

Expanded abstract

Labour participation in company boards in Spain: the fuse that has not lit

Objectives

Spain may count among those European countries that had (and still have) some experiences of worker representation with voting rights on corporate boards. However, the institutional foundations of such right, thus its practice, barely survived the knock of the hostile economic and political landscape in Spain. It was hardly implemented and had little impact on public debate or trade union agendas, remaining a sort of taboo until 2023, when the governmental coalition of PSOE-Sumar revived the issue.

The truth is, little is known about worker representation on company boards in Spain. This article aims to fill a gap in research by understanding these ambiguities and examining the history, state of play, practice and prospects of worker participation on company boards in Spain. It explores the historical background, constitutional foundations, and different arrangements and development of this institution, including the social debates around it. The study also looks at how various actors, especially companies and trade unions, discreetly addressed and practised worker participation on boards, to the point where it nearly melted away. Finally, the article presents how the topic has recently gained momentum and is being discussed after a long silence, with implications for the prospects of an extended policy on worker participation.

Design, methodology and approach

To understand worker representation on company boards in Spain, this study goes beyond a mere account of the existing formal institutional frameworks to approach worker representation on boards as an idea and policy area in a changing political and economic landscape. The study draws on an extensive literature review, analysis of laws and collective agreements, congress and other documents of the trade union confederations Comisiones Obreras (CCOO) and Unión General de Trabajadores (UGT), press releases and more than twenty expert interviews with worker representatives, union officials and politicians conducted by the author between 2016 and 2022.

Findings, limitations and implications

The article takes stock of the applicable arrangements in Spain, examining their rise and fall. A constitutional article (Article 129.2) provides a basis for the development of this form of worker participation through general legislation. However, worker representation on boards was mainly institutionally developed in the savings banks and in the state public sector as a result of a national-level social pact.

The article provides an overview of the arrangements in these two sectors, examining the context in which they were adopted, their characteristics and their non-systematic and limited or declining implementation - even complete repeal, in the case of saving banks. The study identifies various factors that prevented, and may still prevent, codetermination from transcending the Spanish public debate and managerial culture.

A key finding is that the existing frameworks were normatively too weak and volatile to light the fuse of a board-level employee representation model in Spain. Their coverage and the rights they provided were limited, at most setting minimal symbolic representation on large single-tier boards. In contrast to other countries, where worker representation on boards was a key element of broader socioeconomic projects of industrial democracy supported by a union offensive, it emerged in Spain as a defensive and partial solution amid economic crisis and declining social concertation leading into the neoliberal turn of the 1990s. The experience was generally unstable, with difficulties for unions in terms of coordination, support and reputation, which explains also why board-level worker representation disappeared from savings banks and other companies without provoking any mobilisations, in contrast with the outrage that was attracted to other attacks against collective labour rights in the aftermath of the 2008 crisis.

Another significant finding is that the central trade unions have kept formal claims on the topic, without opposing worker representation on company boards, but have never prioritised or mobilised around this issue. This reveals a lack of active and sustained institutional support. According to the evidence analysed, the fundamental reasons are not essentially ideological but rather strategic, due to a sociopolitical context in which unions have been oriented towards prioritising works council social elections and the so-called 'institutional participation'. Thus, worker participation on boards has remained an 'orphan' idea until isolated social actors have brought it to the fore. More recently, the Sumar party, which is part of the left-wing government coalition with the PSOE, has adopted worker participation on boards as part of a larger package to democratise firms, although further details are still pending. The article suggests that, although unions will be key actors in implementing any legislation on the matter, the initiative is more likely to come from the political level.

Concrete company cases are not analysed in depth in this study. Still, sources and company data are identified and could be further exploited scientifically, especially on public companies where trade union presence has survived on the board. The regulation and practice of worker participation in other governing bodies, particularly in worker cooperatives, fell outside the scope of the study, although it would deserve attention in further research.

Practical conclusions and contribution

Board-level worker representation has so far had little relevance and effects on the Spanish industrial relations scene and public debate despite existing experiences and arrangements. By clarifying this apparent incongruency, this article contributes to the discussion about worker participation in 'peripheral' and non-coordinated economies in Europe. The novel experiences of European multinational companies' boards that involve trade unionists with mandates from

other countries could give new impetus to worker participation agendas. In Spain, it could rekindle the embers of an experience of board-level participation which, according to our analysis, was generally valued as positive and with potential despite its various limitations.

After a long and noticeable silence, worker representation on company boards has recently emerged on the Spanish political agenda, with the progressive Spanish government declaring the intent to develop the constitutional article on worker participation through legislation. However, it appears from this study that three conditions should first be met for such a legislative attempt to succeed: the concrete pre-existing experiences should be evaluated, trade unions should be firmly committed to the initiative, and a widespread public engagement and mobilisation seem necessary. Without these elements, the formulation and implementation of effective policies to democratise corporate power in Spain looks unlikely, especially in view of past experiences with trade union participation on boards, failed attempts to legislate on the matter and the strong opposition from employers and right-wing parties.

All in all, the Spanish debate about worker representation on boards may still be immature but, by critically examining the topic from different views and advancing it on various fronts, worker participation can eventually move forward, removing Spain from its 'cursed' exceptionality on the European scene.