Discretion and (de)centralization in wage bargaining in the construction, hospitality, urban transport and waste management sectors: A Study on Spain

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Salvo Leonardi[1]

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[1] Contact: Fondazione Giuseppe Di Vittorio, Rome, Italy, s.leonardi@fdv.cgil.it.

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Abstract

The Spanish model of wage setting is based on a very structured and articulated mix between law and collective autonomy. The law exercises a crucial dual role, defining on the one hand the minimum and inter-sectoral wage, and on the other guaranteeing the *erga omnes* extension of the collective agreements stipulated by the most representative social partners and following some procedural requirements. The coverage, as a consequence, is quite high, despite a pretty low level in union density. The legal minimum wage represents a fundamental threshold, below which no one can be paid, and in recent years - thanks also to the initiative of socialist-led governments - it has seen a series of significant increases. Today the objective, both of the unions and of the Government, is a rapid achievement of the objective defined in the EU Directive in this regard; or 60% of the national median wage. A goal that is not far away. Collective bargaining is multi-level, within the framework of national and inter-professional framework agreements, according to a concerted approach to income policy. The national sector contract plays a primary role, whereas at a decentralised level - in addition to the company level - the regional level plays a very significant role; particularly in sectors such as hospitality and municipal services: local public transport and waste collection.

Keywords: Spain, Industrial Relations, wage setting, collective bargaining, statutory minimum wage

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BARWAGE

BARWAGE investigates the potential of collective bargaining as a tool for ensuring adequate minimum wages in the European Union. It explores the size of four wage-setting arenas across EU countries and industries: the national or peak level, sector-level collective bargaining, firm-level collective bargaining, and individual (non-collective) negotiations. BARWAGE uses microdata to identify what share of the workers earning under 110% of the statutory minimum wage are covered by sectoral or enterprise collective bargaining. Using coded data of 900 CBAs from 9 EU countries, the presence and nature of pay scales in the sectoral and firm-level collective bargaining agreements (CBAs) are analysed. To deepen the insight into the impact of collective wage bargaining, national level data will be used to detail the wage arenas in 2 EU countries (Netherlands and Italy). The project lasts 2 years (2022-2024) and includes 6 work packages.

Utrecht University

The Faculty of Social & Behavioural Sciences of Utrecht University is a leader in education and research in the social and behavioural sciences. The Department of Interdisciplinary Social Science deals with issues such as discrimination in the job market, reintegration at work, growing up in a multicultural neighbourhood, developing your individual identity, high-risk behaviour in young people, growing inequality and the accessibility of care. Interdisciplinary Social Science focuses on understanding these complex issues and on finding solutions to the individual and societal problems that play a role in them.

Fondazione Giuseppe Di Vittorio

The Fondazione Di Vittorio (FDV) is a national institute both for historical, social, and economic research, and for trade union education and training of trade union confederation CGIL. The FDV centres its activities around the core issues of work and employment, economics and welfare. Its aim is to put people and their rights back on the centre stage, along with their living and working conditions, their interests and the demands they express, linking all this to the values and ideals that make the CGIL one of the most important social and political entities in Italy.

Central European Labour Studies Institute (CELSI)

Central European Labour Studies Institute (CELSI) is a non-profit research institute based in Bratislava, Slovakia. It fosters multidisciplinary research about the functioning of labour markets and institutions, work and organisations, business and society, and ethnicity and migration in the economic, social, and political life of modern societies. CELSI strives to contribute to the cutting-edge international scientific discourse.

WageIndicator Foundation

WageIndicator Foundation collects, compares and shares labour market information through online and offline surveys and research. Its national websites serve as always up-to-date online libraries featuring (living) wage information, labour law and career advice, for employees, employers and social partners. In this way, WageIndicator is a life changer for millions of people around the world.

Contents

1. Introduction

This study provides evidence on the characteristics of the Spanish wage-setting system based on a very structured and articulated mix between law and collective autonomy. It investigates the wage setting process and the composition of wages, as well as the role and weight that various institutions play therein. The research in Spain took place in two phases. The first one was a desk study, where we collected literature regarding the institutions of the labour market and industrial relations in Spanish. The knowledge gathered here was used to compose the background information for the country. The most prevalent issues discussed were social dialogue and the collective bargaining system – levels, degree of centralization and coordination, coverage – for their role in determining wages and their dynamics in relation to inflation, cost of living and power of purchasing. Moreover, since Spain is among the EU member states with a statutory minimum wage, an insight was also devoted to its trend. Another important source for my information was the *Fundacion 1° de Mayo*, and Jesus Cruces Aguilera in particular (senior researcher in that institute). From them we got official statistics on the topics necessary for the BARWAGE Project.

The second part of our research was conducted as questionnaires with trade union officials within the chosen four sectors – building, hospitality, urban transport, waste management. We went through the national sectoral federations in the four areas of research to gather the names of individuals who could offer us relevant information. The people sent the questionnaire to and who responded are thanked in the footnotes of each sector.

In Spain the interviews were conducted in the form of questionnaires, this was done with necessary guidelines from the other BARWAGE partners. The questionnaires were done over email, where I sent at least one person per sector the questionnaire and they answered with their opinions. In some cases, I asked for further explanations if the questions were not answered in a clear way or explained better. The questionnaire was translated to Spanish for the sake of the participants and later the answers were translated into English.

Lastly, for the final remarks and conclusions, we used Italian news outlets, and in particular the trade unions newsletters and websites. We focused on news which reported on the Spanish industrial relations, in particular the issues of the minimum wage, adjustments to inflation and developments in collective bargaining.

2. The Labour Market and Minimum Wages

In the period 2017-2022, there has been in Spain an increase in the employment rate for both women and men. The employment rate stands at 51% in 2022. The unemployment rate has decreased significantly, especially for women. The average unemployment rate stood at 12% in 2022. By age, the positive employment development affects all age groups however people over the age of 25 have a higher employment rate than younger people. In July 2023, the seasonally adjusted unemployment was 11,6%, corresponding to a total of 2,7 million persons (Eurostat, 97/2023).

The temporary employment rate, which stood at 26% in 2011, fell to 21% in 2022, because of the labour reform, which established the permanent contract as a priority. Another element of employment precariousness also shows a downward trend. The percentage of part-time employment fell from 15 to 13.5 % in the same period.

The years 2021-21 were some of the most decisive and important times by far for social dialogue in Spain, in recent decades, embodied in the agreement reached by the social partners on labour reform (Royal Decree-Law 32/2021). For the first time, this reform attempts to correct some of the factors impacting precarious employment, for example temporary employment and sectoral collective bargaining on wages.

In Spain, employment relationships are regulated by mandatory legal provisions, which act as guarantees, rights and/or minimums to be satisfied and respected, starting from both the legislative and conventional areas (collective agreements), the different areas of coexistence are complementary and not exclusive. The legislation establishes the fundamental and minimum guarantee rules that regulate an employment relationship and would mainly be the Inter-professional Minimum Wage and the Workers' Statute. These rules represent the minimum application and direct compensation, in the absence of conventional coverage in the work activity carried out. Unions insist that such standards act as minimums. These legislative provisions, their modification and updating, constitute a legislative power, without prejudice to the mandatory social dialogue in this regard with social agents (unions and employers).

The Statutory Minimum Wage (SMW) for all activities – in agriculture, industry, and services, without distinction of sex or age of workers – in October 2023 is set at 1,080 euros gross per month in 14 payments (15,120 euros gross per year). This amount represents an increase of 8% over the previous year. Since 2018, in the current legislature, the government has raised the minimum wage from 735 euros to 1,080 euros, an increase of 47%, which is more than the double recorded in the previous decade (22,7% between 2008 and 2018).

Consequently, the ratio between the minimum wage and the average wage has been increasing over the last decades. Now Spain is very close to the target set by the EU Directive at 60% of the median wage.

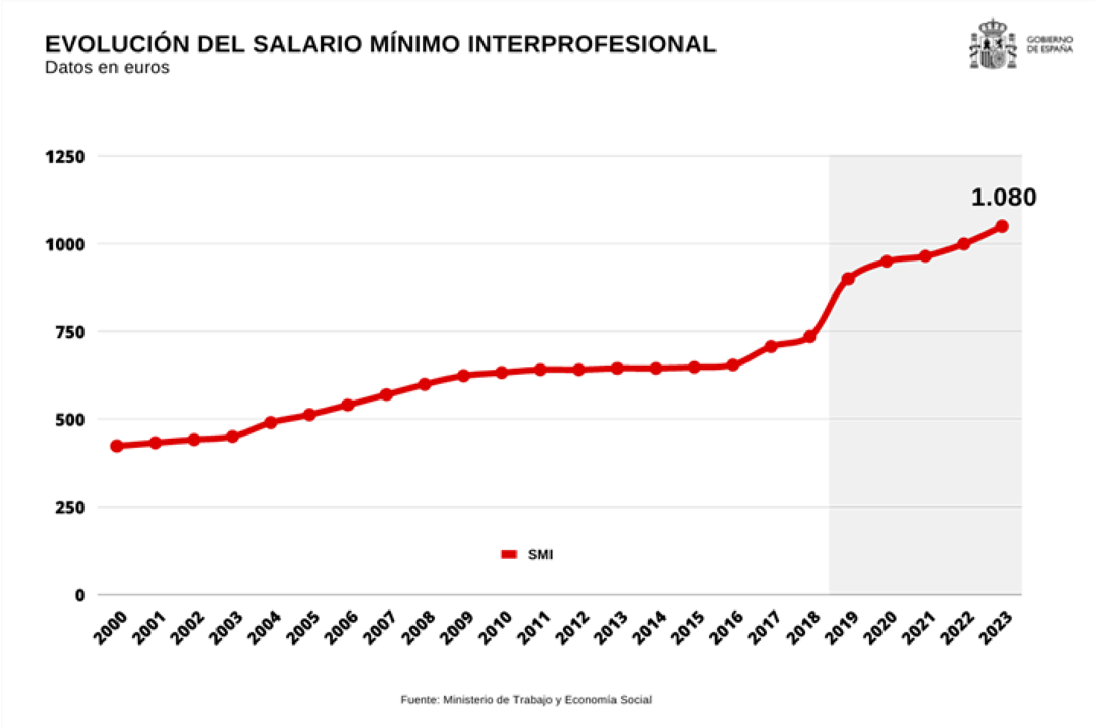
Average wage costs stood at €22,806 in 2017, experiencing a growth of 11.2% over the period 2017-2022, reaching €25,353 in 2022. By sector, the services sector grew by 12.6%, followed by construction (10.4%) and industry (6.3%).

In August 2023, the year-on-year change in the headline Consumer Price Index (CPI) rose three tenths to 2.6%, while the annual rate of core inflation fell one tenth to 6.1% year-on-year. The harmonised CPI rate rose three tenths to 2.4% but is still well below the average in the euro area (5.3%).

The average wage increase agreed up to August is 3.38%, below the cumulative average inflation (3.7%). However, the agreements signed under the national collective agreement (NCA) in 2023, already benefit a quarter of the workers with an agreement and have an average wage increase (4.25%) that represents a gain in purchasing power of five tenths of a percentage point. Moreover, 41% of all agreements (signed in 2023 or earlier) have an average increase of 5%[2].

[2] http://www.ccoo.es/d69f5bd07e699fa2cc1ecc748f5e7549000001.pdf

Figure 1 Evolution of the Inter-professional minimum wage



Source: Gobierno de España, 2023

Table 1 Wages and salaries 2017 - 2022

	Wages and salaries						
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	
Total							**%17-22**
Construction	22.108,08	22.426,68	22.811,66	22.623,99	23.216,51	24.415,59	10,4
Industry	27.358,36	27.474,01	27.782,75	26.753,24	27.949,16	29.075,93	6,3
Industry, construction and services[3]	22.806,95	23.003,23	23.450,25	22.837,59	24.248,78	25.353,22	11,2
Services	22.018,15	22.234,59	22.723,42	22.159,17	23.666,90	24.781,96	12,6

Source: Estadística de coste laboral, INE.

[3] (except activities of households as employers and extraterritorial organisations and bodies)

Table 2 Average wages and the statutory minimum wage

	Average Wage	SMW	Ratio
2008	21.639,16	600	2,8
2009	22.329,33	624	2,8
2010	22.540,83	633,3	2,8
2011	22.775,76	641,4	2,8
2012	22.635,56	641,4	2,8
2013	22.653,55	645,3	2,8
2014	22.605,79	645,3	2,9
2015	22.850,57	648,6	2,8
2016	22.778,02	655,2	2,9
2017	22.806,95	707,7	3,1
2018	23.003,23	735,9	3,2
2019	23.450,25	900	3,8
2020	22.837,59	950	4,2
2021	24.248,78	965	4,0
2022	25.353,22	1.000,00	3,9

Source: Estadística de coste laboral y SMI, Ministerio de Trabajo, 2023.

3. The System of Industrial Relations in Spain

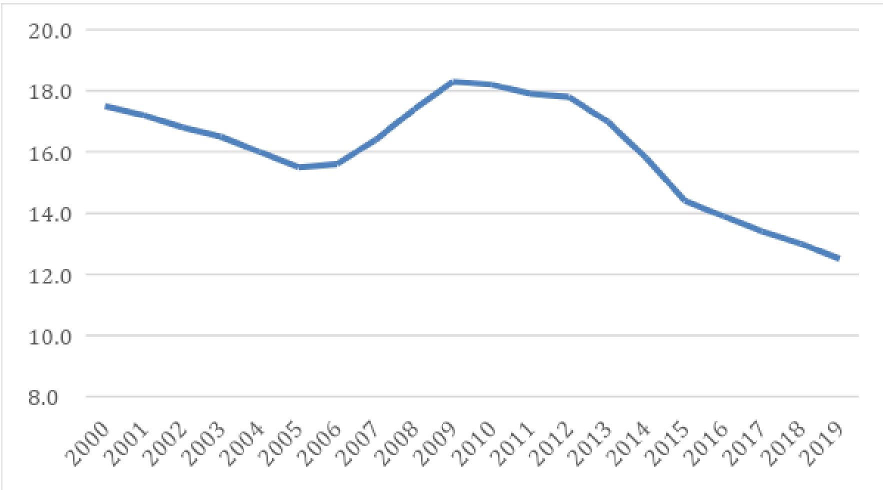
Since the late 1970, during and after the transition from the Franco's dictatorship to the democracy, the core of Spanish industrial relations, on the trade union side, has been dominated by two main confederations: the CCOO (*Comisiones Obreras*), with a communist historical background and the social democratic UGT (*Unión General de Trabajadores*). Alongside the national and regional/autonomous state confederations (Basque Country, Navarra, and Galicia) [4], which are seen as 'representative' at these levels of the state, there were also a wide range of smaller unions in the last trade union elections. The relatively most relevant are the Workers' Trade Union (USO, *Unión Sindical Obrera*), which represents 3.9% of representatives, and the anarcho-syndicalist General

[4] Here the dominant unions have included the Basque Workers' Solidarity (ELA, *Eusko Langileen Alkartasuna*) and the Nationalist Workers' Committees (LAB, *Langile Abertzaleen Batzordeak*), and Galicia, where the Galician Unions Confederacy (CIG, *Confederación Intersindical Galega*) has also played a role.

Confederation of Labour (CGT, *Confederación General del Trabajo*) representing 1.9 per cent (which emerged from the original anarcho-syndicalist National Confederation of Labour – CNT, *Confederación Nacional De Trabajo*). The system of trade union workplace elections determines which is the most representative trade union and therefore those who can negotiate at various levels on behalf of the workforce[5].

In 2019, *union density* in Spain stood at 12.5%, which means continuing the reduction dynamic that has been recorded over recent decades. In 2000, it stood at 17.5% (OECD data, 2023). This dynamic is shared by other European countries and its explanation lies in various factors (strong efficiency and coverage of collective bargaining and application of the collective agreement, among other elements).

Figure 3 Union density in Spain, 2000-2019



Source: OCDE-stats, 2023.

The wage-setting model in Spain allows for an articulation-coordination of collective agreements. This means that both inter-sectoral agreements and sectoral agreements at national and regional level can establish recommendations regarding the structure of collective bargaining and which matters can be negotiated at the lower level. The model recognizes the primacy of the higher collective agreement. Thus, the Workers' Statute in Spain establishes an articulation of collective bargaining that regulates working conditions, so that these will be governed by the higher-level sectoral collective agreement (state, autonomous or provincial), which can then be improved by a company agreement.

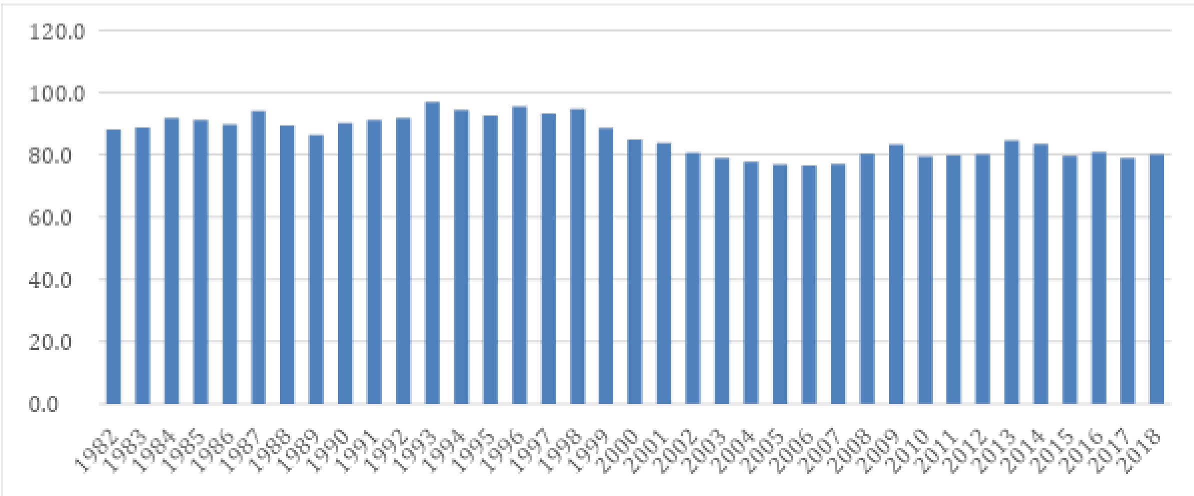
[5] For a broad and updated insight about Spanish trade unionism, among the others, see C. J. Fernández Rodríguez, R. Ibáñez Rojo and M. Martínez Lucio, *Spain. Boundaries, roles and changes in trade unionism*, in J. Waddington, T. Muller, K. Vandaele (Eds), "Trade Union in the European Union", Peter Lange, 2023

Collective bargaining coverage at national level (cross-sectoral average)

In 2018, there were 5.5 thousand collective agreements and 11.4 million workers affected by collective bargaining, reaching values close to the peak recorded in 2008. In 2020, the data point to a fall in collective bargaining, because of the initial impact of the pandemic on economic activity and employment.

Collective bargaining coverage in Spain has varied from 88% in 1982 to 80% in 2018 (latest available data), remaining slightly stable at that threshold. The maximum peak in coverage was reached in the 1990s (in 1993) and since then it has followed a slightly downward trend with some upturns.

Figure 4 Collective bargaining coverage (%)



Source: OECD, 2023.

Predominant level of collective bargaining

The sector level is the predominant level of collective bargaining. The number of workers affected by collective bargaining agreements (CBA) is highly sectoral (89% in 2008), and on the other hand, there is a high percentage of company-level collective agreements (75.8% in 2008), because of the high degree of fragmentation and atomisation of companies in Spain. Since 2008, collective bargaining has increased this functional distribution, reaching 92.6% of workers affected by sectoral collective agreements and 78.3% of company-level collective agreements in 2020.

Degree of centralization and coordination or decentralisation

The structure of collective bargaining has been one of the most debated issues in recent years, following the 2012 labour reform. The structure of collective bargaining did not undergo a substantial alteration. This is explained by several factors, including the following: the small size of the firms and workers affected; the risk posed by collective bargaining for small and medium-sized firms in terms of transaction costs and labour conflict; the existence of other devaluation tools presented in the 2012 reform as opposed to the signing of a new agreement; and the strategies of the trade union organisations, which prioritised the maintenance of the sectoral agreement at the expense of a temporary devaluation of the working conditions regulated in the collective agreement (Vicente and Rocha, 2022).

Role of the law and/or the peak level social dialogue in the wage setting rules

The Spanish system of industrial relations is an articulated model, as it establishes rules on the distribution of competences between bargaining levels. In the area of wages, this articulation is established through wage bargaining criteria or procedures (peak-level).

Inter-sectoral, framework agreements at the national level, are binding agreements, where the signatory organisations, the most representative business and trade union organisations at the national level, undertake to intensify their efforts to establish, with their respective organisations in the sectors or branches of activity. It is the most appropriate mechanisms and channels that allow them to assume and adjust their behaviour for the application of the criteria, guidelines and recommendations contained in these agreements.

4. Wage Setting and Components in Four Sectors

4.1 Construction

The construction sector brings together 1.3 million employed persons, representing 6.5% of employment in Spain (3Q 2023). It is a highly male-dominated sector (91.2% are men), with the majority being people aged 25 to 54 (75.7%), compared to those under 25 (who represent only 3.8%) (data from INE, 2023).

In the construction sector, 18,5% of the employed people have a temporary contract, slightly higher than the median of the economy (17,3). The sector also registers a 4,5% of part-time work, lower than the median of the economy (13,5%) (2023Q3).

Industrial relations and collective bargaining

Industrial relations are articulated in a well-defined model, which was established in 1988 with the Inter-professional Framework Agreement for Construction (AMIC) and has been developing along past decades through general and collective agreements in the sector. The AMIC is structured in three elements:

(a) a general agreement at national level (of permanent nature);

(b) a state agreement, of a dynamic and flexible nature, containing the application of the inter-confederal agreements on collective bargaining and other specific matters; and

(c) provincial or autonomous community agreements, featuring the specific implementation of higher-level agreements, as well as matters specific to this level of bargaining.

Within this framework, relevant developments of collective bargaining should be highlighted. The VI General Collective Agreement of the Construction Sector (GCACS) was signed in 2022. Formally, this agreement covers all workers of the sector, but in practice it affects up to 995.949 workers. Furthermore , a 4% wage increase was signed for 2022, with a guaranteed wage clause.

A wage guarantee clause is established, so that if the sum of the annual rate of the general Consumer Price Index (CPI) for the months of December of the years 2022, 2023 and 2024, published by the National Institute of Statistics, is higher than 10.0%, and always with a maximum of 13.0%, the wage tables for the year 2024 will be increased with effect from 1 January 2025, without retroactive effect, so that 50.0% of this excess will go to 50.0% of the annual rate of the Consumer Price Index (CPI) for the year 2024, with effect from 1 January 2025. The salary tables for the year 2024 will be increased, without retroactive effect, so that 50.0% of this excess will go 50.0% to increase the salary tables and the other 50.0% to contribute to the pension plan of the workers registered in the company on 1 January 2025.

According to the Collective Bargaining Statistic, in 2021 there were 135 collective agreements in the sector that cover 115.813 companies and 784.194 workers (2021, consolidated data).
The latest collective agreements signed and currently in force, at sector level, the is VII General Collective Agreement of the Construction Sector (GCACS) was signed in 2023[6].

Wages

According to the IV General Collective Agreement of the Construction Sector, the pay scale according to the most applied collective agreement is the following:

[6] https://www.boe.es/diario_boe/txt.php?id=BOE-A-2023-19903

Table 3 Minimum remuneration according to professional levels

Level	2022	2023	2024
XII.	17.919,57	18.457,16	18.964,73
XI.	18.188,36	18.734,01	19.249,19
X.	18.461,17	19.015,01	19.537,92
IX.	18.738,09	19.300,23	19.830,99
VIII.	19.019,16	19.589,73	20.128,45
VII.	19.304,42	19.883,56	20.430,36
VI.	19.593,99	20.181,81	20.736,81
V.	19.887,89	20.484,53	21.047,85
IV.	20.186,21	20.791,79	21.363,57
III.	20.488,99	21.103,66	21.684,01
II.	20.796,32	21.420,21	22.009,26

According to data from the wage structure statistics (INE), the construction sector has the following average wage (22.971 euros per year) and wage distribution in 2018.

Table 4 Average and lowest level of sectoral pay

Average (2018)	22.971,05
10th percentile	14.049,33
25th percentile	17.349,81
50th percentile	20.137,73
75th percentile	25.636,94
90th percentile	34.936,01

Regarding estimates on the distribution of the sectoral workforce (%) at the lowest levels of the pay-scale, 10% of the workforce earns 14.049,33 euros or less euros per year (wage structure statistics, INE, see above).

4.2 Hospitality

In Spain, the collective bargaining in the tourist and hospitality sector is mostly regional, but also provincial in some places and this implies a variety of situations and wages that can differ sometimes from one province to another.[7] At the predominant level, the Regional collective agreements are set up with minimum provisions, which must be taken in consideration by the employers at the single company level, where improvements are of course allowed.

Through collective and/or individual arrangements. The last regional agreement in the Balearic Islands was signed in April 2023 between the employers' associations and the two most representative unions, the two largest trade union confederations, the *Comisiones Obreras* (CCOO) and the *Union General de los Trabajadores* (UGT). In this case, its period of validity is between 1 April 2023 and its expiring date, 31 March 2025. Exactly two years from the signing of the agreement.

There is always an uncontrolled percentage of the underground economy. The coverage of a Regional collective agreement like that – binding for the entire hospitality sector of a very touristic zone like the Balearic Islands – is supposed to cover more than 30,000 workers in the high season. However, the sector is notorious for the grey and irregular jobs, in a sector that in Spain is very much affected by the underground economy. With a significant exploitation of the young and migrant workforce.

Wages

For a job of waiter and cook, which are common in the sector, the standard wage is approximately 1,600 euros per month gross, which results in approximately 1,250-1,300 euros net. There are benefits that are added, such as night shifts, extra pay, travel benefits or use of work clothes, and tips.

For what concerns the mechanisms to adjust the wages to the inflation, the only protection of the purchasing power– beside the Government intervention on the statutory minimum wage – is represented by collective bargaining.

The collectively agreed wages are always the minimum and then there is the possibility to be paid more based on firm-level or individual agreements. We can state that a large majority of employees in the sector receive what is stipulated in the sectoral agreement – regional or provincial – and nothing more.

[7] Evidence in this section is based on the interview with Carles Catala Pinyo, Federación de Servicios CCOO España, Secretary for the International Relations of Cataluna. The interview extensively focused on the regional dimension where the respondent operates.

There are no clauses of favorability. As the risk for employers to elude or circumvent their obligations and duties, the unions' task and purpose consist in struggling for ensuring that these minimums are fully respected.

Trade Unions evaluations

According to the trade unions, the collective bargaining system is quite well regulated and defined for all sectors of economic activity in Spain, it is what provides minimum coverage, and this sector is no exception.

Regarding the recent EU Directive on adequate minimum wages, and its objective to reach a collective bargaining coverage of at least 80%, the situation in Spain seems to be already in line with that. Formally is in fact quite close to 100%. For the trade unions the true problem is the struggle against companies that do not want to respect that minimum, with the underground economy, fake part-time and bogus self-employment.

4.3 Urban Public Transportation

Local public transport, in the largest Spanish cities, is divided into proximity and peripheral mobility. It includes suburban railways, metropolitan or suburban lines; tram; passenger transport by bus. Our presentation focuses only on bus passenger transport, which is the predominant and largest sector. It is also the transport sector where the greatest inequalities are recorded, due to the greater weight exerted here by geographical location rather than the status of the activity compared to the rest. Local public transport is the responsibility of public administrations and, therefore, is subject to concessions for its operation by private companies, according to the conditions established in the specifications and concessions announced through public tenders.

Normally, local public transport is carried out by public companies' dependent on the administration in large cities (municipal transport company), with a corporate pact culture, and with verifiable improvements on sectoral activity agreements.

According to the data reported by the sectoral federation of CC.OO[8], the local urban transport sector employs approximately 120,000, equal to approximately 0.56% of the total active working population.

[8] Evidence is based on information provided by the Federation of Citizen Services FSC-CC.OO. It is present and has its own structures both at state level and in each of the regions of the country.

Industrial relations and collective bargaining

The local public transport sector in Spain is highly unionised and has always had a robust collective bargaining system. In larger companies, and especially in those in large cities, there is more variety in trade union organisations, and a certain corporatism. Almost all companies have their own internal trade union representatives, through trade union sections and works committees.

The sectoral collective bargaining is very decentralised and takes place mainly on a provincial basis. This means having more than 50 different contractual standards, as many as there are provinces. At state level, there are two fundamental rules that concern all employed personnel: 1. An arbitration award of 2001, which has a subsidiary function with respect to what is not regulated at lower levels (territorial and/or company). It concerns professional classification, the remuneration structure (not directly monetary and salary), economic and professional promotion (company seniority supplement), and the disciplinary regime. 2. A national-level framework agreement, signed in 2015, which regulates the repercussions on workers in the event of changes to administrative concessions.
Below this level, there are approximately 65 sectoral agreements at the provincial level, in which wages and other items related to workers' compensation (per diem, night shifts, overtime, etc.) are regulated in accordance with the standard of living of the area. In most provinces there is a single agreement for all road passenger transport activity. The vehicle driving staff is the largest in the sector and usually constitutes the central element of negotiations.

The arbitration award has indefinite validity. It can be replaced by a new state negotiation in the matters contemplated therein, only if these have been regulated by agreement of the parties in replacement of what is provided for in the award. The national framework agreement of 2015 should have expired in December 2023, but it was prolonged until December 2024. And so on, year after year, until the parties report or make a new agreement. Collective agreements at provincial level are constantly renewed and, depending on the situation, are normally valid for between 3 and 5 years, sometimes even 2 and 5.

Collective bargaining coverage, in this sector, can be considered equal to 100% of all staff. In local transport, it is common for agreements to exist at company level, in which working and economic conditions are defined which regulate and improve aspects not covered in sector agreements, such as the organisation of work, the flexibility of start and end times of service, remuneration for holiday and overtime work, maintenance and refuelling of vehicles, etc. In some of these agreements in the sector's largest companies, salary improvements are also expected.

Wages

In urban transport there is no national minimum wage, other than the legal interprofessional wage (SMI), which is currently 15,120 euros per year. Given the high unionisation and contractual coverage, the legal minimum wage is completely residual, and the minimum wages established in the provincial sector agreements are far higher than the inter-professional SMW, apart from a few small provinces, and in the lowest profiles of administrative staff. The average monthly salary in the sector is just over 2,000 euros, compared to the 1,080 euros foreseen by the SMW.

Wage levels are set and defined according to the professional level and the province in which the company is located. As a result, it is difficult to calculate what should be considered the average salary. According to the estimates provided to us by the union, the average annual salary would be around 21,300 euros gross. If we exclude the managerial staff, who for the most part is also regulated outside the sectoral agreements, with pay and conditions agreed with the companies, the highest pay level regards the bus drivers and maintenance staff. They are paid better than ticket office, administrative and workshop staff, administrative and ticketing staff. Here the national average level rises to 23,000 euros. Driving personnel make up most workers, transport being a personnel-intensive activity. They enjoy various work bonuses which increase their wages by approximately 20%, more than the rest of the categories and functions. According to an interviewed union respondent, the difference can be explained by their structural and organisational power resources, with a greater critical mass when it comes to influencing and putting pressure on collective bargaining and consequently obtaining better salary conditions.

But wage differences within the sector are due to the geographical location of companies rather than to the functions performed by workers. Geographic location is very important. Big cities (Madrid, Barcelona, Valencia, Bilbao) generally have higher salaries than small cities. For example, if the agreement of the Province of Guadalajara establishes an average salary of around 21,300 euros, the highest one, in the province of Bizkaia, is over 30,000 euros, while the lowest one, in that of Huelva, is half: just 15,000 euros. In the province of Bizkaia, a bus driver earns more than 30,000 euros, while one in the province of Huelva earns just over 15,000 euros as the sector's minimum wage.

Trade unions evaluations

After the labour reform was imposed unilaterally by the conservative executive of Mariano Rajoy, in 2012, with its harmful impact in terms of precariousness, altered the system of contractual minimums and worsened working conditions, unions seem to be engaged in recovering the traditional system of wage setting and collective bargaining. That means to overcome the new possibility to empower company-level agreements to derogate sectoral minima, worsening working conditions and encouraging unfair competition just on labour costs, undermining acquired rights and achievements of workers.

The urban transport sector in Spain is one of the sectors where, with mobilisation and conflict, it is easier to put pressure on collective bargaining. Partly because it is a highly unionised sector, partly also because the mobilisation here directly affects the user citizens in their daily lives. It is completely normal that in these agreements' strikes are carried out, or almost always called for, despite the level of maturity that the negotiators have, they almost always end successfully. In 2023, most agreements have been renewed in their pay scales. The rest is under negotiation, with a few exceptions, which are instead frozen.

4.4 Waste Collection

According to the report "*Green Employment in a Sustainable Economy*" by Fundación Biodiversidad and the Observatory of Sustainability in Spain, it is estimated that the waste management and treatment sector employs, globally, a total of 140,343 workers (26% of total green employment). The level of the union density is very high, far beyond the national cross-sector average: more than eight out of ten workers here are members of a trade union organisation.

Industrial relations and collective bargaining

The bargaining scope of the waste managing activity is wide. At national level, it can be found the collective agreement on the recovery and recycling of waste and secondary raw materials, 2022. There are also many agreements at regional, local and company levels.

The last national agreement on the recovery and recycling of waste and secondary raw materials, was signed by the UGT, CC.OO and for the employers, by the ASELIP. The Sectoral agreement, in 2022, covered 33.661 workers.

That agreement has a regulatory nature and Does not include wage tables. It is now in ultra-activity and a new one is being negotiated.

Beside the National sector collective agreement, we must mention two regional agreements – in Murcia and Balearic Islands – and several firm and workplace collective agreements, in the majority of the country's contracts.

Wages

The national sectoral agreement of 2022 included a 4% wage increase in 2022, updated in 2023 and 2024, according to the variations of the GDP and inflation. According to a unionist, approximately 15% of staff in the waste management sector receive an inter-professional minimum (SMW), without further integration of collective bargaining. It's the workforce placed in the lowest levels of classification and pay scale.

Company-level agreements cover most of the sector: approximately 85%. They expand and improve the social and working conditions established by the national framework agreement and establish their own salary levels based on contracts with the various local administrations. This is the situation for 85% of the sector.

The remuneration of a worker employed at a low level of the pay-scale is covered, respectively, as follows:

- 63% from the inter-professional minimum wage
- 5% added, from the national or regional one
- 30% from the company's collective bargaining agreement finally,
- approximately 2% based on individual agreements or discretionary donations defined by employers

The ratio between the minimum wage and the average and median wage of the sector (the so-called "Kaitz index") is around 63%.

Table 5 Collective agreement on the recovery and recycling of waste and secondary raw materials, 2022

2023	**Basic Monthly Wage**	**Plus Monthly**	**Total Monthly**	**Total Annual**
Professional group Management Staff				
Managing Director.	1.546,64	232	1.778,64	25.983,61
Area or department director.	1.392,28	208,84	1.601,12	23.390,31
Professional group Technical and Qualified Staff				
Higher level graduate.	1.423,38	213,51	1.636,88	23.912,72
Intermediate level graduate.	1.392,28	208,84	1.601,12	23.390,31
Higher level technician.	1.045,77	156,87	1.202,63	17.568,90
Intermediate level technician.	966,15	144,92	1.111,07	16.231,25
Professional group Administration				
Head of first level.	1.218,26	182,74	1.401,00	20.466,83

First officer.	1.045,77	156,87	1.202,63	17.568,90
Second officer.	966,15	144,92	1.111,07	16.231,25
Administrative assistant.	900	135	1.035,00	15.120,00
Commercial.	966,15	144,92	1.111,07	16.231,25
Professional group Production personnel				
General foreman.	1.218,26	182,74	1.401,00	20.466,83
Foreman.	1.108,82	166,32	1.275,14	18.628,20
Officer.	986,8	148,02	1.134,82	16.578,21
1st class driver	1.045,80	156,87	1.202,67	17.569,44
Driver/specialist.	986,8	148,02	1.134,82	16.578,27
Machinist-specialist.	989,77	148,46	1.138,23	16.628,06
Forklift operator-specialist.	986,8	148,02	1.134,82	16.578,21
Mechanic-specialist.	986,8	148,02	1.134,82	16.578,21
Blower-specialist.	986,8	148,02	1.134,82	16.578,21
Specialist.	923,97	138,6	1.062,56	15.522,67
Labourer.	900	135	1.035,00	15.120,00
Professional group Subordinate staff				
Controller and/or orderly.	923,06	138,46	1.061,52	15.507,48
Cleaner.	900	135	1.035,00	15.120,00

Trade Unions evaluations

For the trade unionist we interviewed, the Spanish wage-setting system in the waste management sector can be succinctly described as centred on two organised levels of collective bargaining, in which company or on-site negotiation prevails for wage setting of work. Over the past five years, there has been pressure or debate to change the role of each individual level in determining wages. A debate between the social, national and sectoral partners is still ongoing. For the union, the current system has shown sufficient institutional stability in the sector to make collective bargaining a sustainable and efficient wage setting mechanism.

5. Conclusion and discussions

Last May 2023, a new framework agreement was signed between the unions and employers' associations, with increases of 10% over the next three years. Behind the scenes, the Spanish government led by the socialist Pedro Sánchez worked hard to ensure that the social partners reached an agreement and ratified their fifth Agreement on Employment and Collective Bargaining (AENC)[9]. Since this kind of framework agreements existed (2001), it was the longest and most difficult negotiation, close to a complicated year for workers, 2022, where inflation at 8.4% was

[9] V° Acuerdo para el Empleo y la Negociación Colectiva (AENC), CEOE, CPME, CC.OO, OO, Madrid, 10 de mayo de 2023.

eating up wages which did not grow, on average, more than 3%. And 2023 is not going much better (cost of living +4.1% in April).

The Agreement sets the increases for the next three years: 4% in 2023, 3% in 2024 and 2025, plus a further 1% each year in line with inflation. These are non-binding recommendations that workers and companies can apply (and even improve) in collective bargaining. But they will have an important bearing when the time comes to negotiate increases. The recovery of the purchasing power lost in 2022 was left out. It was an urgent union request. But, as the general secretary of *Comisiones Obreras* Unai Sordo explained, "*we have not given up on negotiating salaries for 2022*". The topic remains on the table even if it is outside the AENC.

"*This is* – again according to Unai Sordo – *a good agreement, decisive for the over 1,300 collective agreements that remain to be negotiated this year* (2023)". "*Now we have to roll up our sleeves to transfer this agreement into collective agreements, to apply it in the thousands of bargaining units where we fight our battles every day*," added the number one of the CCOO. "*Collective bargaining is a tool for sharing wealth. In this sense, this agreement goes in the right direction. It will boost consumption*", observes Pepe Álvarez, general secretary of the UGT, the other signatory trade union organisation: "*If the salary commitments are transferred to the negotiating tables, we calculate that at the end of 2025 there will be increases of between 10.33% and 13.56%, depending on inflation*"[10].
To understand the impact that the AENC will have, a regional example can be used. As explained by the general secretary of the CCOO of the autonomous community of Castile-La Mancha, Paco de la Rosa, the agreement in the area will improve the conditions of 100 thousand workers with expired contracts, so "*we must congratulate ourselves on this signature*". In the region, 42.5% of contracts have expired and are yet to be negotiated. These are – explains the union leader – 33 agreements covering 19,754 workers in the province of Albacete; 30,200 in Ciudad Real; 12,170 in Cuenca; 18,469 in Guadalajara and 18,900 in the province of Toledo. To date, 16 contracts have been renewed, with an agreed average salary increase for this year of 2.86%. In Andalusia, however (data provided by the local UGT), there are 314 contracts that have expired or are pending, and the AENC - comments the union - will allow them to be renewed and will reach "all those companies and those sectors in which the union strength is minor".

Finally, as regards the objective of the Directive for adequate minimum wages in the EU, with its objective of collective bargaining coverage of at least 80%, it appears easily achievable in Spain. In

[10] These quotations are taken from the interviews published on the CGIL website "Collettiva" (see Orecchio 2023).

some sectors, such as local public transport, it is already 100%. As we were said by a trade union official, in an interview: "*It is however essential that our current labour legislation and even the Constitution itself give priority and treat collective bargaining as a right*".

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