficit were again core macroeconomic objectives. This union confederation agreed in particular to take into account the macroeconomic goals of the Socialist government for the next collective bargaining negotiations with the employers.

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6Personal interviews with Carlos Solchaga (19 July 1996) and with the former Minister of Labor in the first
Socialist Government Joaquín Almunia (29 July 1996). See also *Resoluciones del 30º Congreso del PSOE*


8Declaration of Carlos Solchaga to the Spanish journal *El País* (12 September 1986). See also UGT's
working note "*Encuentro Confederals de Acción Sindical: Presupuestos en 1.987*" (26 September 1986). An
exposition of this agreement can also be found in the presentation of the budget for 1987 by the Minister of
Economy himself in the *Congreso de los Diputados* on 28 October 1986.

In exchange, the Socialist government promised an increase in the inflation target for 1987 (from 4 to 5 percent), more public investment and employment, an increase in the utilization of general taxes to finance Social Security, a raise of civil servants' wages, pensions and unemployment benefits, and a general influence in the fiscal system. As the Socialist union confederation itself stated: "We believe that we have obtained an agreement for 1987 which fulfills the objectives we have established for our policy of Social Concertation, and therefore the UGT is satisfied with it." By contrast, the CCOO firmly opposed endorsing those policies. However, in the collective bargaining rounds of 1987 the Socialist union confederation asked for a wage increase two percentage points above the official inflation target of 5 percent. That wage demand was interpreted by Solchaga as a breach of the September agreement. The UGT replied, on the contrary, that the general economic plans of the Socialist government were not questioned since its wage demand did not jeopardize the government's inflation target. But in any case the UGT, along with CCOO, did not accept more macro-social pacts offered by the Socialist government. In addition, during 1987 and most of 1988 there were growing disagreements on social policies. The UGT thus pressed the Socialist government to comply with its promises concerning unemployment benefits that had been made in the 1984 national agreement (AES), and asked for higher spending on pensions. By December 1988 relations were so damaged that the UGT, along with the other main union confederation, the CCOO, organized a one-day General Strike. Both unions urged the Socialist government to fulfill the AES target for unemployment benefits, increase minimum pensions to the national minimum wage level, improve collective bargaining rights for civil servants, withdraw a youth employment plan, and to give a pay raise to

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12 See the CCOO's periodical Gaceta Sindical, no. 44 (October 1986): 22-23.
13 Declaration of the UGT's Secretary General Nicolás Redondo to El País (22 March 1987).
14 See El País (16, 17, 20 and 24 July 1987), the address of the Ministro para las Relaciones con las Cortes, Virgilio Zapatero, in the Congreso de los Diputados (30 November 1988), the UGT's working note "Circular de Negociación Colectiva" (1 February 1988), and the working note from the UGT's Secretario de Acción Sindical (31 July 1987).
15 Having been alarmed by the level of unemployment among 16-24 year-olds, the government's main social initiative in 1988 was a youth employment scheme aimed at creating 800,000 temporary jobs for school-leavers over a period of three years. This was rejected by unions arguing that the scheme would provide cheap labor at the legal minimum wage and would further undermine job security.
civil servants and pensioners to allow for inflation. And finally the UGT also stopped campaigning for the PSOE in the legislative elections of 1989. Still, in the early 1990s the Socialist government attempted again to set up new global pacts to control inflation and wages, and to meet the stringent conditions laid down in Maastricht. In order to facilitate the unions' endorsement of these pacts, the PSOE's government made substantial concessions on social issues. The minimum pensions were raised to the minimum-wage level, non-contributive pensions were established, and the expenditure on unemployment benefits were increased from 2.7 percent to 3.8 percent in three years. Yet the UGT rejected the proposals of the Socialist government, only agreeing to discuss specific, sectoral, short-term agreements with the government as well as with employers. In sum, by the early 1990s, the relationship between the Spanish Socialist party and the UGT were as distant as in other countries where competitive unionism exists.

5. The PSOE electoral calculus and policies.

The break-up between the PSOE and the UGT fits with the hypothesis about the negative effects of union division on the party-union relationship. Still, it could also be argued that their divorce was rather the consequence of those aforementioned socioeconomic changes that would make party-union relationships less feasible or less efficient over time. After all, the Spanish Socialist Party has been usually regarded as a classical catch-all party that avoided the traditional Keynesian economic policies of Social Democracy. We have thus to review other alternative theses that focus instead on the PSOE's electoral concerns, and its economic and social policies.

As we said, the common theory that highlights the effects of economic restructuring, increasing international competition and social transformation concludes that unions are less able to deliver votes for Social Democratic parties at the same time hinders the chances of these parties of getting the support of new social sectors. As a result, the special relationship between Social Democratic parties and trade unions is

16 Personal interview with Carlos Solchaga (19 July 1996).
17 See the UGT's working note "Circular de Negociación Colectiva" (1 February 1988), and also the UGT's document "La Negociación Colectiva en España desde el Punto de Vista de la Unión General de Trabajadores" (3 November 1987).
18 For a deeper analysis of the break-up between the PSOE and the UGT see Astudillo (1998).
regarded by these parties more as a liability than an asset. But this theory is at odds with the empirical evidence in Spain.

The PSOE in the early 1980s increased its support among different segments of the middle class without losing working-class voters. After adopting a moderate and catch-all strategy that emphasized tax reform, extension of the welfare state, and strategic use of the public sector to maximize long-term growth and reduce unemployment (Maravall 1991), the share of the Socialist vote rose from 30.5 percent of the valid vote in 1979 to 48.4 in October 1982. Support among white-collar workers doubled from 20 percent in 1979 to over 40 percent in 1982. The PSOE, however, did not weaken but actually reinforced its hegemony among the industrial workers, where support went from 35 percent in 1979 to almost 50 percent in 1982. What's more, the support for the PSOE among the members of the CCOO increased from 26 to 41 percent, with support for the Spanish Communist party (PCE) decreased from 62 to 32 percent. During the 1980s 58 percent of employed workers voted PSOE (Maravall 1991:18). The finding that Social Democratic parties are not condemned to electoral trade-offs between working-class and non-working class support has been demonstrated by authors like Kitschelt (1994). This author considers, however, that this bandwagon is only possible when parties do not have close linkages to trade unions. Yet the PSOE enjoyed union linkages during its first two electoral victories in 1982 and 1986. Thus, it seems clear that the Spanish Socialist Party had no need to dilute organizational ties to its labor ally in order to improve its electoral performance.

The impressive PSOE's victory in October 1982 can be attributed in part to exceptional circumstances, in which an acute economic crisis in the early 1980s was accompanied by the collapse of both the center-right governing UCD and the Communist Party. Subsequently, however, the PSOE electoral base suffered an erosion over time. In 1986, the Socialist party obtained 44.1 percent of valid votes, in 1989 40.2 percent, and in 1996 37.5 percent. Therefore, it could be argued that extraordinary conditions in 1982 gave the PSOE the opportunity to build a broad coalition of middle- and working-

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20UCD plummeted from 34.9 percent of the votes in 1979 to a mere 7.1 percent in 1982, the Communist Party from 10.6 to 4.1 percent.
class voters. As the interests of those classes became more incompatible over time, the break-up with the labor ally could indicate that the Spanish Socialist party chose to retain middle-class support and sacrifice workers (Aguilar and Roca 1991:46,52). The resulting class structure of the vote, however, does not correspond to a party which broke with its labor ally to maintain its appeal to the middle class. Support for the PSOE remained relatively high among blue-collar workers and fell sizably among students and urban middle-class voters (Maravall 1991:19; Tezanos 1994:20). The PSOE vote among industrial and service workers went from 50 percent in 1982 to 40 percent in 1993, among small farmers it increased slightly from 26 to 29 percent, and among agricultural workers from 41 to 43 percent, but the white-collar voting base decreased sharply from a solid 42 percent in 1982 to a mere 17 percent in 1993 (Boix 1998:150-154). The conventional picture of the Spanish Socialist Party as an example of a middle-class party, and therefore of "socialism without workers," is empirically false. But even if we can think that the PSOE had no electoral reasons to break with the UGT, this does not mean that it actually delivered the classical compensations in return for its union's electoral and policy support.

The economic policies of the Socialist government have been described as examples of conservative economic strategy which strongly resemble Thatcherism (Gillespie 1990:54; Köhler 1995:155-165). However public expenditure climbed from 21 percent of GDP in 1975, to 36 percent in mid-1980s, and 44 percent in 1993. Revenues from taxes rose from 31.6 percent of GDP in 1982 to 39.5 percent in 1989, and 42 percent in 1993. The public deficit increased from 5.6 percent of GDP in 1982 to 7.5 percent in 1993, and the public debt rose from 26.6 percent of GDP in 1982, to 43.2 percent in 1989, and 60.5 percent in 1993. As the Spanish employers' club Círculo de Empresarios pointed out, "a policy that increases the level of public spending to 50 percent of GDP hardly can be characterized as a 'liberal,' especially when this policy increases so-called 'social spending' at a rate superior to the economy's growth. Nonetheless, this has not countered the accusation, made repeatedly by trade unions, that the government has pursued a right-wing, neo-liberal policy."

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21 Data from European Economy, no. 53 (1993).
It has been pointed out that the Socialist government maintained its economic priorities of reducing inflation and the budget deficit even though Spain was enjoying the EEC’s fastest growth rate in late 1980s (Gillespie 1990:53). The general government deficit fell from 6.9 percent of GDP in 1985 to 2.8 percent of GDP in 1989 (but it increased later to 7.5 percent in 1993). Inflation also decreased from 12.2 percent in 1983 to 4.8 percent in 1988. But the Spanish Minister of Economy and Finance, Carlos Solchaga, believed that a demand-side economic policy would not solve the structural problems of the Spanish economy nor did he think it appropriate once Spain was in the EEC. Solchaga devised a program to promote growth and hence employment by observing a stable macroeconomic framework based on price and wage moderation as well as a balanced budget.\(^{23}\) His commitment to macroeconomic discipline was strengthened by the increasing openness of the Spanish economy and its integration into the EEC. The Socialist government expected this opening to increase Spain’s attractiveness to foreign investors, essential to sustain its growth rates, and to encourage the competitiveness of the Spanish industry. Yet there existed a very real risk that EEC products invaded the Spanish market. In Solchaga's view, this risk could be lessened, however, if Spain reduced the inflation differential with its main trade partners by controlling wage increases and maintaining sound economic balances.\(^{24}\)

Nevertheless, the Socialist government not only attempted to follow a strategy of macroeconomic discipline, but also gave the public sector an active role in the transformation of the supply conditions of the Spanish economy by increasing the volume and quality of the Spanish factors of production.\(^{25}\) The Socialist government understood that the Spanish economy suffered from a shortage of capital that produced supply bottlenecks and constrained the growth potential. Moreover, the weakness of Spanish input factors contributed to the relative underdevelopment of much of the country and produced wide income differentials. From a Social Democratic perspective, this diagnosis called for granting the public sector an active role in the expansion of the Spanish


\(^{24}\)In the "Pacto Social de Progreso" the Spanish government stated that devaluation measures were ruled out because they would threaten the government's credibility to a balanced long-term growth and jeopardize the capital inflows.

\(^{25}\)For an excellent analysis of the development of a social democratic supply-side strategy see Boix (1998).
productive factors. According to the Socialist government, massive public spending to enhance the national stock of fixed capital and to improve the quality of the labor force would increase the overall productivity of the private sector and stimulate domestic and foreign investment in search of higher rates of return (Boix 1998:111). Public direct investment increased in 1985 and 1986, was slightly curtailed in 1987 to accommodate a strong cut in the public deficit, and after 1988 rose steadily by almost half a percentage point of GDP every year. In 1991 it reached more than 5 percent of GDP. Most of the public investment by the central government was allocated to build or improve basic infrastructure and a comprehensive plan was developed to improve transportation and communication networks. The construction and maintenance of roads, railroads, ports, airports, and urban networks represented more than half of the investment by the central government. The remainder was mainly employed in the improvement of the educational system and the health infrastructure, and secondarily in culture, housing, and environmental protection (Boix 1998:117). Fiscal restraint waned from 1988. Even in the presence of a booming economy, the size of the "fiscal impulse" (the change in the budget balance adjusting for the business cycle) oscillated around 1 percent of GDP for four years in a row (Boix 1998:137).

In addition, even though the Spanish Socialists did replace the old Keynesian formulae with supply-side economic policies, they still attempted to improve the social policies. Under the PSOE, public expenditure on pensions, health, and education rose in total by 4.1 points of the GDP between 1982 and 1992 (Maravall 1997:183). The education budget grew the most, with an increase of 1.9 points of the GDP, followed by pensions, up 1.3 points, and health care, up 0.9 points. At the same time, the number of beneficiaries of the public health service and pensions increased by 6.7 million and 1.6 million respectively. The secondary education enrollment rate among 16- and 17-year-olds rose by 18 percent. If we compare the seven years of center-right rule of UCD (1975-1982), with the first seven years of Socialist governments (1982-9), the public expenditure on unemployment benefits, health, education, and pensions rose 39.7 percent in real terms in the first period, during the second it went up 57.6 percent. This remains the case even when we control for the different rates of economic growth in the two periods: 10.7 percent in cumulative terms under the UCD governments; 27.7 percent
under PSOE (Maravall 1997: 184). New legislation also altered the model of social policies. A law on non-contributory pensions was introduced in 1990 to complement the existing public scheme. A law passed in 1986 reorganized the national health service, which has since mostly been financed by general taxes. Between 1982 and 1992 education reforms raised the school leaving age by two years, increased the enrollment rate in post-compulsory education, increased the number of grants 2.3 times, reorganized the relationship between private and public schools, and gave the universities the autonomy they had previously been denied (Maravall 1997:185). We can thus conclude that if, by the end of the 1980s, the relationship between the PSOE and the UGT had ended as distant as in other Southern European countries it was not as a result of the PSOE's electoral concerns or its economic and social policies.

6. The effects of the union context and the business cycle on the PSOE-UGT relationship.

We are going to see on the contrary that, as it can be deduced from the argument about the effects of a division of the union movement, the fact that the Spanish union movement was divided and competed for workers' support was a stumbling block in the success of the partisan strategy of the Spanish social democratic union. We are going to qualify this argument, however, by pointing out that the effects of this union division on the outcomes of a Social democratic party-union relationship depend to a large extent on the business cycle. As was said, the conventional view considers that the Social Democratic union’s role as a pillar of economic efficiency cannot be sustained in a situation of union competition for workers’ support. But, workers’ preference between different unions’ courses of action that pursue higher wages or job security depends to a large extent on the specific economic situation.

As it is generally accepted, in a situation of economic crisis most workers are more concerned with keeping their jobs than with wage increases. This concern means that workers will support a union action that does not undermine the viability of their enterprises by overexercising their power in the market (Scharpf 1992:233). Moreover, employers are more resistant to unions' actions, and thereby the cost for workers of pursuing higher wages increases (Lange 1984:113). Consequently, during a downturn in the economic cycle, the union actions most workers support coincide with the market policy a social democratic union is required to pursue when its party is in power.26 In

26If the Social Democratic party is not in power, however, the concertation strategy of its union will help
these instances, supporting its party does not involve organizational costs for the union. In fact, workers will turn toward the social democratic union. A rival Communist union cannot tempt the Social or Christian democratic union's support with a strategy that pursues higher wages. It is not true, therefore, that interunion competition always forces unions to exercise their market power through collective bargaining and to reject wage restraint. In situations of economic crisis the logic of collective action does not restrain workers from supporting the union which obtains public concessions from the government, which are benefits that are not delivered to the supporters of the cooperative union alone but rather to all workers, because the wage restraint in exchange for public concessions are at the same time a "selective" incentive, the preservation of the job at the enterprise level (Scharpf 1992:233).

But the situation for a union that faces union rivals and that accepts wage restraints as a part of its political exchange with the government changes dramatically when the economic situation improves. Its rival union is now able to offer wage increases for workers, and therefore will attract the supports of the union that does not deliver them. Workers will be tempted to desert the cooperative union sooner or later because either they expect that if they support the militant union they can obtain both the "private" material incentives and the social compensations that the government promises to the moderate union, or, if their very defection prevents those public goods from materializing, and inflation resumes, they will not lose as much purchasing power as the workers that accept the wage moderation (Lange 1984). In other words, it is in times of economic expansion that the Social Democratic party-union relationship may create a "crisis of representation" for the union ally, because this relationship requires the compromise of wage restraint as a part of the political exchange while non-cooperative unions can tempt workers with wage increases. No matter how much the Party delivers in terms of public goods for workers, the social democratic union’s supporters will abandon it for its rival/s. Thus, in this specific union context it is precisely when the partisan partner gets government office -and therefore asks for the coordination of its policies with union action in the labor market–and the economy improves–that is under those

the incumbent party/ies, and thus it will be a motive of tension among the partners.
conditions that elsewhere had promoted the success of a Social Democratic party-union relationship—that a social democratic union would be forced to reassess its partisan linkage to avoid a serious crisis of representation among workers. Is this hypothesis supported by the evidence of the Spanish case?

Since the start of the political transition both confederations sought to achieve a "hegemonic" position within the union movement. The Socialist union stated its wish for "labor unity," not by merging with other union confederations but by "making the UGT the biggest and hegemonic trade union in Spain."27 The CCOO, on the contrary, never stopped proclaiming its devotion to the cause of trade union unity-in-action and even organizational unity by merging the existing union organizations.28 However, its very approach to such unity made it impossible to achieve it, since they sought the unity-in-action if they were in a hegemonic position.29 Therefore, it was as important for the CCOO to win the union elections as it was for the UGT.30

In addition, this union rivalry was particularly intense because of the kind of incentives Spanish workers asked for in exchange for their consent and support and because of the institutional framework of workers' representation. If Spanish workers had asked for identity incentives, the opportunities for unions to poach one another's support would have been few. But this was not the case in Spain. Pérez-Díaz (1993:241 and ff.) has shown that Spanish workers had an instrumental attitude toward unions. According to the evidence gathered in his surveys conducted in 1980 and 1984, Spanish workers valued the unions more in terms of their capacity to obtain favorable collective agreements (62 percent in 1980, and 69 percent in 1984) and to provide professional services (56 percent, and 58 percent in 1984) than in terms of their capacity to put pressure on the government for a change of policy (12 percent, and 9 percent in 1984); they valued different kinds of collective action, such as strikes, in terms of their suitability for achieving results within the framework of the existing order as they were in

29See II Congreso de la Confederación Sindical de CC.OO. (1981): 39, and also the CCOO's periodical Gaceta Sindical, no. 44 (October 1986).
30See the editorial "Ganar las elecciones" in Gaceta Sindical, no. 19 (June 1982): 3, where CCOO's leaders stated "we can, we must, and we are going to win the elections for works councils"; and also Gaceta Sindical, no. 43 (July 1986): 7-8.
favor of the legal regulation of strikes (64 percent, and 73 percent in 1984) and prudent recourse to them within the context of collective bargaining (77 percent, 91 percent in 1984). They were willing to concede a wide margin of confidence to the unions as their representatives for the purpose of collective bargaining, but not to grant them a monopoly of this representation. When it came to deciding who should lead the collective bargaining, workers were divided in their preferences between the unions (25 percent), works councils (17 percent), a mixed commission of the two (22 percent), and the assemblies (5 percent).

The question for Spanish union strategists was then to develop a course of action that would deliver the benefits Spanish workers expected from them in exchange for their consent and support. Now, in the Spanish system of industrial relations this consent and support are not expressed through membership as in other countries, but rather through voting for the preferred union list in the elections to works councils. If the Spanish workers dislike a union, they do not "vote with their feet," they actually vote. As has been noted (Jordana 1994), the Spanish union movement is an "electoral" one. Union representation is based on workplace delegates voted by workers who are not necessarily trade union members. In Spain, in contrast to other countries where works councils exist except Italy, the comités de empresa are not merely a "second channel" of industrial relations for worker representation and labor-management communication, but they are rather the very place that Spanish labor law has established for unions to carry out their "typical" activities. Thus, in Spain, works councils are agents of collective bargaining, negotiating wages and calling strikes. Unions, or combinations of unions, with more than half the council seats have sole collective bargaining rights. Besides, elections to works councils decide which unions are designated as "representative" and "most representative" under Spanish law. Unions with more than 10 percent of the council seats of a given jurisdiction are considered "most representative" and as a result have various organizational rights. Given therefore the relevance of the works councils in Spain for workers' defense, and the instrumental attitude that Spanish workers have toward unions, Pérez-Díaz (1993:271) has pointed out that it would be sufficient for workers to show

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31It is estimated that about 70 percent of all workplaces in Spain elected councils, and the electoral turnout is quite high, around 75 percent.
their support to a particular union by voting for its candidates to serve as representatives on works councils, without taking the next step of becoming a member.\textsuperscript{32}

But as we have just said, even with instrumental and an institutional framework of worker representation that makes quite easy to change of union preference, pushing for higher wages is not always a winning tactic to obtain workers’ support. The empirical data seem to support this hypothesis about how workers' preference between different unions' courses of action that pursue higher wages or job security depends on the business cycle. When the PSOE formed a government for the first time at the end of 1982, Spain endured a protracted economic crisis. Unemployment had increased steadily from less than 3 percent of the active population in the early 1970s to 17.1 percent in December 1982, and the economy was growing less than 1 percent annually in real terms. In that economic context, Spanish workers preferred saving their jobs over other material concerns. The Pérez-Díaz' (1993:249,250) survey data of the early 1980s show that 80 percent of Spanish workers had no wish to change their place of work in 1980. This could mean satisfaction with the firm, but also be due to perceptions of the labor market. In 1980 a sample of workers were asked if they believed that for people of their age and occupation finding work was more or less difficult than it had been two years previously, 94 percent replied that the situation was considerably more difficult. Asked what the principal factor was for them in choosing a job, job security stood out from the rest of motives, with 41.6 percent of the respondents emphasizing this factor. Concern with job security was corroborated by other data. There was a clear preference for working in large firms (51.5 percent), the reason for which was also job security (51 percent). Likewise, 36 percent preferred a public company compared to 19 percent who preferred working in a private one, while 38 percent were indifferent, and again the main reason for this preference was job security (59 percent). It is not strange, then, that by 1982 the UGT surpassed the CCOO in the elections to works councils (see table 1), despite the UGT’s rather unimpressive record during the Franco dictatorship and its support for

\textsuperscript{32}The break-up between the Spanish unions and the Socialist government has also been explained as a result of the low level of union membership in Spain, about 16 percent of all workers, that makes union unwilling to embrace wage restraint. As we can see, the percentage of Spanish workers that supports the unions in Spain is higher than the figure of union membership suggests (Pérez-Díaz 1993:269,270). For a criticism of how the figures of union membership are interpreted see Pontusson (1992:11), Ferner and Hyman (1992), Jordana (1996:220), Golden, Wallerstein and Lange (1999:198).
neocorporatist concertation since 1979 in the face of fierce inter-union competition. In the critical years between 1978 and 1980 the UGT cultivated an image of realistic moderation and accommodation within the existing framework, whereas the CCOO opted for an image of social mobilization, more expressive of the project of transforming the existing order, the prevailing framework of industrial relations, and the formula of government (Pérez-Díaz 1993:272). In consequence, Spanish workers rewarded the UGT's moderation by putting it on a par with the CCOO.

But economic conditions in Spain eventually turned around by mid-1985. Private consumption grew by 2 percent in 1985 and by 3.6 percent in 1986. In the summer of 1985 Spain entered an expansionary cycle that lasted through the beginning of 1992, and unemployment finally started to go down in the first half of 1986. Spanish workers would eventually take notice of this economic improvement. According to an official survey conducted in 1988 by the Centro de Investigaciones Sociológicas (CIS), 45 percent of Spanish workers considered the economic situation to be better or much better than when Franco died, and a 33 percent worse or much worse. In the same vein, 37.2 percent of them thought their personal situation was going to improve against a mere 13.5 percent that thought it would get worse, 31 percent believed it would be the same (CIS 1989:53). Consequently, they changed their concern from job security to a desire of improvement of their personal standard of living. According to the same survey, 50 percent of Spanish workers was in favor of the Social Pacts, 33.2 percent were indifferent and only 16.8 percent were against. However, among that 50 percent, 55.9 percent considered their own economic condition the main issue to be negotiated, while only 12.1 percent considered adopting measures against unemployment the main issue, and 3.3 percent job security (CIS 1989:25,40). The previous CCOO's strategy of, at least rhetorically, aggressive pursuit of wage increases (see table 2) and non-agreement (rejection of the AES and the September 1986 agreement) would now pay-off in terms of the UGT's voters.

The new economic situation and its effects on what union strategy was most adequate to obtain workers' favor was symbolized in the highly publicized results of the comités de empresa election in the fall of 1986. While increasing its lead in general

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33 As can be seen in table 2, wage agreements in the collective bargaining were in general closer to the UGT's demands than to the CCOO's.
terms, and even winning in sectors affected by restructuring, the UGT suffered important losses to the CCOO in the public sector and big enterprises. According to the official data, the Socialist union confederation only won in workplaces with less than 100 workers. In the previous works councils' elections, the UGT had beaten the CCOO in workplaces with less than 100, but also in those with between 500 and 1,000 workers, as well as in those with more than 5,000 workers.\textsuperscript{34}

Table 2.
Wage demands asked by the UGT and the CCOO, Wage increases in the collective bargaining, and Inflation Targets and Outcomes, during the first two Socialist terms in office, 1983-1989

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<tbody>
<tr>
<td>UGT</td>
<td>9.5-12.5</td>
<td>6-8</td>
<td>5.5-7.5</td>
<td>8.0</td>
<td>7.0</td>
<td>6.0</td>
<td>7.0</td>
</tr>
<tr>
<td>CCOO</td>
<td>9.5-12.5</td>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>7-8</td>
<td>6.0</td>
<td>7.0</td>
</tr>
<tr>
<td>W/A</td>
<td>11.4</td>
<td>7.8</td>
<td>7.4</td>
<td>8.1</td>
<td>6.5</td>
<td>5.4</td>
<td>6.7</td>
</tr>
<tr>
<td>I\textsubscript{t}</td>
<td>12.0</td>
<td>8.0</td>
<td>7.0</td>
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<td>5.0</td>
<td>3.0</td>
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</tr>
<tr>
<td>I</td>
<td>12.3</td>
<td>9.0</td>
<td>8.2</td>
<td>8.3</td>
<td>4.6</td>
<td>5.8</td>
<td>6.9</td>
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Source: \textit{El País}, several years.
Note: W/A = wage agreement
I\textsubscript{t} = Inflation target.
I = Inflation outcome.

The UGT did not lose its plurality, but this visible loss in the medium and large workplaces helped to catalyze its focus on collective bargaining and wage increases. The lesson they drew from the results of these elections was that in a time of economic expansion its previous strategic orientation would mean an underexploitation of workers' market strength while the CCOO would be able to offer material gains, especially in prospering or public firms.\textsuperscript{35} Therefore, they feared that they would jeopardize their

\textsuperscript{34}One of the UGT defeats came in the second largest public company, \textit{Telefónica}, where by 1986 no fewer than 132 of the 150 list-leaders of UGT candidatures that had triumphed in 1982 had since become part of the management (Gillespie 1990:58).

\textsuperscript{35}See "Elecciones Sindicales 1986: Consolidación y Progreso de la UGT como primera fuerza sindical" in UGT's periodical \textit{Claro}\textit{dad}, no. 17 (January-February 1987), and also Memoria de Gestión, 35\textsuperscript{º} Congreso de la UGT (1990): 89-73, 105-106.
position within the labor movement, unless reflected the new mood of workers and adapted to their rival's stance (see table 2). The UGT's new position was reflected in the collective bargaining rounds of 1987 when it demanded a higher wage increase than the increment for pensions and civil servants' wages that it had accepted in the September 1986 agreement. In that agreement, that took place before the elections to works councils, the UGT leadership had accepted increases around 5 percent, the same amount as the expected inflation. However, in the negotiations with the employers' association, that took place after the elections, the UGT asked instead for an increase of 7 percent. This is the only occasion during the 1980s in which the UGT accepted a substantially lower increment for pensioners and civil servants' earnings in comparison to the increases this union confederation asked for workers' wages in the private sector and public enterprises.

The UGT's new wage demands in order to survive organizationally meant its abandonment of the past "political exchange" that was one of the key features of a Social Democratic party-union relationship, and consequently a rejection of any social pact that involved that exchange. At the same time, it would eventually lead to its rejection of the Spanish Socialist party as the best way to influence the governments' decision making, that is, it would lead to the UGT's dismissal of its close relations with the PSOE. The UGT's new exercise of market power through collective bargaining did not mean that this union only intended to defend the material interests of those workers that voted in the elections to works councils. As we saw, the UGT still demanded social benefits which would affect not only union constituents, but a broader strata of the working populace as well, but they would accept no more trade-offs. The UGT came close to the position that the Italian unions had maintained between the "hot autumn" of 1968 and the economic crisis of mid 1970s (Weitz 1977:564-565; Lange, Ross, and Vannicelli 1982:265; Golden 1988:62). As in Italy, the UGT (along with the CCOO) demanded higher wages and, at the same time, increased employment and social spending. They refused to recognize almost any constraints which the economy might put on their wage and workplace behavior, an attitude which the Italian union confederations had assumed in the early 1970s in the well-know statement that wages were an "independent variable" (Lange, Ross and Vannicelli 1982:265). In fact, they were convinced that success in one arena
would make success in the other more likely. The question was then how to obtain those social benefits from the government.

Two alternative ways were open for these demands to be accepted by the Socialist government: either through the intermediation of the Socialist party, or by joining forces with the CCOO. The first way meant that a close relationship with the PSOE was still valuable for the UGT, whereas the second involved its dismissal. Given the linkages that the UGT leadership still had with the Socialist party, they chose to first test the PSOE to see if it would satisfy their demands, despite the fact that they no longer accepted the "political exchange." Consequently, in the first half of 1988 the UGT still rejected the CCOO's proposal to join forces to put pressure on the Socialist government in order to advance their similar demands, even though the Socialist union confederation had already started to cooperate with the CCOO for the collective bargaining rounds in order to further increase their marketplace power vis-à-vis employers. But, if the PSOE failed to respond satisfactorily to the UGT's demands, the Socialist union would sever its linkage with it, and they would extend their unity-in-action with the CCOO from the marketplace to the political arena.

The answer of the Socialist government was, however, uncompromising during this critical period in which the UGT leadership gauged the extent to which its relationship with the PSOE was useful. The government did not accept to increase the social spending as much as their former labor ally wanted without obtaining wage moderation in exchange. For them, once the UGT stopped accepting the political exchange, its demands were an imposition that they would not admit. After all, party-union relations were also based on a tit-for-tat relationship. But then, once the UGT observed that the PSOE executive and the party as a whole endorsed all initiatives emanating from the González government, it took the final step in the fall of 1988 towards joining forces with the CCOO as a "new" way of acting in the political arena.

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36See the working note from of the UGT's Secretario de Acción Sindical to the Federations and Unions of the UGT (31 July 1987), and also Nicolás Redondo, *Discurso de Nicolás Redondo al Congreso del PSOE de 1988* (Madrid: UGT ediciones, 1988): 16.

37Declaration of the Minister of Labor, Manuel Chaves, to *El País* (23 September 1987), and of the Minister of Public Administration, Joaquín Almunia, to *El País* (12 September 1987). See also the address of the Minister Virgilio Zapatero en el Congreso de los Diputados (30 November 1988).
without the necessary intermediation of a political party, and consequently stopped asking workers to vote for the PSOE. As was said, in December 1988 the UGT leaders agreed for the first time to engage in a national strike with the CCOO so that the Socialist government acceded to their demands. While not united on all issues, since then the two union confederations have maintained unified positions on issues of national importance and in the collective bargaining rounds. The Spanish unions followed thus the path set forth by their Italian counterparts twenty years earlier of using rank-and-file militancy to bypass the political parties and, therefore, Parliament as the traditional channel of interest aggregation and of political decision-making (Weitz 1977:567; Golden 1988:63). The UGT leadership, instead of operating as an organized faction within the PSOE to advance its goals, decided to cooperate with its formal union rival. The UGT’s break with the Socialist Party did not involve the "depoliticization" of the confederation, but, rather, getting involved into "politics" through other means. This also makes clear, however, that the break-up of the party-union relationship was not sought by the Socialist Party. As was said, the PSOE did not have electoral reasons to break with the UGT. On the contrary, it did not wish to lose the UGT’s support for its policies or in the elections. It was not until the European elections of Summer 1989 and the General Elections of October 1989 (the first in which the UGT did not ask Spanish workers to vote PSOE) revealed that the party was able to win without the UGT’s public support that the Spanish Socialist Party finally sanctioned its departure. It turned out that, in the end, workers still voted PSOE. Thus, a desire to move away from the UGT appeared only after they observed that retaining the UGT electoral support meant accepting its "impositions" on policymaking, and that having an open union endorsement was not indispensable to winning elections.

7. Conclusions.

To sum up, it was commonly believed that a close relationship with a governing Social Democratic party represented for labor unions a “power resource” since, through

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38 For this interunion political approachment to be possible, the CCOO also had to prove that the interunion cooperation did not mean support for the Communist party. In the case of CCOO this was reflected by the CCOO’s election of a new leader in November 1987, Antonio Gutiérrez, less attach to the PCE than his predecessor, Marcelino Camacho.

it, they could influence the policy-making in order to defend those workers’ interests that require of government legislation. The changes in the economic and social structure in advanced capitalist societies alter the content of their relationship, but it is quite questionable that they had no more reasons to cooperate. Yet the unions’ partisan strategy has been most criticized by practitioners and observers when the union movement is divided amongst competing union organizations.

Different studies about countries with plural and ideologically divided unionism, like France or Italy, suggest why this is the case. To begin with, in this context unions are forced to opt between their relationship with a political party, or cooperating amongst themselves. Given the fact that the partisan intermediation was regarded as the usual way to promote unions' goals in the political arena, and that interunion cooperation was necessary for them to be effective in the marketplace, this choice between partners meant in practical terms opting between the political or the market strategy.

This runs contrary to the situation of unitary unionism which could complement both. As a result, competing unions are forced to gauge what option would pay off most.

The presence in Spain of a strong Social Democratic family in both of its organizational forms does not change the conclusion about the negative effects for unions of a close party-union relationship, on the contrary. We have seen how it is precisely when a Social Democratic party is in government and the economy improves that the obligations that a Social Democratic party-union relationship involves for the union could lead it to a serious “crisis of representation”. In other words, in the context of interunion competition, those conditions that elsewhere had promoted the success of social democratic party-union relationship would force the union partner to reassess its partisan linkage. We can conclude thus that a close relationship with a Social Democratic party, even if it does deliver policies that benefit workers, is not the best way for unions to influence the policy making, when the union movement is divided.
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