



National Report

**SPAIN**

**Case Study on UGT-FICA**

Conducted by  
Djamil Tony Kahale Carrillo, Richard Mababu Mukiur

UDIMA  
Universidad a Distancia de Madrid



SUNI (*Smart Unions for New Industry*) is a project co-funded by the European Commission, DG Employment, Social Affairs and Inclusion, budget heading VP/2017/002 (Grant Agreement VP/2017/0426), Information and training measures for workers' representatives

## **COORDINATOR**

**FIM-CISL – Federazione Italiana Metalmeccanici-CISL**

Rome, Italy

## **CO-APPLICANTS**

**RUB – Ruhr-Universität Bochum**

Bochum, Germany

**ADAPT – Associazione per gli studi Internazionali e Comparati sul Diritto del Lavoro e sulle Relazioni Industriali**

Modena, Italy

**LTU – Luleå University of Technology**

Luleå, Sweden

**IF Metall – Industrifacket Metall**

Stockolm, Sweden

**UDIMA – Universidad a Distancia de Madrid**

Madrid, Spain

**UGT-FICA – Federación de Industria, Construcción y Agro de la Union General de Trabajadores**

Madrid, Spain

## **SCIENTIFIC COORDINATOR**

**Paolo Tomassetti – ADAPT Senior researcher**

This document was produced with the financial support of the European Union. The viewpoints expressed herein reflect the opinion of the authors and, therefore, do not represent, under no circumstance, the official position of the European Commission, which is not responsible for any use that may be made of the information this document contains

# Index

<b>Executive summary</b> .....	<b>4</b>
<b>Introduction</b> .....	<b>6</b>
<b>Section 1. Governmental plans for Industry 4.0</b> .....	<b>8</b>
<b>Section 2. Main features of industrial relations in the metal working sector.</b>	<b>13</b>
<b>Section 3. Overview of the perspectives of trade unions and employers’ associations in the metalworking sector on Industry 4.0</b> .....	<b>18</b>
<b>Section 4. The role of trade unions in Industry 4.0: the case of Federación de Industria, Construcción y Agro de la Unión General de Trabajadores (UGT-FICA)</b> .....	<b>22</b>
4.1. Brief overview of the national trade union selected as a case study .....	22
4.2. Trade union discourse .....	23
4.3. Trade union action.....	24
4.3.1. Research.....	24
4.3.2. Communication and dissemination directed to workers and public opinion .....	24
4.3.3. Lobbying towards public institutions.....	25
4.3.4. Training activities targeted to workers’ representatives .....	25
4.3.5. Collective bargaining .....	25
4.3.6. Other initiatives.....	28
<b>Conclusions</b> .....	<b>29</b>
<b>References</b> .....	<b>31</b>
<b>Annex. Census of 2017 Metal Industry Provincial Collective Bargaining Agreements</b> .....	<b>32</b>

## **Executive summary**

This report focuses on the analysis carried out by the UGT-FICA trade union to study the current scenario and addresses the major digital transformation that is taking place in Spain as Industry 4.0 sets in. This new reality has given rise to profound social and economic changes in Spain and there is no going back. Digitisation is here to stay and that means facing the challenges it brings and harnessing its potential to achieve more qualified and better-quality labour. It is time for workers' rights to be recognised within the knowledge society, based on a stronger and steadier industrial model that will pave the way towards a brighter future and greater social welfare.

This is a race in which Spain cannot afford to fall behind. It is crucial to analyse the situation and study what the future should look like for all elements that are likely to undergo a transformation, gaining some insight into the significant effects it will entail.

This new era requires much more qualified professional profiles and much more complex work environments where many more elements interact, and consequently involves new risks and uncertainties that are yet to be settled, which calls for a strong and able trade union ready to face this new reality.

Although it is true that there is still considerable uncertainty surrounding the transition towards this new model, it is also clear that now is a unique opportunity to establish an industry-based model with much stronger and steadier growth patterns and less vulnerability to financial crises. This is also an opportunity to weave an industrial fabric out of qualified, quality, added value employment.

An industrial model that generates more and better jobs in the metal industry and associated services, better economic behaviour overall and, consequently, a rise in worker purchasing power and a greater ability to overcome times of crisis, invest more, drive innovation and support social progress.

This type of employment, defined as better and more qualified, emerges from the crystallisation of that industrial model, which in turn calls for a lasting industrial policy to encompass and coordinate all action and policies that affect industry. Sturdy foundations will be needed to achieve a successful transition to Industry 4.0, encouraging competitiveness, R&D&I, and digital technological development by wagering firmly on innovation and on a qualification and employment policy

that is able to ensure suitable training for all workers. Key growth and social welfare factors in Spain.

The transition towards Industry 4.0 is still clouded with uncertainty, which is precisely why it is essential for the trade unions to engage in the process as active drivers of change – both in terms of working conditions and of designing and consolidating the industrial policy – and to bolster their work in this area.

And it is within that task of transforming and strengthening the trade unions that it becomes so important to lay the foundations on which to develop the skills, capabilities and tools we need to ensure trade unions adjust to technological transformation demands. This means striving to make trade unions better prepared to overcome the challenges we will be describing in this report which stem from the Fourth Industrial Revolution.

## **Introduction**

It is only natural for this report to take on a trade union approach in line with the targets set for this project, geared as they are towards strengthening the trade unions' ability to surmount the challenges raised by the Fourth Industrial Revolution. In the specific case of Spain that we are dealing with here, it is important to highlight the key role trade unions have played and continue to play; without them, Spain would never have achieved the degree of social progress we see today.

Historically, the role of trade unions has been paramount in claiming the workers' rights that are now considered essential in any advanced state. In fact, their work has been decisive in all social conquests.

Trade unions are specifically entrusted the task of defending workers. That task is protected by the highest possible form of guarantee in Spain: it is featured in the introductory title of the Spanish Magna Carta, granting it the ultimate democratic acknowledgement. The work of trade unions is recognised in article 7 of the Spanish Constitution of 1978, immediately below the article defining the role of political parties and other national institutions.

In this regard, the Constitution reads: "Trade unions and employers associations contribute to the defence and promotion of the economic and social interests which they represent. Their creation and the exercise of their activities shall be unrestricted in so far as they respect the Constitution and the law. Their internal structure and operation must be democratic". It can be inferred from this wording that trade unions are legitimised to be kept up-to-date with financial and social affairs in order to take action to defend their interests.

But the trade unions' functions go beyond what the Constitution expressly acknowledges, in the sense that they are the backbone of Spanish society, they are peace keepers in their pursuit for social cohesion, and they fight for the democratic values of today's society as the institutions in charge of defining work relations and working conditions in Spain.

Their achievements include establishing a fixed minimum wage by law or by collective bargaining agreements, paid holidays, maximum working hours, severance pay, progress in the battle against labour discrimination, the right to labour equality, occupational health and safety, and much more. All of these achievements have significantly raised living standards for Spanish workers and

have set the country on the path to social progress and growth, and they are all the outcome of a tough trade union battle and plenty of hard work.

In the current context of major internationalisation, where individual, financial and emerging factors converge, many of the rights we took for granted are being reconsidered and new ones are arising as digitalisation becomes rooted in the social and occupational model. Because of this, it is essential to put trade unions in their rightful place and to work on strengthening the foundations upon which the future social model and rights will rest.

Their role is going to be decisive in ensuring that the transition towards the new model is smooth and fair for all workers.

There is no doubt that the result of this whole equation will depend on how we deal with industrial and technological change now. It is important for all of the players involved to wager strongly on an industry that is based on knowledge, on digital transformation and on quality employment; to ensure that the path from one model to another is fair for all workers; and to acknowledge the role that trade unions play in that scenario.

Coming back to the present and to the situation we are witnessing today as industrial transformation leads into the new Knowledge Age, it seems important to conclude this introduction by calling out for trade union efforts to stay one step ahead of the digital transformation, enabling them to find the means to make the shift as fair as possible for everyone and ensure it puts the country on the road to greater progress for society, employment and welfare.

## **Section 1.**

### **Governmental plans for Industry 4.0**

In Spain, the governmental strategy regarding Industry 4.0 involves the following:

1. Strategy regarding the Connected Industry 4.0. The General Secretariat for Industry and SMEs is developing the content of the Connected Industry 4.0. strategy, which is currently in force. The initiative began in 2015 to spur the industrial revolution in Spain, with Spain commissioning a survey to be conducted and the Connected Industry 4.0. project to be drawn up based on four courses of action to achieve different objectives:

*Course 1: To guarantee awareness and develop the competencies of Industry 4.0:*

Awareness and communication: raising awareness to Industry 4.0, its facilitators and advantages.

Academic and occupational training: ensuring that the competencies of Industry 4.0 are available.

*Course 2: To encourage cross-sector collaboration:*

Promoting collaboration by launching environments and platforms adapted to industry focussing on 4.0 technology.

*Course 3: To encourage the development of a pool of facilitators:*

Encouraging the development of digital facilitators: driving R&D&I and I4.0 technology.

Supporting technology companies: encouraging business development for technology providers.

*Course 4: To encourage suitable action to roll out Industry 4.0:*

Supporting industry in the implementation of I4.0

Defining a standardised regulatory framework: ensuring the right conditions for implementation and incentivising investment.

I4.0 projects: backing specific solutions and projects.

Initially, the sectors targeted to implement the plan were mainly automobile parts (a sector that is already highly digitised due to demand requirements) and textile manufacturing, but not the metal sector. So, although the strategy is eventually intended to cover the entire industrial fabric, including the metal industry, at this stage we cannot conclude whether it will be possible

to extrapolate it to the metal sector. Based on the above, it is fair to say that the strategy's implementation is still rather primitive.

The aim or motivation behind the plan is to start with medium-sized businesses with significant influential power over other companies that are linked to them as suppliers, subsidiaries, etc. Therefore, its approach focuses on very specific and deterministic areas.

2. Active Industry 4.0 Programme, launched in 2017 in collaboration with Spain's regional authorities. This is a specialised and customised guidance programme offered by certified consultancy firms with experience implementing Industry 4.0 projects, which will offer 350 companies their own diagnosis and digital transformation plan.
3. Funding programme for the Connected Industry 4.0, aiming to support R&D&I projects linked to Industry 4.0. This programme offers preferential loans at the EURIBOR interest rate for the purpose of applying digital solutions in the Spanish industry, financing the implementation of facilitating technology.

The work underway to carry out the State Pact for Industry (including digitalisation as one of its key pillars) deserves special mention here.

The Declaration was presented publicly under the name *La Legislatura de la Industria* and was signed by the most senior representatives of the UGT-FICA Industry, Construction and Agri-Food Federation, the CCOO Industry Federation, the CCOO Construction and Services Federation, the CCOO Citizen Services Federation, and the business organisations included in the Alliance for the Competitiveness of Spanish Industry – which was behind the initiative –, representing the Automobile Sector (Anfac), Oil Product Refinery and Marketing (AOP), Chemicals and Pharmaceuticals (Feique), Paper (Aspapel), Cement (Oficemen), Food and Drink (FIAB) and Iron and Steel (Unesid), which together generate 50% of Spain's industrial GDP and over 4 million jobs on Spanish territory. Also endorsing the Declaration were the Metal sector (Confemetal), Automobile Equipment and Parts Manufacturers (Sernauto), the Textile sector (CIE), the Fashion sector (Moda España) and Footwear (FICE).

The document draws up nine policies to boost industrial competitiveness, one relating to the R&D&I and technological & digital development policy.

It has also meant a significant social step forward for industry in recent years, enabling work to begin on what will eventually result in a state pact for industry to establish the keys for industrial development in the years to come, these being challenges that are closely linked to the digital factor and to the major transformation brought about by Industry 4.0 in Spain.

Work is also in progress to develop a new industry law suited to the significant changes we are seeing, as well as a series of plans and strategic documents concerning industry and Industry 4.0.

In regional terms, we should also mention the various industrial plans that are emerging:

On 18 July 2017, the Basque government approved the 2017-2020 Industry Plan, pushing for industry to reach 25% of the Basque Country's GDP, with a budget that rises year on year and could, for instance, mean a rise in up to 5% in R&D.

Andalusia's 2020 Industrial Strategy intends to see industry and advanced services account for 18% of the region's gross value added (GVA) by 2020, along with a pact between the regional government and the major business and trade union organisations in the area, which together set out specific objectives based on a variety of indicators.

The Region of Murcia presents the Murcia Industry 4.0 Strategy, which is coordinated by the Ministry of Employment, Universities and Business, which aims to progress, advance and improve the industrial evolution that has come to be called Industry 4.0.

Therefore its objective is to stimulate business projects of a technological nature by industrial SMEs in the Region of Murcia, which aim to establish a clear competitive improvement through the effective introduction of digital technologies in the industry, allowing devices and systems to collaborate with each other, and with other industries, to improve products, processes and business models. So, it seeks to establish a high component of automation and digitalization of its industrial production chains in SMEs, in order to become smart factories.

The Murcia Industry Program counts on the following 5 axes and actions:

- 1) Human capital 4.0
- 2) Technological enablers 4.0
- 3) Industrial transformation 4.0
- 4) Cooperation clusters 4.0
- 5) Improvement of the productive environment

All these axes are directed to the following Murcian companies:

- Agri-food industry
- Habitat industry
- Chemical industry
- Energetic industry
- Naval and sea industry
- Health industry

- Advanced services for the industry
- Other industries

In this sense, the Region of Murcia creates the “Support Program for Technology Enablers Industry 4.0 to facilitate Digital Transformation” (*Programa de apoyo a empresas habilitadoras de tecnologías Industria 4.0*) which aims to subsidize projects that include the following three technological categories:

- 1) That connect the physical world with the digital one:
  - Augmented reality and 3D printing
  - Advanced automation, robotics and unmanned vehicles
  - Internet of things
  - Embedded intelligent systems
- 2) That allow the communication and treatment of the data:
  - Cloud-computing
  - Cybersecurity
  - Communication technologies
- 3) That facilitate the intelligent management of the operations, as well as the collaborative work with other companies:
  - Big Data
  - Business Intelligence
  - Development of collaborative work platforms and on-line integration of the value chain of suppliers and other companies

The most outstanding features is that it is a program of non-refundable assistance. In which the maximum possible is up to 45% of the eligible costs with a maximum of euro 30,000 per beneficiary, for projects that seek to promote innovation in the development of products for the digital transformation of other companies, especially industrial.

The government of Castile and Leon also has a history of dialogue with the trade union organisations UGT and CCOO and with the CECALE association regarding industrial affairs, as well as the 3rd Macro Agreement for Competitiveness and Industrial Development of Castile and Leon for 2014-2020, thanks to which the region achieved industrial growth rates well above the national average in 2016. It also signed a regional agreement with five political parties represented in the regional council acknowledging the 2017-2020 Industrial Promotion Steering Plan as the instrument of reference regarding industrial strategy, which includes the pledge to make public expenditure on R&D&I account for 3% of non-financial public expenditure in the 2019 council budget, as well as taking on the challenge of raising manufacturing activities to 20% of the region’s GDP by 2020.

*Social agent involvement*

Social agents cannot be said to have been fully involved in I4.0 initiatives on a national level.

Specifically in relation to the connected industry initiative mentioned above, social agent participation was limited to requesting contributions to the draft, without this involving any active participation given that, in this case, they were not included in the document or in the implementation of the conclusions drawn. The General Secretariat for Industry and SMEs merely delivered a series of presentations on the initiative for explanatory purposes, but trade unions were not involved either before or after their commissioning.

*Participation in other initiatives*

The success of this initiative depends on the social agents who make up and/or affect the industrial sector getting involved in defining and implementing it. However, any scarce references to their involvement are merely generic and refer simply to ‘agents’ as opposed to social agents. Let us not forget, though, that in the Magna Carta (article 7 of the Spanish Constitution), social agents are recognised the role of basic organisations for the defence and promotion of economic and social interests.

## **Section 2.**

### **Main features of industrial relations in the metal working sector**

Industrial relations in the metalworking sector are set in a context that lacks a Ministry of Industry. Despite the fact that from the trade union perspective, UGT-FICA has continued to insist on the need for one, the fact remains that there is no specific Ministry for dealing with Industry which could act as the main figurehead for relations in the metalworking sector. Instead industry is included as just another area encompassed by the Ministry of Economy, Industry and Competition. Consequently, an excellent opportunity is lost because of this policy, both in terms of industrialisation and in order to address the rapid transformation that industry is currently undergoing due to the onset of the new digitalisation era. Additionally, the fact that considerably more weight is given to economy in the same ministry means that this detracts from the importance accorded to industry which ends up in practice by receiving less attention. This reality is linked to the fact that Spain is currently at a strategically important point in time with regard to industry and digitalisation, which is worrying and highlights the lack of adjustment between policies and the social reality that marks the present time.

This fact is not just a marginal or isolated question but rather its importance should be placed in relation to the dearth of strategies and industrial plans for digitalisation, as well as any other type of initiative in the metalworking sector linked to digitalisation, which hinders the set-up of any such initiative that would unquestionably be appropriate in the current climate of digital transformation. The problem is aggravated if it is considered that at the time of compiling this report, there is not even a Secretary of State for industry and it is necessary to descend to the level of General Secretariat in administrative terms in order to find a regulatory body for the sector. This absence of a Ministry of Industry (and not even a Secretary of State) clearly reflects a serious error which furthermore, is compounded by yet another failure, which is that of separating industry from energy and digitalisation, placing these two areas in ministerial terms alongside tourism, at a time when industry, with the dawn of this new era should go hand in hand with digitalisation. Therefore, without quite knowing why, industry 4.0, has, in practice, been required to straddle two Ministries, with Economy, Industry and

Competition covering industry, and Energy and Digital Agenda, which incorporates digitalisation, a phenomenon intrinsically linked to industry but which the Government has failed to understand as such, thus creating a further barrier to adapting to the digital or 4.0 industry. As the era of transformation that we are currently witnessing is so important for industry linked to digitalisation, there is a real need to convey to society the importance of industry and it is the Government that should be foremost in creating this awareness.

In this regard, there is no Secretary of State for industry and in terms of administration only by descending to the level of General Secretariat can a Government department that handles Industry be found, and at the present time the body officially shouldering this task is the General Secretariat of Industry and Small and Medium Enterprises. Industry 4.0 initiatives are presented through this General Secretariat of Industry and Small and Medium Enterprises. Trade unions in the metalworking sector come under the aegis of UGT-FICA sectors, together with other industrial areas.

In terms of the unionised coexistence of white and blue collar workers in the same union, UGT-FICA defends the interests of all workers and dependent wage earners within the functional scope of UGT-FICA described above, and therefore they would all come under the same union umbrella. In respect of the structure of collective negotiations, in state government terms, the metalworking sector is based on the National Metalworking Sector Agreement, an instrument through which conditions for the metalworking sector were regulated; however, it lacked the rank of collective bargaining agreement. Following the Act of 11 August 2016, on publication in the Official State Gazette (BOE) it became an agreement, specifically through the Resolution of 25 July 2016 of the General Employment Office, registering and publishing the National Collective Bargaining Agreement Act for industry, technology and metalworking sector services. This Agreement replaces and complements the previous National Metalworking Sector Agreement (AESM) which had been in force for over 20 years (until December 2016). The National Industry, Technology and Metalworking sector Services Agreement (CEM) was signed on 29 March by the Negotiating Commission and ratified on 14 April by the unions and the employers in the sector and was subsequently published in the BOE of 11 August 2016. It contains the following amendments and improvements in respect of the earlier text.

Three new chapters have been added, one on sector salaries, another on the non-application of working conditions and a third on equality. The functional scope has been changed to include workers who now work in the so-called ‘multiservice companies’, in temporal terms an attempt was made to cover a dual ultra-activity or extended validity, which would also cover the duration of provincial

agreements. Finally, it contained an undertaking by its signatory organisations to resolve the blockages arising in negotiations on other issues...

The First National Industry, Technology and Metalworking Sector Services Agreement (CEM) which replaces and complements the previous State Metalworking sector Agreement (AESM) was an example of social dialogue at a difficult time. The First CEM was designed to order a negotiating structure which incorporated 62 collective agreements in provincial sectors and over 600 business agreements. One of the salient points of the first CEM was to ring fence provincial collective bargaining. The heterogeneous nature of the sector, although it clearly enriches it, also makes it very vulnerable, as it is particularly exposed to fragmentation, to invasive action of older and new economic sectors and new ways of articulating the collective interests of a business nature (cluster, multi-services, business outsourcing etc.). The first CEM indicated that the following matters are reserved for the exclusive competence of state negotiation: trial period; types of contracting; professional classification; maximum annual working day; disciplinary regime; minimum standards and norms of occupational risk prevention; and geographical mobility. The issues established by the new state agreement which did not feature in the previous one include among others, the following:

- Introducing ultra-activity or extended agreed duration in all agreements at a lower scale which will ensure that no collective bargaining agreement will decline when it expires, bypassing what was approved in the PP labour reform and providing cover to workers in matters such as salaries.
- Establishing a minimum guaranteed salary to be established by each of the provincial agreements in their area, which means that from now on, minimum guaranteed salaries for workers in the sector shall be those that prevail in their respective territories, regardless of whether or not the lower level agreement remains in force.
- It extends the authority of the National Joint Collective Committee in the Sector with the power to settle disputes, something which until now has been circumscribed by the wishes of the parties to attempt to reach a settlement. From now on, when a year has elapsed without managing to reach an agreement at lower administrative levels, the National Joint Collective Committee may intervene, convening and resolving the controversy, thus preventing agreements from being blocked, to the detriment of workers, in matters such as salary increases, the working day or distribution of hours.
- In occupational health issues, the new agreement introduced the need for a professional metal work card in order to work in the sector, which is an

important development in terms of risk prevention and the requirement for specific training.

- Regarding equality, in addition to including an undertaking by the parties involved to develop a regulatory framework for the sector which will guarantee equality and non-discrimination in the workplace, it also provides for negotiation of measures designed to ensure effective equality between men and women in relation to equality plans, An Equality Commission for the sector has also been created.
- Furthermore, the agreement sets limits on the proliferation of multiservice company agreements. On 19 June 2017, when it was published in the Official State Gazette (BOE) through the Resolution of 07 June 2017 of the General Employment Office, the national collective bargaining agreement act for industry technology and metalworking sector services was registered and published. Currently, (February 2017) the third collective agreement for the metalworking sector is under negotiation.

The advent of the Labour Reforms, has paved the way for applicatory priority of company agreements, with the aim of lowering labour costs by weakening sector agreements, and as a result UGT-FICA has redoubled its efforts to defend a collective bargaining model based on the creation of National Sector Agreements as an element of solidarity, cohesion and also as a guarantee for working people, preventing unfair competition or internal delocalisation of companies, and defending the right to improved working conditions for workers. The most recent Labour Reforms of 2010 and 2011, have both affected collective bargaining, and therefore it remains important if possible, for each sector to have a National Sector Agreement that defines the negotiating structure, separating matters which are exclusively the province of the state, so that they cannot be amended or altered by lower level agreements concerning other issues and which pertain to provincial or autonomous scope and rules, in the event of conflicts between agreements.

In this respect, and given the important regulatory changes of the aforementioned labour reforms, it is appropriate to highlight and defend a basic principle of labour relations, namely that of homogenising working conditions, a principle that has been fragmented by the priority given to application of company agreements, which has led to deterioration of working conditions. In relation to provincial agreements in metalworking, it should be pointed out that these are agreements which have carried considerable weight historically, as until 2016 there was no such thing as a national agreement.

Regarding the way in which UGT-FICA is represented in the workplace, it is necessary to refer to the trade union branch which is “the organisation that represents the Union in the company or in the workplace in order to carry out the task of defending the workers’ interests and particularly those of its members. The

union branch is a case of internal organisation of the Trades Union which groups all its members in the company or workplace organised by a specific federation". In relation to workers' participation in union management bodies, it indicates to members of UGT-FICA their right to "elect and to be elected when choosing the management, representation and control bodies of the Union Branch as well as the choice of candidates for the Union in the Trade Union Elections and in the election of Prevention Delegates and Union Delegates, as appropriate".

### **Section 3.**

## **Overview of the perspectives of trade unions and employers' associations in the metalworking sector on Industry 4.0**

UGT FICCA considers that Industry 4.0 affords an opportunity that has clear benefits for industrial development, and which presupposes going beyond mere competing on costs and instead advocating quality, innovation and technology, all of which are factors that generate more and better employment, in short, quality jobs with rights. However, this transformation needs to be a fair digital transformation. So there should be a transition through which affected workers may hold on to their jobs.

Industry 4.0 brings improved levels of wealth and wellbeing, however, the reality today is quite different due to the fact that economic and employment benefits of this new wave of technology are unequal (today most workers live in worse economic conditions, despite all enjoying the possibilities offered day to day by digital developments, nevertheless the greatest profits and levels of wealth in this regard still remain at the top of the pyramid).

It is important for company profits obtained through application of the industry 4.0 model, to be reflected in salaries and at the same time provide for R&D investment, thus creating more and better employment. Instead of being dissipated as business profits, so that the wealth is not distributed.

It is necessary to work to ensure that the accelerating technological development of industry 4.0 does not develop in terms of growth but without employment, effectively destroying more jobs than those it creates. And to achieve this, social agents must have a presence in this important transformation.

Therefore, there is a need for digital transformation but this must be done fairly. There needs to be a transition period during which affected workers may hold on to their jobs.

This point of fair transformation is particularly cogent if we take into account that much of the predictions convey the idea that the advent of digitalisation will exponentially increase productivity and that this will have the immediate result of increasing profits, proportional to the increase of this productivity. For this reason it is important that these business profits are fairly distributed and that part of the

profits should also benefit workers, in the form of qualifications (it is necessary to invest in training workers) and also in the form of better salaries and better working conditions.

Spanish doctrine (Kahale, Carrillo, 2016, 2017), in this regard has indicated that “if we are to embrace 4.0 in turn we must embrace 4.0 training in which education centres and companies will collaborate closely and incorporate methodologies for learning and acquiring skills. In other words, it is necessary to implement a dual professional training model which will be applied both to academic diploma and degree courses and combine theoretical training in educational centres with practical in-house training, with the purpose on one hand of adapting vocational training to the current reality of the working market, and on the other, improving the quality of the education and training that students receive. Ultimately, this will increase job availability and graduate employability”.

In unions and employers’ perspectives in the metalworking sector, a third agreement for the metal working sector is anticipated, which is currently being negotiated and which should reflect the reality of this important moment in time for the industrial transformation that Spain is currently undergoing. Signature of this agreement has gained considerable importance given that it was only in 2016 that the first agreement managed to be signed. Until that date there had been no agreement at all, and this sector came under the National Agreement for the Metal Working sector (AESM) which remained in force for over 20 years, giving rise to the first national agreement of Industry, Technology and Metal working sector services (CEM) signed on 29 March by the Negotiating Commission and ratified on 14 April by the unions and the employers in the sector and published in the BOE on 11 August 2016.

Furthermore, the Government has been asked to provide an industrial policy for the metal working sector that will guarantee business competition and therefore, the survival of businesses in the face of the challenges that internationalisation and digitalisation bring.

All of which is set in a context in which different agents in the metal working sector, particularly steel workers in different plant, have been demanding measures to halt Chinese dumping practices, in the defence of European steel, seeking to draw attention so that the European Council would take urgent measures in the face of unfair competition from other countries, and China in particular which are producing and marketing steel, calling on the government to support and maintain steel plants in Europe. The rules should be the same for everyone, and competition in the industry should always be understood in the light of respect for workers’ employment rights. The loophole of increasing competition at the cost of devaluing workers’ employment conditions should be closed in Europe, and an industry that respects the rules of the game should be

defended, providing a stable industry and one fit for the future which respects the rights of workers in a globalised context.

In addition, with a view to the future of the metal working sector in industry, it will be important to have a national industrial policy which lays down the basic and essential foundations for strengthening the industrial metal working sector and developing regulatory elements that will protect and prevent the loss of competition in the sector, and in relation to digitalisation, it would also be necessary to ensure a harmonised set of norms in this area, all of which would shed light on concepts which today still appear to be far off, in terms of inclusion in any Government political agendas and which should be clarified and developed. And this is also because digitalisation behaves in very different ways depending on the sector in question; that is, digitalisation and sectorialisation are closely linked and should be considered together in this context.

The goal and the perspectives are clear: instead of competing in terms of costs there is a need to strive for quality, innovation and technology, all of which are factors that generate more and better employment; in short, good jobs with rights. It is also necessary to increase the weight and contribution of industry to the GDP and to make the metal working sector competitive, setting it up as a solid, strong and globalised industrial sector, capable of addressing present and future challenges.

And in this regard there is a need to develop a stable legal framework which will protect the industry with an eye to the future and which will be capable of addressing the changes arising in the new digital context, a framework which needs to be updated and renewed with the incorporation of digitalisation, providing specific solutions adapted to specific sectors, such as that of metalwork.

In particular, in regulatory terms it is important to highlight the fact that the existing national industry law does not meet the current needs of industry and is now obsolete, as since 1992 it has been subject to a series of makeshift amendments that have been unable to address the challenges that have arisen in recent years. Therefore, a new industrial law should be proposed, providing a new regulation that will to a greater degree facilitate the technological transformation of industry that is currently underway, which will take into account the numerous regulations that have been put in place from the European perspective in the light of the on-going process of globalisation of the market and businesses, designed to adapt to the present period that we are undergoing and which will return industry to its rightful place, namely its role as a sector which prioritises the creation of employment and social progress.

The importance of this industry law is based in turn on the fact that although competence regarding industry matters falls to the autonomous communities, not all of these have developed their own industrial laws, and the national industrial

law acts as a complement in regulating these territories. In addition, the state law plays an important role in coordinating industrial policy and the transversal regulation of many areas which it would be difficult for territorial authorities to assume.

## **Section 4.**

### **The role of trade unions in Industry 4.0: the case of Federación de Industria, Construcción y Agro de la Unión General de Trabajadores (UGT-FICA)**

#### **4.1. Brief overview of the national trade union selected as a case study**

The union UGT (Confederation) was founded on 12 August 1888.

As far as the traditional vision, mission and values of UGT-FICA, the following could be said: “The working class protests the usurpation of its natural rights by capitalism and affirms its aim to make it possible for workers to freely organise and redeem all natural and social sources of production” and “to achieve this vindication, the working class must adopt the constitution of trade, industrial or liberal professional workers’ associations to achieve this vindication since individual, isolated actions by workers and that of the disseminated and unorganised largely fail”.

As an organisation, the Federation of Industry, Construction and Agriculture General Workers’ Union (UGT-FICA) is confederated under the General Workers’ Union Confederation of Spain (UGT).

“UGT-FICA brings together dependent employees, the self-employed who have no personnel working for them as well as workers who are associated through co-operatives and employee-owned companies. It also represents students who do regulated vocational training and occupational work placements in the professional sectors that fall under the functional scope of UGT-FICA, the unemployed who are dedicated to academic or professional activities that fall under the scope of UGT-FICA and early pensioners in the same sectors. The scope of action of UGT-FICA is the entire Spanish territory”.

With regard to the organisational structure:

UGT-FICA is part of the General Workers’ Union Confederation of Spain and fully endorses the Fundamental Principles, Declaration of Principles, Statutes, Action Plan, Standards and Regulations as well as all Resolutions issued by the Confederation Bodies.

The backbone for the National Federation is provided by the following territorial structures: Autonomous Region Federations that in turn group together Provincial, Inter-district, District and Island unions which also group together territorial sectors that adapt to the realities in each territory, in addition to union sections within these territories with their respective management, participation and control bodies.

The sectors comprising the Federation of Industry, Construction and Agriculture are as follows:

- The agricultural and fruit and vegetable handling sector
- The foodstuffs, beverages and tobacco sector
- The capital goods sector
- The construction and construction materials sector
- The energy sector
- The automobile industry sector
- The chemicals, textile-leather and graphic arts sector
- The transport material, electronics and ICT sector
- The mining sector
- The welding and metal transformation sector

Among its main activities, UGT-FICA is responsible for collective bargaining, maintaining social dialogue, providing legal services and defence for members, representing and defending workers' interests before employers' associations, the government and others.

## **4.2. Trade union discourse**

SWOT analysis: in relation to the union objective for the transition to Industry 4.0:

*Weaknesses:*

1. High disproportion between membership and the collective bargaining coverage rate in Spain.
2. A lack of qualifications, skills and training for workers in an environment of sudden digital transformation change.

*Threats:*

1. Digitisation is for all of Europe; it cannot become an element of inequality among countries. Sustainable growth in an economy that is socially just with workers and responsible is needed. Spain must approach digitisation at the same speed and with the same intensity as the other countries in order to be competitive.
2. A lack of institutional participation on the part of the union in strategies linked to Industry 4.0.

Strengths: The union has a long history filled with achievements and successes and UGT-FICA is bastion in the fight.

Opportunities: The opportunity to generate better and more qualified jobs of high added value, stable jobs with rights, on the basis of a much stronger industrial model that is better resistant to economic crises.

### **4.3. Trade union action**

#### **4.3.1. Research**

To date, no significant studies or research has been done in relation to adaptation to Industry 4.0 from a UGT-FICA union perspective.

#### **4.3.2. Communication and dissemination directed to workers and public opinion**

Various events, conferences and meetings have been organised by UGT-FICA to spread awareness among workers for the various challenges and opportunities involved with the current industrial transformation. These conferences have been held in Valladolid and Burgos and have featured the participation of the current President of the Government. Other conferences have been held in Madrid at the UGT-FICA national headquarters featuring two days of dialogue with the presence of various national and international figures of interest as well as companies and members of UGT-FICA.

##### *“A New Economic Model through Industry” Conference*

In March 2017, UGT-FICA organised a two-day conference during which outstanding business and union representatives debated the present and future of industry and workers’ labour rights in the new economic scenario boosted by the fourth industrial revolution or Industry 4.0.

Besides a technology presentation offered by the Spanish National Research Council, the debates revolved around the following issues:

- Technological innovation within enterprises
- Youth 4.0
- Labour rights 4.0
- The challenge of union organisations in Industry 4.0

*“Industry in Spain, Reflections in VALLADOLID AND BURGOS” Conference*

Important conferences were held in Valladolid and Burgos last May on industry and Industry 4.0 with the President of the Government attending. Based on various contributions during these conferences, UGT-FICA prepared a document with conclusions drawn from the conferences which was directly sent to the Government for use as another element of reflection for the social dialogue process that must begin as an essential part of the attempt to produce a National Agreement on Industry.

#### **4.3.3. Lobbying towards public institutions**

As concerns Industry 4.0, hard and constant work is currently being done with the public administrations to claim a place for union participation in Industry 4.0 as well as create and develop bodies with representation from the public administrations and the unions to study and analyse certain technical aspects involved with Industry 4.0. One example is the UGT-FICA request to set up an industry observatory with a specific working group for Industry 4.0 and its challenges.

#### **4.3.4. Training activities targeted to workers’ representatives**

To date, no training activities have been done in relation to adaptation to Industry 4.0 from a UGT-FICA union perspective.

#### **4.3.5. Collective bargaining**

To date, no type of metal sector collective bargaining text analysis has been done so as to infer the existence of specific clauses related to Industry 4.0. However, the need to negotiate standard clauses that fit with the digital transformation caused by Industry 4.0 is becoming more and more apparent such as, for example, the need to include clauses that refer to workers’ training in order to adapt to the changes digitisation has made to jobs.

The immediate effect of digitisation is a sudden change in jobs and a need for workers to adapt to the new digital circumstances being implemented in various positions. It is changing the scenario, the professional profiles and the skills needed. The minimum common denominator of the new panorama is the transformation into a highly qualified model, in which training plays a key role. Objective dismissal is regulated in Spain in article 52 of the Workers’ Statute. And this idea of objective dismissal includes different causes which are covered

by this type of dismissal with two major groups of causes, some related to the worker and others regarding the company's needs. Based on this description of objective dismissal, at least one cause can be found that directly connects to adaptation to Industry 4.0 and that is the one in article 52.b on the lack of a worker's adaptation to technical needs.

Article 52.b of the Workers' Statute sets forth that a contract may be extinguished "due to a failure by the worker to adapt to the technical modifications of the job when said changes are reasonable. Before such dismissal, the employer must offer the worker a course aimed at facilitating the adaptation to the modifications made. The time spent on training is always considered actual work provided and the employer must pay the worker the same salary as when working. The termination may not be enforced by an employer until at least two months after a modification is made or after the training aimed at the modification has been completed".

This is strategically important at this point in the digital transformation and it means that, in Spain, any worker who is not able to adapt to modifications due to digitisation implemented in their job can be dismissed as it is a cause specifically outlined in the Workers' Statute.

This is a very serious consequence for workers as it means the termination of their employment contract and it must be seriously approached and handled through metal sector collective bargaining agreements. When considering the legal framework on this matter, one must refer to article 23.1 d of the Workers' Statute which grants workers the right to training precisely in these types of circumstances, setting forth the following: "The workers shall have the right [...] to the necessary training for adaptation to modifications of their job. This training shall be paid for by the company without prejudice to the possibility of receiving training credits for this purpose. The time spent on training is always considered actual work provided".

Spanish legislators have been protecting this circumstance (the right to training to adapt to one's job) as they consider this training to be mandatory in order for a person to do their job properly. And this protection is provided in two ways. Firstly, workers have the right to be trained and promoted and, secondly, in a completely different manner, workers have the right not to lose their job, given that the consequence in the case of a worker's failure to adapt to their job, as outlined in the Workers' Statute, is the termination of their employment contract.

And having reached this point, the conclusion can be inferred that there is no problem in Spain with regard to workers' adaptation through the mandatory training provided for by the Statute. However, this is not the case. There is a serious problem here and there is an attempt to overcome it through collective bargaining agreements that specifically include clauses preventing guarantees for this effective training and preventing that this article 52.b of the Statute becomes

the third labour reform, legitimising the dismissal of thousands of workers as a result of the implementation of digitisation in their jobs.

The problems detected here refer firstly to the need to guarantee this training is provided adequately and effectively so workers can acquire these new skills that will allow them to work properly once the changes are made to their jobs. And this is a complicated issue considering that the productive system in the sector of reference in this study is largely comprised of small and medium enterprises, meaning the small size of these companies hinders meeting trainings needs in the same conditions as large companies which can even afford to have in-house and specific training departments for their workers.

The second difficulty, which is basic and is often raised with the courts, is whether the training must be done during or outside work hours (even when the hours are paid as ordinary hours since the training is mandatory). This matter is no minor issue as it involves the principle of equality provided for in article 14 of the Spanish Constitution to the extent that if a company provides the training for workers to adapt to new technical modifications made outside working hours, this prevents or makes it difficult for workers with family responsibilities to complete such training. And, unfortunately, work/family balance continues to be an aspect that primarily affects women who in practice are harmed by training outside work hours as they largely outnumber men with regard to this issue.

Constitutional jurisprudence has created a line of argumentation to specifically approach this type of discriminatory situation which threatens the principle of equality and, to this end, affirms that a court authority hearing the matter cannot simply verify whether the conduct directly breaches the principle of equality but rather has an obligation to deepen the analysis as “it must specifically analyse whether what may appear to be a formally reasonable differentiation actually hides or allows the hiding of discrimination” contrary to art. 14 of the Spanish Constitution (Constitutional Court Rulings 145/1991, 182/2005 and 66/2014).

Therefore, it is possible to infer from such an analysis that training to adapt to modifications in one’s job outside work hours, even if paid, actually penalises workers (mostly women) who cannot do the training for family/work balance reasons, which leaves the door open for their objective dismissal.

Therefore, collective bargaining is necessary to adequately handle these types of situations, which in practice leave workers quite unprotected.

In relation to this, it is very important to emphasize the fact that this set of regulations and the jurisprudence created must be approached in a very different way as the changes digitisation is creating are much more profound and much more extensive than any seen to date. For this reason, even further worker protection is necessary, so it is adequate for the deep changes being imposed in this new era. And this is where collective bargaining will be fundamental to

protecting workers from these types of situations and improving working conditions.

It is also worth indicating that although work is currently being done to approach the effects of digitisation through measures related to training, the right to disconnect, the use of work platforms etc., all these matters are handled in a very disperse and isolated manner, without any express relationship to digitisation in most cases. In other words, digitisation must be referred to specifically in order to take advantage of all possible synergies and create a specific protective scope for digitisation.

#### **4.3.6. Other initiatives**

As a result of the Protocol for Common Action signed by IG Metal, UGT-FICA and CCOO for Industry, the three union organisations are debating and finding common areas to work on and improve the vindication and development of different industrial strategies and new innovative and qualifying paradigms linked to digitisation and Industry 4.0, among other issues.

## Conclusions

Industry 4.0 is an opportunity with clear benefits for industrial development and involves competing in cost all while being committed to quality, innovation and technology, all factors that generate more and better jobs; in short, quality jobs with rights. However, this transformation must be a just digital transformation. Thus, the digital transition must be approached so that the workers affected may preserve their jobs and maintain dignified living conditions with rights.

Despite the fact that industry is essential to economic development, there is no single Ministry of Industry, as mentioned, that leads and produces a national policy for industry. The Ministry of Industry is actually part of the Ministry of the Economy and it is not until reaching the position of the Secretary General at a lower part of the ministry's organisation chart that industry is approached within the national Government. This fact is a logical reproduction of the lack of national policies relating to industry and the problems that exist in handling the transition to digitisation seriously.

Therefore, work is needed to overcome this problem and open up channels of dialogue and new areas to defend employment and industry, fully convinced that industry has a future since it is a very stable sector with a strong social dimension as it generates quality employment with rights, which is decisive to the future development of Spain.

With respect to the other Ministries under the current Government, it is worth highlighting the added difficulties of the existence of another separate Ministry that handles Industry competences (under the macro Ministry of the Economy) which is the Ministry of Energy, Tourism and the Digital Agenda, which handles similar digital scopes that are separated from Industry 4.0 (under the Ministry of the Economy). All of this leads to serious coordination problems between policies that are difficult to situate given the lack of criteria in the designation and composition of Spanish ministries. And with respect to the current Ministry of Employment and Social Security, through which these types of policies affecting workers must be coordinated, it is important to simply mention that previous areas have been eliminated from what was once known as the Ministry of Labour and is now known as the Ministry of Employment. This easily summarises the step that has been taken to adopt economic criteria rather than social criteria, given that the term 'employment' is a fundamentally economic concept. This term prevails in

the Ministry's guiding policy lines and it is very different from the concept of 'labour', which is a social term that when used in relation to the Ministry, in other words, 'Ministry of Labour', inferred a more social rather than economic perspective.

The premise in the area of wages is as follows: The union UGT-FICA defends the need for higher salaries, to recover and gain buying power, as a condition for economic growth, the generation of quality jobs of higher added value and higher Social Security revenue. All of this goes hand in hand with the fact that the necessary steps are made to create a change in the productive model towards a society with knowledge of high added value, taking advantage of the high qualifications model that predominates the digital transformation which is taking place.

Training is considered the cornerstone of the digital transformation. However, it needs to be developed through certain training parameters that guarantee workers' rights to work with the entry of digitisation. This power and these opportunities that come with Industry 4.0 must be taken advantage of and transformed into improving the quality of employment and not just simply business benefits.

The role of unions is fundamental to the digital transformation and the consolidation of the new model being done fairly. And this role must be an active role, not simply a consultation role.

Another important point is the need for specific areas of study with regard to Industry 4.0 where the government and all stakeholders are represented to analyse and find common ground in the challenges, barriers and opportunities involved with Industry 4.0. For this reason, an industry observatory must be set up – in line with UGT-FICA arguments – comprised of different working groups to specifically discuss digitisation. It would even be interesting for the working group to offer an international perspective from different neighbouring countries since digitisation affects all of Europe and the measures must be considered under a much broader and more international vision.

One of the matters to be emphasized and which is more extensively approached throughout this report is the disproportion in Spain between the low union membership rates and the high collective bargaining coverage rate. As already mentioned, the union model in Spain makes collective bargaining generally effective meaning the results of collective negotiations benefit union members and non-members equally. However, only union members contribute to the costs of negotiations with their fees. As a result, the results of union elections and not the number of members are what legitimise union representativeness.

## References

- Kahale Carrillo, D., *Industry 4.0: The Challenges for Spanish Jobs*, in Aa.Vv., *The Current Social and Labour Changes: New Challenges in the World of Work*, Peter Lang, 2017, 75-93
- Kahale Carrillo, D., *Training (Spanish and Italian) in Industry 4.0*, in *Labour & Law Issues*, Vol. 2, No. 2, 2016, 42-71
- Ministerio de Economía, Industria y Competitividad (2017), *La estrategia Industria Conectada 4.0*
- Ministerio de Industria, Energía y Turismo (2016), *Industria Conectada 4.0 – La transformación digital de la industria española*, Informe preliminar
- La legislatura de la Industria – Declaración de los Agentes Sociales instando al desarrollo de un Pacto de Estado por la Industria* (2016)
- [www.mineco.gob.es/portal/site/mineco](http://www.mineco.gob.es/portal/site/mineco) (accessed 12 March 2018)
- [www.industriaconectada40.gob.es/Paginas/index.aspx](http://www.industriaconectada40.gob.es/Paginas/index.aspx) (accessed 13 March 2018)
- [www.ugt-fica.org/areas/politica-industrial/digitalizacion](http://www.ugt-fica.org/areas/politica-industrial/digitalizacion) (accessed 13 March 2018)
- [www.eoi.es/es/empresas/industria-40](http://www.eoi.es/es/empresas/industria-40) (accessed 15 March 2018)
- <https://hada.industriaconectada40.gob.es/hada/register> (accessed 15 March)

**Annex.**  
**Census of 2017 Metal Industry Provincial**  
**Collective Bargaining Agreements**

	<b>Province/Territory</b>	<b>No. of Workers Affected</b>
1	Álava	25,000
2	Albacete	12,000
3	Alicante	33,881
4	Almería	4,500
5	Asturias	24,500
6	Ávila	1,500
7	Badajoz	7,000
8	Balearic Islands	8,500
9	Barcelona	160,000
10	Burgos	13,075
11	Cáceres	4,000
12	Cádiz	10,000
13	Cantabria	14,000
14	Castellón	8,500
15	Ciudad Real	12,000
16	Córdoba	9,000
17	Coruña	20,000

## SPAIN

18	Cuenca	3,000
19	Gerona	16,500
20	Granada	3,900
21	Guadalajara	4,200
22	Guipúzcoa	60,000
23	Huelva	6,000
24	Huesca	5,100
25	Jaén	12,000
26	León	5,300
27	Lérida	6,000
28	Lugo	3,500
29	Madrid	122,000
30	Malaga	8,000
31	Murcia	24,000
32	Navarre	34,000
33	Orense	4,700
34	Palencia	4,000
35	Las Palmas	4,500
36	Pontevedra	24,000
37	La Rioja	5,000
38	Salamanca	2,500
39	Segovia	2,000
40	Seville	60,663
41	Soria	3,000

42	Tarragona	15,500
43	Tenerife	3,500
44	Teruel	3,500
45	Toledo	7,300
46	Valencia	65,000
47	Valladolid	17,000
48	Biscay	58,000
49	Zamora	2,200
50	Zaragoza	35,000
total		998,319

The data related to workers affected by the metal industrial highlight what has been a constant in collective bargaining in Spain which is the fact that there has been a high coverage rate as it is one of the countries that has stood out internationally as one of the countries with a high coverage rate where this rate is understood as the ratio between workers covered by collective bargaining and the total number of employees.

Depending on the type of job and report, it is sometimes as high as 80-85%. However, the disastrous effects of labour law reforms in recent years, which have weakened collective bargaining, have brought this rate considerably down.

UGT-FICA believes collective bargaining is the best tool for mitigating the effects of the crisis, achieving dignified labour conditions and recovering lost employment.

The union model prevalent in Spain is a model through which union action and, specifically, collective bargaining are generally effective. This means the results of collective bargaining benefit all workers whether or not they are union members.

And this systemic fact no doubt leads to the low membership rate that exists and which originates from the union model adopted in the Workers' Statute as all union action and, in particular, collective bargaining is generally effective and applied to all workers, both members and non-members, even though it is done by the unions. Furthermore, the work, effort and economic and human resources provided by the unions to make collective bargaining possible are paid for by

members' fees. This is because the results of union elections and not the number of members are what legitimise our representativeness.