



Contemporary Challenges of Employee Participation

Opposing the Negative Results of Covid

ASITECO REPORT

Background

We cannot separate the negative impacts on our industry of the covid-19 pandemic from the challenges we face due to the European decision to accept limitations on pollutant gas emissions. Both factors directly affect the productivity of our companies in all sectors, from primary or extractive to tertiary or services.

Green Agenda

Our country, Spain, is very close to meeting the so-called "Green Europe" objectives. There are no longer any coal mines open at this date, and at the same time, there are no coal-fired thermal power plants in operation. They have now been converted to gas-fired power plants, yet the closure of the Algerian gas pipeline is causing gas shortages and skyrocketing prices.

Our government promised in the past to provide the so-called "Just Transition" for all the areas of the country that were more or less dependent on coal. However, to date, the delay in aid of the Just Transition is notable. In these areas, the population has decreased by between 15 and 20 per cent. The general unemployment rate is 25 per cent and, what is worse, youth unemployment is 60 per cent, while general unemployment in Spain is just under 15 per cent and youth unemployment is 31 per cent.

Early retirements have been subsidised, there have been attempts at outplacement in other sectors through training courses, etc., but nothing has been done to mitigate the disaster in the whole sector of activities subsidiary to mining.

The source of Spanish energy production is based on renewable energies (water, wind and solar energy) and non-renewable energies (nuclear, oil and gas) and of these last two, oil and gas are the ones that have an impact on the environment, although we should not forget the problem caused by radioactive waste.





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In percentage terms, the Spanish energy mix in 2020 was made up as follows:

Nuclear energy	22.2%
Wind energy	21.9%
Combined cycle	17.5%
Water plant	12.2%
Cogeneration	10.7%
Solar	6.1%
Coal	2.0 %
Solar thermal	1.8%
Other	5.8%.

Therefore, the Spanish situation is quite rational since 64.2% of the electrical energy we consume is of "clean" origin, while only 30.2% or 36%, when including others sources, are polluting.

The problem in our situation is the dependence we suffer from concerning the supply of natural gas for our combined cycle and cogeneration plants.

Spain receives only half of the gas that used to be supplied by pipeline. This means that only the industry that requires cogeneration and approximately 5% of the combined cycle plants can be maintained, which creates an electricity deficit of approximately 10% of the total.

As a consequence, we need gas supply through ships, at high transport costs, or buy more nuclear energy from France, also with high costs.

Electricity prices have risen well above the European average. This, together with the deficit in the supply of materials, problems with their transport, and the rise in fuel prices, has led to an inflation rate in Spain at the end of October 5.6%.

COVID-19

Together with the horrific social consequences caused by the number of deaths and chronically ill people in Spain, and even though more than 90% of the population has been vaccinated, the temporary closure of factories and industry, the fall in demand, and now the lack of supplies from third countries has greatly harmed our companies.

The mechanism of the temporary suspension of employment contracts agreed with the trade unions has avoided redundancies, but at present, on returning to their jobs due to the improvement in the data on the rate of infection (200 people per 100,000 inhabitants), the rise in prices and lack of supplies due to transport problems is leading to the closure (now temporary) but perhaps definitive, of many industries.





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The 80% of bank loans guaranteed by the State also allowed some companies to continue paying their current expenses, but there was no income to pay them back when it was the time.

Examples

The automotive industry is of great importance in Spain (it is the third-largest car manufacturing nation in Europe, including the UK). Last year it came to a standstill, and sales plummeted, but now, the lack of components is preventing the production of vehicles for sale from being completed. The entire supporting industry is also at a standstill.

Industrial production plants, in general, are automated, and supply shortages keep them from being able to repair breakdowns. Rising energy and transport costs also make it impossible for them to get their raw material supplies for production smoothly, and they are no longer competitive with the Indian or Chinese industry. As a result, many are temporarily closed in the steel, construction and derivatives sectors.

All commerce suffered a collapse due to the lack of customers since only the basic commerce (food) and its transport operated during the closure, but now, the increase in energy and the difficulties of transport cause a wide rise in prices.

But the worst part was borne by the tertiary sector, or services, which in Spain is of great importance as it includes all tourist activity. Tourism that means the transport of people (ports, airports, airlines), hotels, restaurants, bars, from the big companies to the person who rents beds on the beach, from the great national museums to the modest tourist guides, all form a cultural, business and labour activity which, according to some estimates, reaches 16% of the national GDP. However, it was closed during the lockdown, and the restrictions and limitations of mobility in the world, which unfortunately continue and prevent the sector from recovering, so many workers have become unemployed.

Conclusion

Nowadays, companies are losing customers, production and competitiveness in Spain, and workers are losing their quality jobs and purchasing power due to inflation.

The social dialogue at the national level is broken. However, in small and medium-sized companies, there is dialogue, and temporary formulas are looked for with the Works Councils, thanks to the fact that they are punctually informed of the specific economic situation of each one of them.





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The future is alarming because no non-refundable aid or tax cuts are coming or have come, on the contrary, the tax and social security reforms approved now to allow the State to reduce its deficit are a further problem that will worsen the situation, and the perspectives for 2022 are not good.

Many companies will close, and many workers will lose their jobs, and employers and trade unions must make a common front to protect the Spanish business fabric.

November 2021

