



Industrial relations and social dialogue
**Spain: Working life in the
COVID-19 pandemic 2020**

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Introduction

Even though it is still early to assess the medium-term impact of the COVID-19 crisis on the labour market due to the extension of temporary layoffs and short-time work schemes, it is nonetheless possible to outline some general trends based on available indicators. Existing evidence suggests that the Spanish economy and labour market will be among the hardest hit by the COVID-19 crisis in the EU-28. Despite the growth and intense employment creation experienced in the post-crisis period, by 2019 Spain was still below pre-2008 crisis employment levels, had a higher unemployment rate and real wages were still below, though rapidly approaching, those registered in 2007. Thus, the COVID-19 crisis has brought to a sudden halt the post-crisis recovery and threatens to intensify the imbalances of the Spanish labour market whilst aggravating the situation of economic and social risk of some vulnerable groups, including the young population or migrant workers. Policies implemented so far have focused on limiting the impact of the crisis on employment and job destruction, but the crisis has also been an opportunity to develop new policies, including the regulation of telework or the creation of a minimum living income. Compared to the Great Recession, social dialogue has played a central role in many of the policy responses to the crisis and has contributed to mitigate the impact on the labour market through the development of innovative policy approaches and instruments to face the recovery.

Three main sub-periods can be distinguished in 2020 corresponding with the policy responses and the waves in the expansion of the pandemic. The first period of emergency measures covers the first wave in the period going from the first declaration of State of Emergency in March 2020 until June 2020. The second period covers the summer period from July to September, characterised by a relaxation of many of the mobility restrictions imposed in the first months. The third period starts in October with the second wave forcing the government to declare a new state of emergency to fight against the rapid spread of the virus.

Impacts of the pandemic on working life

The COVID-19 crisis has triggered an increase in the number of analyses and research projects addressing its impact on different dimensions. The national and regional governments have launched new calls to explore the impact of the pandemic on economy and the labour market. Many of these projects are still ongoing and results are not available yet. The research topics covered are very diverse and cover different areas. In the case of working life, many of the studies published so far consist of assessments of the impact of the COVID-19 on the labour market based on some preliminary data available for 2020 (Arce 2020, Cárdenas del Rey 2020, Malo 2020, Llorente 2020, Molina and Godino 2021). All these works suggest a strong impact on the labour market once the cushioning effects of temporary layoffs and reduced work schemes come to an end. However, this impact will be particularly intense among young workers and women (Arce 2020, Conde-Ruiz et al. 2020, Llorente 2020, Molina and Godino 2021) and will hit harder some regions (Prades and Tello 2020). Moreover, many studies have also explored the potential impact of the COVID-19 crisis on employment relations and collective bargaining taking into consideration the policies implemented so far (Calavia 2020, Moraru 2020). Several studies have alerted about the increase in job and income insecurity and its perception by workers as a consequence of the impact of the COVID-19 crisis (Anghel et al. 2020, Alvargonzalez et al. 2020, Salas-Nicás et al. 2020).

Three topics have received greater attention in the research: teleworking and new forms of organizing work; working time and work-life balance; health, safety and wellbeing at work.

The lockdown and measures to promote the so-called emergency telework (Alvarez 2020, Bini 2020), led to a first wave of studies and surveys analysing its characteristics and impact. Many of these studies were based on small n surveys and focused on specific aspects of telework during the pandemic. On the contrary, other works provided general assessments of the extension of telework and the prospects to become more widespread among firms (Peiró and Soler 2020). Some studies already alerted about the problems experiencing teleworkers, including problems to disconnect or intensification of work, though there is very little empirical evidence in this respect (Molina et al. 2020, Randstad 2020). Other works have approached the digital divide as a consequence of the extension of telework. Thus, Rodríguez (2020) analyses the digital divide in Spain as a pre-condition to implement telework and finds out that most areas enjoy a good coverage, though remain some (not many) poorly covered by high speed connections. Finally, some works have explored, though in a general way, the impact of telework on productivity and have showed the significant positive impact (estimated between 1.4% and 6.2%) it may have in the Spanish case (Canals and Carreras 2020).

Also related to the topic of telework, some studies have analysed the implications of remote work for working time patterns and work-life balance. Thus, Roig and Nebot (2020) sustain that telework, as it has been implemented in Spain, does not contribute to reconcile work and family life, and that a major reconfiguration would be required to become an effective instrument in this regard. Drawing on a survey carried out during the state of alarm, Seiz (2020) suggests the existence of social polarization based on gender inequalities between families with and without favourable conditions for the maintenance of an egalitarian dual-earner model. The study also reveals a larger relative workload for women during the first sub-period.

Finally, a third major stream of research has been related to the impact of the pandemic and the changes in working practices on health and safety and wellbeing (Rabadán and Berumen 2020. These

works converge in pointing out significant problems when it comes to the right protection of employees in their workplaces, but also a deterioration in health conditions of workers, including those teleworking (Martínez 2020). One of the most interesting and comprehensive studies in this regard was elaborated by Salas-Nicás et al. (2020) based on the COTS online survey, based on a representative sample of 20,382 responses. The report shows how more than 70% of the people who have worked outside their home, has done it without adequate protection measures. Moreover, they also find that percentage of the workers in the survey exposed to high work demands and low autonomy in the realization of tasks assigned was 44.3% and doubles the estimate in the third Survey of Psychosocial Risks in 2016 (22.3%), showing strong class-based inequalities (a much higher exposure in male and female workers in manual positions: 51%) and gender positions (women: 47.8%). Moreover, one in three of respondents (36.7%) consider that their health status worsened in relation to the one it had before the state of alarm, deterioration more frequent among women than among men (41.6% versus 31.9%). Focused on health and safety issues, Belzunegui and Erro (2020) show how teleworking has been used by companies to ensure their employees' safety and to provide continuity to economic activity. Consequently, safety factors are relevant in the study of teleworking and should be considered in further research.

Political context

In the November 2019 elections, the Socialist Party PSOE (Partido Socialista Obrero Español) won the elections and started negotiations with other parties to form a new government. In December 2019, the centre-left PSOE and left-wing Podemos signed an agreement to form the first coalition government since the transition to democracy. The new coalition government was formally appointed on the 7 January 2020 and presented an ambitious plan to fight against precariousness and promote quality in employment. Among other policies, the new government wanted to achieve this goal by derogating the 2012 labour market reform and promoting the elaboration of a new Labour Code for the XXI century combining the protection of workers against social, technological, and environmental challenges. The new government also made clear its commitment with social dialogue and in January 2020 the first meeting of the tripartite social dialogue table on employment and employment relations was held, which in turn served as a declaration of intent for a new impulse to social dialogue. As a result of this, one of the first laws enacted by the new coalition government was the increase in the minimum wage for 2020 set after an agreement with social partners.

The COVID-19 crisis forced the new government to deal with a major health and economic crisis only two months after its appointment. Because of this, the new coalition had to focus on fighting the socio-economic and health impact of the pandemic, therefore leaving aside temporarily many of the reforms envisaged in its programme. This has opened some tensions between the two coalition parties, especially in relation to the social agenda of the government and the convenience to implement some reforms in the current context.

Governments and social partners response to cushion the effects

The COVID-19 crisis and the policies taken to deal with it and cushion its effects have consisted in several instrument. Based on the policy measures included in the COVID-19 EU PolicyWatch¹, 20% of the policy measures aimed at helping businesses to stay, the same percentage that measures supporting businesses to stay afloat. These were followed by policy measures aimed at protecting workers (18.5%), reducing social hardship (18.5%), employment protection (10%) and income protection (10%).

In the first sub-period (March-June 2020), the initial impact on the economy and the labor market was partially mitigated by the adoption of a set of measures in the economic, social and labor market fields, among which it is worth mentioning those related to the temporary layoffs and reduced work schemes, financial support for companies and the self-employed and the promotion of telework. The initiatives focused on providing emergency short-term responses to the effects of the lockdown in employment and businesses. Faced with the unprecedented situation caused by the expansion of COVID-19, the most representative employer organisations (CEOE, CEPYME) and trade unions (CCOO, UGT) agreed on a series of extraordinary measures, which they presented to the Government in a joint proposalⁱ made on March 11. Among them, a new regulation of temporary lay-offs (Temporary Employment Regulation Files, ERTes) and short-time work schemes due to force majeure stands out. The new regulationⁱⁱ consisted in the simplification of the procedures and the shortening of the resolution periods, along with other actions, including a reduction in social security contributions to employers or the extension of unemployment benefits to workers with temporary contractsⁱⁱⁱ who didn't reach the minimum contribution period to have access to benefits. This has been the main instrument used to cushion the labour market effects of the crisis. Social partners and the government have extended on three occasions the duration of temporary lay-offs and reduced work schemes, the last one until May 2021. In addition to this, the government also implemented several measures to help businesses to stay afloat and support self-employees. These included financial and tax incentives^{iv}, reductions in social security contributions, and access to credit^v.

As the impact of the crisis extended and intensified, other measures to fight social hardship were adopted. In mid-April 2020, social partners and the government maintained discussions to devise a plan addressing the situation of workers and companies in the context of the health crisis and its effects. Negotiations led to the Tripartite Agreement in Defense of Employment^{vi}, signed on May 2020 by the Government and the most representative employer and trade union organizations which was fully transferred to Royal Decree-Law 18/2020, of May 12, of measures in defense of employment. The Agreement, disassociates ERTes due to force majeure from the declaration of the State of alarm and extended its duration until June 30 2020. The Agreement also created a tripartite Commission where the Government and the social partners evaluate the situation of the different sectors of activity. Moreover, the government approved in May 2020 the Minimum Living Income^{viii}, a policy measure that was in the government program and became even more necessary in the context of the pandemic.

¹ <https://www.eurofound.europa.eu/data/covid-19-eu-policywatch>

In the second sub-period (July-September 2020), government and social partners' responses were characterised by the extension of the measures already adopted, complemented with a sectoral approach and the development of regional initiatives. In July 2020, a new tripartite agreement for economic reactivation and employment was signed^{ix}. Through this framework agreement the government and social partners commit to urgently work towards strong economic recovery and job creation through social dialogue. Even though the agreement does not contain any specific measure, it nonetheless opens an encompassing agenda for social dialogue in the coming months, consisting of 12 policy areas where social partners and the government will negotiate to reach agreements. Moreover, specific plans to help businesses in sectors like tourism and hospitality^x, recreation activities and arts^{xi} or transport^{xii} were implemented. Moreover, tripartite social dialogue in this period delivered another important agreement on the regulation of remote or distance work^{xiii}. This regulation comes to fill an important gap in Spanish labour law. Due to the lack of regulation, the extension of telework in the early months of the COVID-19 crisis encountered several problems, including inadequate equipment, extension of working hours, among others. The new regulation addressed some of these problems. Among other things, it establishes the voluntary character of telework, based on an agreement between the worker and the company, and grants remote workers the same rights as those who carry out their activities in the company's premises. Moreover, the law remits to collective bargaining the regulation of aspects such as the expenses covered by the company or the number of days of teleworking.

Coinciding with the opening of spaces for regional governments to decide on the measures to be taken to fight the pandemic, social partners and governments signed in several regions' agreements providing responses to the specific challenges facing workers and businesses in those regions^{xivxvxi}. Moreover, in this third period, there have been some green policy measures like the "Renove 2020" program for the renewal of the vehicle fleet^{xvii} or funds to develop renewable energy projects^{xviii}.

Responses in the third sub-period considered (October-December 2020), started with the presentation of the Recovery, Transformation and Resilience Plan for the Economy (Presidencia del Gobierno, 2020) by the government. The Plan inspired by the Agenda for Change, the 2030 Agenda and the United Nations Sustainable Development Goals, will mobilize 50% of the resources available to Spain in the next three years thanks to the EU Next Generation instrument. The plan will serve to implement nearly €72,000 million between the years 2021 and 2023. It is structured around the four transformations that the government has placed from the beginning at the center of its economic policy strategy: ecological transition, digital transformation, gender equality, and social and territorial cohesion. After the government presented the plan, some meetings with trade unions and employers took place in order to devise a strategy as to how implement the general guidelines. Moreover, as the situation of hardship for some groups in the labour market worsened, some actions in this period were also aimed at supporting them (including support to the self-employed^{xix} or people with disabilities^{xx}, or active labour market policies for the unemployed^{xxi}) but also to provide additional support to companies (including in the social economy^{xxii} or construction^{xxiii}).

^{ix} Eurofound (2020), [Joint social partner proposal for measures to face the coronavirus crisis](#), case ES-2020-11/1358 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱ Eurofound (2020), [Flexibilisation of temporary adjustment of business activities to avoid layoffs](#), case ES-2020-12/548 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

- ⁱⁱⁱ Eurofound (2020), [Unemployment benefit guarantee in case of temporary collective dismissal or reduced working time](#), case ES-2020-12/555 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{iv} Eurofound (2020), [Exemption from payment of social contributions by companies in case of temporary collective dismissal or use of reduced working time schemes](#), case ES-2020-12/551 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^v Eurofound (2020), [Refund of expenses and granting of aid for cancellation of international trade promotion activities and other international events](#), case ES-2020-14/645 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{vi} Eurofound (2020), [State credit line for companies and the self-employed](#), case ES-2020-12/574 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{vii} Eurofound (2020), [Tripartite agreement to extend the special unemployment protection scheme associated to temporary collective redundancy or short-time work regulation](#), case ES-2020-20/880 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{viii} Eurofound (2020), [New minimum living income introduced](#), case ES-2020-23/878 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{ix} Eurofound (2020), [Tripartite agreement for economic reactivation and employment](#), case ES-2020-27/934 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^x Eurofound (2020), [Supports available to the tourism sector](#), case ES-2020-27/1347 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xi} Eurofound (2020), [Public aids for the production of feature films](#), case ES-2020-26/1299 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xii} Eurofound (2020), [Economic reactivation measures to face the impact of COVID-19 in the field of transport](#), case ES-2020-28/1352 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xiii} Eurofound (2020), [Regulation of remote work](#), case ES-2020-39/1321 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xiv} Eurofound (2020), [Agreement for the Social and Economic Reactivation of Andalusia](#), case ES-2020-31/1373 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xv} Eurofound (2020), [Tripartite agreement for the prevention of occupational hazards in the Madrid Region](#), case ES-2020-22/1231 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xvi} Eurofound (2020), [Extraordinary plan for the economic recovery of Castilla-La Mancha due to the COVID-19 crisis](#), case ES-2020-19/1374 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xvii} Eurofound (2020), ["Renove 2020" program for the renewal of the vehicle fleet](#), case ES-2020-27/1346 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xviii} Eurofound (2020), [Funds for innovative renewable projects in Andalusia and Extremadura](#), case ES-2020-35/1318 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xix} Eurofound (2020), [Urgent measures to support liquidity and solvency of companies and self-employed workers](#), case ES-2020-47/1671 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xx} Eurofound (2020), [Economic aids for people with disabilities](#), case ES-2020-23/1264 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xxi} Eurofound (2020), [Programs to improve the employability of unemployed people](#), case ES-2020-36/1320 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xxii} Eurofound (2020), [Urgent measures to support state-level voluntary sector social entities](#), case ES-2020-45/1430 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.
- ^{xxiii} Eurofound (2020), [Aids for the energy renovation of buildings](#), case ES-2020-32/1301 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

How COVID-19 accelerated and disrupted working life policies and impacted social dialogue

Accelerated developments

The COVID-19 crisis has forced the government and social partners to change priorities in relation to the agenda of reforms initially established in December 2019. Three aspects have been affected by this acceleration.

First, the regulation of telework in the private and public sector. Spain lacked a specific regulation of telework, but this didn't constitute a priority of the new government, nor social partners. However, the sudden extension of telework together with the problems encountered by many families and workers, led social partners and the government to negotiate a regulation of distance or remote work.

Secondly, a Minimum Living Income was introduced. This was already part of the new coalition government's social agenda, but the impact of the COVID-19 crisis put it at the top of government's priorities in order to fight against the situations of social hardship caused by the crisis. The Minimum Living Income together with the extension of unemployment protection to some groups (i.e., temporary workers) and temporary layoffs and reduced work schemes, constitute the three pillars to combat the social and employment effects of the COVID-19 crisis.

Finally, the increase in telework and the limitations in restaurants have triggered an increase in food delivery services via platforms, and more generally, of services contracted through digital platforms. Even though some judgements, including one by the Supreme Court², had already decided that the riders should be considered dependent employees, the government and social partners have accelerated negotiations in order to regulate platform work. These negotiations are still ongoing and an outcome is expected in the early months of 2021.

Disrupted developments

In some cases, the crisis has obliged to postpone or reconsider some reforms. This is the case of one of the most controversial issues in the social agenda of the government, i.e., the abolition of some aspects of the 2012 labour market reform. Even though this was considered a priority by the new coalition government and trade unions, developments in the first half of 2020 left it in a secondary place. However, in the context of the negotiation of support for the new Budget, the government committed to derogate the labour market reform in exchange for the support of the Basque left-wing party EH-Bildu. This created strong tensions within the government but also between social partners as employers considered a direct attack to social dialogue the move by the government. The topic is currently being discussed in the tripartite social dialogue table.

The crisis has also halted the convergence of minimum wages with the 60% median average wage recommendation. After three years of increases, negotiations around the increase in the statutory minimum wage have proved particularly difficult in the context of the COVID-19 crisis. Employer organisations have openly supported a freeze in the minimum wage for 2021 given the uncertainty

² Judgement STS 2924/2020 of 25 September 2020

surrounding the economy and the labour market. Before this uncertainty, they argue, it is better to avoid any negative impact derived from a further increase in the minimum wage as many companies will face 2021 in a very delicate financial situation. Moreover, they also believe increasing the minimum wage for 2021 would weaken the process of economic recovery. Trade unions instead have argued for a moderate increase. According to the two largest confederations, increasing the minimum wage would not only contribute to reach the 60% Median Wage target, but would also sustain demand and therefore economic recovery. However, aware as they're of the difficulties many companies currently face, they advocate for a limited increase. Finally, the government has been divided over the increase. As a matter of fact, the minimum wage has aggravated the tensions within the current coalition government. Whilst the Socialists in the government (in charge of Finance Department) and the Prime Minister himself align with EOs against any increase, Podemos (in charge of Labour Ministry) align with trade unions and is favourable to an increase. Before the impossibility to reach an agreement with social partners, the government has extended the 2020 MW level to 2021 by decree on an open-ended basis³, de facto meaning a wage freeze for 2021 unless ongoing negotiations deliver an agreement.

³ See Royal Decree 231/2020 of 29 December

Impacts on the social dialogue and collective bargaining

The COVID-19 crisis has had two major impacts on social dialogue and collective bargaining: a) first, a re-orientation in the agenda of social dialogue and collective bargaining and b) second, a delay and postponement, especially in the first sub-period of the COVID-19 crisis, in the negotiation of collective agreements and works councils' elections.

In relation to the first point, the crisis led to a sudden stop the recovery in real wages experiencing the Spanish economy since 2016-7 and placed protecting jobs and employment levels as the priority of collective bargaining and social dialogue. This becomes clear in the case of the minimum wage, that has been temporarily frozen for 2021. Moreover, wages negotiated in collective agreements have experienced a decline in 2020 in relation to 2019 (see table 1).

But the crisis also triggered some delays in the (re-)negotiation of collective agreements and a remarkable decline in the number of collective agreements signed; from 6,880 in 2019 down to 2,677 in 2020, a 61% decline. Moreover, works councils' elections were suspended in March 2020 and only continued in June 2020, coinciding with the end of the first state of emergency (See table 1).

Table 1: Collective agreements in Spain, 2019-2020

	Collective Agreements	Companies (000s)	Workers Covered (000s)	Average Negotiated Increase	Average Annual Working Hours
Accumulated December 2019	3,536	1.098,90	9.850,30	2.33	1,750.80
Accumulated December 2020 (*)	3.024	946,1	7.665,60	1.89	1,753,40
% Change	-14.48	-13.90	-22.18	-18.88	0.15

Source: *Estadística de Convenios Colectivos*. (*) Provisional data

Even though this data is still provisional, as new collective agreements can still be added to the statistics, in a note in December 2020, the Ministry of Employment confirmed this sharp decline in collective agreements and workers affected.

Moreover, almost 500 companies used the possibility to suspend the application of substantial aspects of their collective agreements (i.e., those referred to wages) during 2020. In most cases, the suspension was negotiated with workers' representatives, who admitted that there were strong economic reasons for accepting it. More specifically, there were 566 non-applications or suspensions of collective agreements, which affected 486 companies and 20,301 employees, according to data from the Ministry of Employment. These are, however, the lowest figures since the 2012 labour market reform allowed companies to use this mechanism. This decline has to do with the massive activation of temporary layoffs and short-time work schemes (ERTE) as a formula to alleviate the impact of the COVID-19 crisis on companies.

Other important policy developments

Employment policy in 2019 was already framed in the context of the economic slowdown and lower job creation that affected both Spain and the European Union. On the other hand, the exceptional situation generated by COVID-19 and the measures taken to counteract its effects has focused efforts on articulating measures of income protection and labor market flexibility, relegating active labour market policies to the background, beyond some measures in the field of vocational training for employment, but aware that their role in the coming months will be crucial for the reintegration of the volume of unemployment generated by the crisis.

Together with the key role played by tripartite social dialogue in the response to the crisis, trade unions and employers have also maintained a strong bi-partite social dialogue. The last example in this regard is the Sixth Bi-partite Agreement on Autonomous Resolution of Labor Disputes (ASAC) in November 2020. According to trade unions, the agreement provides for a more agile, alive, updated and modern dispute resolution system, with the capacity to collect the needs of companies and workers and to generate the necessary flexibility to combine the preservation of the rights of workers with company needs. The agreement provides additional momentum to the extension of mediation, arbitration and conciliation mechanisms to have a more effective collective bargaining system. Moreover, the agreement broadens its application in relation to the previous one, including public employees in mediation or modifying the management of the strike, facilitating that the mediation can be carried out during the notice period and that it lasts as long as deemed necessary to end the conflict.

Labour disputes in the context of the pandemic

Labour disputes in the context of the pandemic in Spain have exhibited a marked decline in their number, workers involved and working hours lost. Taking the period from January to September 2020, the number of strikes went down by 51.4%, from 658 in the same period of 2019, to 320. The number of workers involved experienced an even more remarkable decline (63.1%) in the same period. Finally, the number of working days lost also experienced a 47.2% (Table 2). Moreover, available data shows a decline in conciliation, mediation and arbitration procedures.

By sector, the most important declines occurred in agriculture, construction and services.

Table 2. Workers involved in strikes and working days lost, 2019-2020

	Workers involved				
	Agriculture	Manufacturing	Construction	Services	Total Economy
January -September 2019	1,314	112,940	897	103,914	219,065
January -September 2020 (*)	23	45,698	278	34,944	80,943
% Change 2019-2020	-98.2	-59.5	-69.0	-66.4	-63.1

Source: *Estadística de Huelgas y Cierres Patronales. (*) Provisional data*

	Working days lost				
	Agriculture	Manufacturing	Construction	Services	Total Economy
January -September 2019	6,459	335,805	2,202	259,672	604,138
January -September 2020 (*)	39	219,255	819	99,015	319,128
% Change 2019-2020	-99.4	-34.7	-62.8	-61.9	-47.2

Major developments in working time regulation as a result of the pandemic

Legislation on working time

Four main developments in working time regulation have occurred as a result of the pandemic.

Two of them occurred in the first subperiod of emergency responses to the pandemic (March-July 2020). The first regulation was the Royal Decree 8/2020 of 17 March, the so-called MECUIDA Plan^{xxiv} ('Takes care of me' Plan). This policy measure allows workers to adapt or reduce their schedule to care for their dependents, with a 100% reduction in the workday being possible. The objective is to facilitate those persons with care responsibilities, including disabled, elderly or children, to adapt their working time and eventually reduce it in order to be able to guarantee the care duties. Moreover, Royal Decree 8/2020 also regulated reduced work schemes and short-time work^{xxv} as a response to the pandemic in order to safeguard jobs. With the objective of allowing companies to maintain their activities in the context of the COVID-19, measures have been taken in order to speed up and make more flexible the process whereby companies can implement collective temporary redundancies and apply reduced working time schemes. Finally, in order to reduce mobility of the population during the first wave of the pandemic, Royal Decree 10/2020, of 29 March 2020 regulated a recoverable paid leave^{xxvi} for employed persons who do not provide essential services. This recoverable paid leave was mandatory and limited in time between 30 March and 9 April (both included), for all employed personnel who provide services in companies or entities in the public or private sector that carry out qualified non-essential activities. According to this regulation, workers could recover, once the working hours not worked in this period from the day following the end of the alarm state until 31 December 2020.

In the second subperiod (July-October), the most important regulatory development referred to remote or distance work^{xxvii}. This regulation is a direct outcome of tripartite social dialogue and grants remote workers the same rights as those who carry out their activities in the company's premises and is based on voluntariness and the agreement of workers and employers. The new regulation is based, on its voluntary character and requires signing a distance work agreement, which must be formalised, registered at the employment office and delivered to the legal representation of workers in the company. In relation to working time, the law regulating distance work contains the right to adopt a flexible schedule in accordance with the terms established in the distance work agreement and clauses in collective bargaining, respecting the mandatory availability times and the regulations on work and rest time. However, as the law also obliges the worker and the company to keep the registry of working time, including the beginning and the finalization of the working day, this has been interpreted as a limit to working time flexibility.

^{xxiv} Eurofound (2020), [Right to flexible schedule and reduction of working hours for workers with care responsibilities](#), case ES-2020-12/504 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

^{xxv} Eurofound (2020), [Flexibilisation of temporary adjustment of business activities to avoid layoffs](#), case ES-2020-12/548 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

^{xxvi} Eurofound (2020), [Recoverable paid leave](#), case ES-2020-14/838 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

^{xxvii} Eurofound (2020), [Regulation of remote work](#), case ES-2020-39/1321 (measures in Spain), COVID-19 EU PolicyWatch, Dublin.

Collective bargaining on working time

Collective bargaining has been assigned a key role in the implementation of telework. Collective agreements may establish the mechanisms and criteria by which the person who carries out face-to-face work can switch to remote work or vice versa, as well as preferences related to certain circumstances, such as those related to training, promotion and stability in the workplace, employment of people with functional diversity or with specific risks, the existence of moonlighting or multiple activities or the concurrence of certain personal or family circumstances. Moreover, the law also refers to collective agreements to regulate important issues like the compensation of expenses incurred due to remote work, the right to disconnect, the use of equipment provided by the company, those jobs or tasks that likely to be developed through telework, the minimum face-to-face working time, among other issues.

Regarding the negotiation of working time in collective agreements, the data available suggests a small 0.15% increase in the average annual working hours in 2020 when compared to 2019, though this is still provisional data that may change in the coming months as new collective agreements are registered (See table 1).

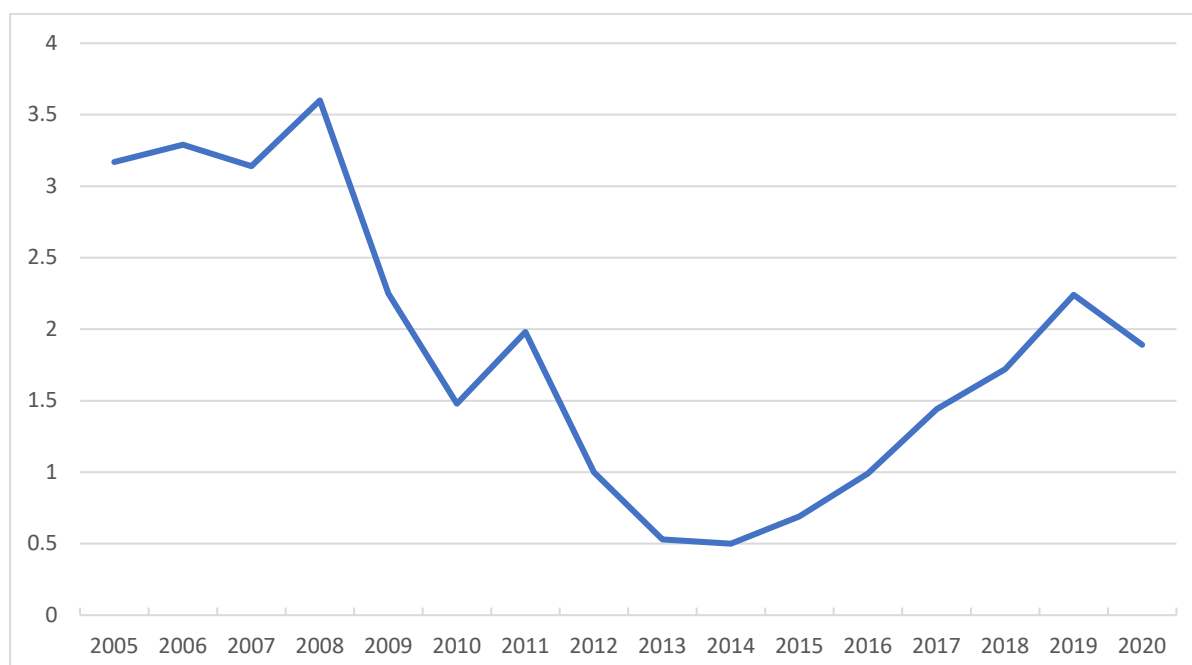
Ongoing debates on working time

One of the ongoing debates in relation to working time that has been reopened in the context of the COVID-19 crisis has been that referred to the reduction in working time as a mechanism to help the economy to create jobs. More specifically, the 35 hours working week or the 4 days working week has been presented by some members of the government as an issue to be discussed with social partners. This was already in the program of the coalition government. Although it did not explicitly mention a reduction in working days, it already included its intention to promote a social and political pact for the rationalization of schedules and uses of time with the aim of "completely reorganizing work, leisure and care times". The coalition program also raised the right to disconnect and to adequate work time management within labour regulations, as well as to effective protection in cases of pregnancy and lactation. However, at the moment this topic is not one of the issues currently discussed with social partners in the context of social dialogue.

Impacts of the crisis on wages and wage setting

Since 2015, workers in Spain had experienced a gradual recovery in real earnings after the cuts during the 2008 financial crisis. This has come to a halt with the COVID-19 crisis. As showed in table 1 and graphs 1, negotiated wage increases in collective agreements have already exhibited a decline in 2020 in relation to 2019. Many companies have started to implement wage freezes. In some cases, they have opted out from sector-level collective agreements (benefiting from the spaces opened by the 2012 labour market reform). In other cases, they've also used the possibility to suspend the validity of collective agreements, also relying on the 2012 reform. Under the current circumstances, trade unions have also prioritised maintaining jobs and postpone the demand for higher wage increases (including recovering the increases not applied in 2020) when the situation allows it (CCOO 2020: 11).

Graph 1: Average Negotiated Wage Increases (%), 2005-2020



Source: *Estadística de Convenios Colectivos. Provisional data for 2020*

The IV Peak Agreement for Employment and Collective Bargaining signed by CCOO, UGT, CEOE and CEPYME in 2018, provided the general setting for collective bargaining in the 2018-2020. This agreement established a wage increase of 2% plus a variable 1% to be negotiated in every collective agreement, for the three years of validity of the agreement. Based on the available data, it can be said that the 2.3% average negotiated increase for 2019 is in line with the objective of the agreement (see table 1), but the one for 2020 would be stay below the 2% increase recommended.

The negotiation of the minimum wage increase for 2021 has been a clear reflection of the tensions currently affecting the Spanish labour market and its impact on wages and wage setting. So far, attempts to reach a negotiated wage increase for 2021 have failed due to the fierce opposition of employers to the implementation of any increase. Moreover, parts of the current government have

also opposed claims made by trade unions in order to increase minimum wages for 2021. Trade unions have recommended their delegates to suspend wage increases already agreed with companies for 2021 in order to avoid further layoffs.

In the case of the public sector, the government decided to grant a 0.9% increase for 2021, after the 2% implemented in 2020, to public sector employees. This has been precisely used by trade unions in order to reclaim to have a positive increase for all the other workers in the private sector of the economy. Moreover, trade unions sustain that the recovery will require boosting demand and the minimum wage is a mechanism to do it.

What is new in working life in the country?

Developments during the COVID-19 pandemic have had a remarkable impact on many dimensions of the labour market, employment relations and working conditions. Even though some potentially beneficial developments have emerged, the traditional problems of the labour market remain in place and have in some cases intensified.

The first and most important development has been the extension of telework and flexible schedules. This has been welcomed by both workers and employers and the new regulation of remote work passed in October 2020 has aimed to guarantee the rights of teleworkers. However, there remain many aspects in the extension and quality of telework that threaten to outweigh its benefits. First, some employers and organizations, particularly small ones, are reluctant to extend telework because of fears to lose control over their employees. A face-to-face organizational culture is accordingly a major impediment for its extension, together with an economy with an important role for economic activities like tourism, hospitality, recreation or care that are hardly teleworkable. Secondly, several studies have showed the difficulties many families have encountered to telework whilst having children at home and the perpetuation of gender-based inequalities. This was particularly clear during the strict lockdown of the first sub-period.

Another important development in working life is the extension of insecurity. This has many dimensions, including job insecurity due to the fear to lose the job once the temporary layoffs and reduced work schemes come to an end. But also income insecurity, as many families have experienced cuts in wages. The introduction of a universal income scheme will certainly contribute to alleviate this effect, but the uncertainty surrounding the evolution of the pandemic and its impact on the labour market contributes to maintain this uncertainty.

Notwithstanding the requirements for workplace health and safety measures, some studies have showed insufficient protection for workers in many companies (Salas-Nicas et al. 2020). This is the case particularly in small and very small establishments that have limited financial capacity to invest in the necessary equipment and the adaptation of workplaces. But insufficient protection and weak protocols have also been detected in the public education and health sectors.

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