

Down but not out: Union strategies and power resources in response to liberalization and changes in national postal services – The cases of Spain and Belgium

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Abstract

This article analyses national postal services unions' strategic capacity in Spain and Belgium in response to the effects of liberalization and changes in the postal sector. The analysis shows, first, that despite having had to operate in a hostile context, Correos and bpost unions have been able to mobilize their power resources to resist the impact of market pressures on employment and working conditions. Second, it detects the relevance of national industrial relations institutions in order to understand the strategies unions adopt.

Keywords

Belgium, bpost, Correos, liberalization, postal sector, power resources, Spain, trade unions, unions' strategies

Introduction

The past two decades have witnessed profound changes in the postal sector in the European Union. By means of three Directives, European postal markets have gradually opened to competition in a process that, spanning well over a decade, was completed on

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1 January 2011. The outcome of the liberalization process is far from satisfactory for the former postal monopolists (Hermann, 2011): the elimination of the ‘reserved area’ opened to competition a business segment that represented a high percentage of their income. Furthermore, concomitant technological change has significantly affected the postal market. Internet use has massively reduced the volume of letter delivery, leading former monopolists to compete for market shares in the parcel and express services segment, which is currently dominated by a few global companies.

Most researchers agree that the combined effects of these two major developments have put national postal operators under enormous pressure to reduce labour costs, resulting in a more confrontational approach to labour relations. There is plenty of international research evidence on the impact of these changes on employment, working conditions and labour relations, coming mainly from comparative studies at the European level (Flecker and Hermann, 2011; Schulten et al., 2008). However, little research has explored how trade unions have responded to these changing circumstances and to what extent they have been able to modulate its effects (for a notable exception, see Beale and Mustchin, 2014; Mustchin, 2017).

This article aims to contribute to this overlooked area of research by analysing trade unions’ responses to these changes in the national postal operators of Spain (Correos) and Belgium (bpost). First, we aim to describe and categorize the strategies of Correos and bpost unions in trying to protect and improve employment and working conditions in the national postal operators in such a challenging context. To further explore the conditions that shape unions’ strategic choices, we will address the possible differences in unions’ strategies between Correos and bpost and, in particular, the role of industrial relations institutions in accounting for these differences. By analysing and comparing these two cases, we intend to move beyond the specific situation of the former monopolist postal operators. We strive to contribute to a better understanding of the way unions mobilize available power resources and their ‘strategic capacity’ (Gumbrell-McCormick and Hyman, 2013: 193) to face profound business change and to mediate the impact of this change in a context of multiple constraints.

Analysing union power and strategy

We ask how unions strategically develop, use and transform their sources of power in a context of profound business transformation to mediate its impact on employment and working conditions. The sources of power and the strategic capacity of unions have been highlighted as key analytical issues for discussing unions’ possible range of responses to new challenges and changing contexts (Gumbrell-McCormick and Hyman, 2013; Schmalz et al., 2018). Gumbrell-McCormick and Hyman (2013: 193) have defined the strategic capacity of unions as ‘the ability to assess opportunities for intervention; to anticipate, rather than merely react to, changing circumstances; to frame coherent policies; and to implement these effectively’. This capacity to develop strategies that go beyond a defensive position is shaped by union power (Doellgast et al., 2019; Dupuis, 2018; Lévesque and Murray, 2010). Strategies entail different combinations of the limited power resources that unions can mobilize (Fichter et al., 2018). The power resources approach has provided an analytical framework for comparative investigations of union responses to the financial and economic crisis on trade union power (Kollmeyer, 2017;

Molina and Barranco, 2016; Rigby and García Calavia, 2018; Schmidt et al., 2018) and to restructuring processes (Dupuis, 2018; Kornelakis and Voskeritsian, 2018; Pulignano and Stewart, 2013; Svalund and Kervinen, 2013). These works address three interrelated arguments that are relevant for our analysis.

The first of these arguments points to the convenience of considering the agency of trade unions and their capacity to resist, influence and gain concessions (Mustchin, 2017) when accounting for the impact of liberalization and restructuring processes on working and employment conditions. This assertion is consistent with the central focus of the power resources approach: the analysis of the ability of trade union organizations to successfully achieve their objectives as a direct outcome of their own strategies (Schmalz et al., 2018). Several case studies focused on the analysis of unions responses to changing labour contexts show unions' ability to define a proactive and autonomous agenda, that is, to strategically allocate their power resources in order to meet the challenges deriving from these processes (Benassi and Dorigatti, 2015; Fichter et al., 2018; Grimshaw et al., 2015). Central to this matter are the framing processes, that is, 'the ways in which unionists perceive and think about the changes in their external context as threats or opportunities' (Frege and Kelly, 2003:14). Framing processes reflect unions' history of actions, identity and ideology, which shape the ways in which unions' leaders frame issues and problems (Frege and Kelly, 2004; Kornelakis and Voskeritsian, 2018). Since framing is an active and dynamic process that entails agency (Fichter et al., 2018; Lévesque and Murray, 2010), it can be considered as one of the key elements mediating the relationship between power resources and union strategies.

Second, empirical research has highlighted the relational character of union power (Frege and Kelly, 2004). More specifically, it is argued that in order to fully understand unions' strategic choices, they must be analysed within the framework of labour relations in which business strategies play a key (and often pre-existing) role. In this sense, Kornelakis and Voskeritsian (2018) argue that union strategies are conditioned by the bargaining setting in which they find themselves so that 'operating within an adversarial context will require a different mix of power resources than if operating in a collaborative environment' (p.362). These conclusions are consistent with several studies focused on a wide range of sectoral and national settings (Arnholtz et al., 2018; Benassi and Dorigatti, 2015; Frost, 2001; Pulignano and Stewart, 2013), which show that unions' ability to develop a particular strategy, and thus mobilize their power, depends on the power resources, strategies and interrelationships deployed by their main interlocutors – employers and the state. Strategic union–management interaction is in turn conditioned by the national industrial relations regulations (Locke and Thelen, 1995; Svalund and Kervinen, 2013).

This brings us to the third issue that has been raised by empirical research, which refers to the 'context-dependent' (Fichter et al., 2018: 12) character of union power. This entails considering that unions must mobilize the sets of resources that characterize their power in a given context, whether national, sectoral or firm level. The influence of industrial relations institutions framing collective bargaining, employee representation and social dialogue on union strategies has been widely studied (e.g. Frege and Kelly, 2013; Gasparri et al., 2019; Mori, 2017; Rigby and García Calavia, 2018). The underlying assumption is that 'trade unions are embedded in national societies' (Gumbrell-McCormick and Hyman, 2013: 35) and are dependent on labour laws and bargaining

arrangements to gain advantage at the bargaining table (Doellgast, 2008: 284). National institutional contexts give rise to different configurations of industrial relations and unions' power resources (Frege and Kelly, 2004; Schmalz et al., 2018) so that they 'define the structure of opportunities and constraints in which union organizations formulate their strategic choices' (Benassi and Dorigatti, 2015: 536).

Not only do different regimes offer different tools to actors (Dupuis, 2018). As Gumbrell-McCormick and Hyman (2013) have noted, the way in which unions frame issues and problems can be country-specific too: 'the very meaning of analogous challenges can differ radically between countries' (p. 46). Yet, the institutional context alone cannot always explain unions' strategic choices. Several comparative studies show the relevance of other factors that contribute to the variations in unions' strategic responses (Doellgast et al., 2009; Dupuis, 2018; Gasparri et al., 2019; Pulignano and Stewart, 2013). Sector-level production and labour market characteristics have also been shown to influence unions' strategic repertoires (Paolucci, 2017; Sako, 2008). Industrial relations landscapes vary deeply by sector (Bechter et al., 2012), resulting in challenges for unions that may be more sector-specific than country-specific (Vulkan and Larsson, 2018). Finally, and related to the aforementioned, other research findings point to the importance of analysing the interaction of institutional and firm-related factors, such as the composition of the workforce or the financial health of the plant, to fully understand the shaping of the strategic choices made by unions (Doerflinger and Pulignano, 2018; Pulignano and Stewart, 2013).

In this article, we keep sector- and firm-level resources as constant as possible to investigate how far they lead to similar strategies in different institutional contexts. We ask, first, what strategic capacity national postal operators' unions deploy in response to liberalization and competition; and we investigate, second, how and how far industrial relations institutions influence the variation in union strategies between Correos and bpost. We expect, from the power resource approach discussed above, that despite the management's confrontational approach that is common in enterprises subject to liberalization processes (Flecker and Hermann, 2011; Greer and Doellgast, 2017; Schulten et al., 2008), unions can maintain a strategic capacity to disrupt and resist (Beale and Mustchin, 2014; Mustchin, 2017).

More specifically, we expect, both in Correos and in bpost, a union 'strategy mix' (Kornelakis and Voskeritsian, 2018), in which the organizational power inherited from the public sector's past (Hermann, 2011) plays a key role. But we can also expect significant differences deriving from the different national institutional frameworks. Specifically, as Kornelakis and Voskeritsian (2018) have indicated, the degree of institutional security that each national context provides shapes the need and willingness of unions to seek alternative sources of power or to develop and mobilize certain resources of power instead of others.

Comparative rationale and methodology

The article follows a cross-national case study methodological design. The selection of the national postal operators of Spain (Correos) and Belgium (bpost) follows a most-similar case research design.

Both share sector-specific and firm-level characteristics that allow us to control some of the variables that we have considered relevant. First, the two companies have traditionally been part of the public sector, and as a result of the liberalization process, they became private-law companies controlled by the state. Second, the product market context is similar (historical postal public operators and providers of the Universal Postal Service), and the EU liberalization process affected both cases equally. In both cases, activities that were previously carried out as public monopolies were deregulated, and processes were digitalised. Third, although there are significant differences in the market position of the two companies – bpost is a profitable and diversified postal group, while Correos remains very focused on postal mail and operates at a loss – their reaction to changes in the postal market has been similar: both companies have adopted a very aggressive human resources policy that has had a strong impact on employment and working conditions, and has ultimately strained the industrial relations climate. And in fourth place, as regards collective labour relations, trade unionism still has a strong, largely historically inherited presence, which becomes evident, among others, in their relative high union density as compared to their respective national context and in a significant capacity of mobilization.

These common features facilitate a focus on the influence on trade unions' strategies of the very different national institutional frameworks. Spain is usually seen as a state-centred regime, whereas Belgium is typically described as an example of social partnership (Visser, 2009).

Both primary and secondary sources are used. Thirty-nine qualitative interviews were conducted, between May and October 2017, in Spain and Belgium with informants in different positions within both companies: human resources managers, the general secretaries of the main unions, works council and trade unions' representatives, as well as with workers in selected functions and departments. The interviews followed the same content-related structure in both countries. Triangulation was provided by the analysis of scientific literature, company and trade unions' documents, collective agreements and statistical data.

Case I: The Spanish historical postal operator Correos

Socio-economic and institutional context

The Sociedad Estatal Correos y Telégrafos (Correos), created in 1716, is the oldest public company in Spain. With more than 50,000 employees, it is currently one of the largest companies in the country. After successive transformations of its legal status, it adopted the corporate form of a 100 percent state-owned limited liability company in 2001. This means that Correos must operate under the same conditions as private companies in the sector but, at the same time, that all its decisions are subject to government priorities, guidelines and regulations.

Ever since the process of liberalization of the postal market begun, the stance of the various governments towards Correos has ranged from apathy towards the company's future to a failure to fully comprehend its specific situation. This lack of government support, lasting almost two decades, largely explains the inability of Correos to adapt to

changes in the postal market. Its current market position is very fragile due to its lack of internationalization and its high dependence on letter delivery in a context of drastic and steady decline of this activity (European Commission, 2018). Generally, the financial results of Correos have been negative in recent years. This situation has led the company to seek viability by trying to position itself in the parcel delivery segment – in a rather feeble and poorly planned way, according to the unions – and, above all, by reducing labour costs: downsizing and cutting wages and labour rights. To this end, the company has adopted an aggressive human resources policy that has not only had repercussions on employment and working conditions but has also ended up straining labour relations. As a result of this downsizing strategy, the workforce has decreased and the quality of employment worsened considerably. Management justifies changes with the need to compete in the parcel delivery segment: ‘the change in going beyond the letter forces you to make adjustments [. . .] the aim is to adjust employment to the reality we need’ (HR Department Manager). Based on this argument, Correos is resorting to flexible working models, particularly part-time employment.

The employment status of postal employees and the activity of trade unions are covered by regular labour legislation. Workers are represented by a unitary body, the Bargaining Committee, made up of a total of 12 representatives, who are allocated according to the degree of representativeness among the unions that attain at least 10 percent of the votes cast. This unitary representative body is of great importance in the functioning of labour relations at Correos: the trade union organizations that make up this body are granted recognition as interlocutors by the company for purposes of collective bargaining. Collective bargaining plays a central role as a mechanism through which unions are able not only to negotiate working conditions and employment management by the company but also, and above all, to monitor compliance with the agreed upon terms and conditions. There are no other institutionalized channels for social dialogue; any other types of negotiations or agreements are the result of the pressure exerted by trade unions.

Union strategies of conflict and negotiation

Trade union organizations have a high degree of implantation in Correos. This strong presence translates into a very high rate of union affiliation (around 75 percent, compared with a national average of 17 percent) and a generally positive and massive response of workers to their calls for union mobilization. These are factors which give unions a significant leverage potential. The four ‘most representative’ unions at the national level in Correos are the following: Comisiones Obreras (CCOO), Unión General de Trabajadores (UGT), Central Sindical Independiente y de Funcionarios (CSIF) and Sindicato Libre (SL). CCOO is the union with the highest degree of representation (40.2 percent), and, together with UGT (19 percent), they represent almost 60 percent.

All the trade unions agree that Correos’ future viability depends, first and foremost, on the Government’s willingness and commitment. The strict subordination of the company to the political and budgetary priorities of the government of turn makes political decision-makers the preferential interlocutors of the unions and leads these organizations to take action in the political sphere to achieve their goal. Therefore, trade union strategies in this field aim, first and foremost, ‘to put the postal operator on the Government’s

agenda' (CCOO, 2017). Aside from exposing the government's neglect of Correos, so far, unions' intense activity of dialogue and political pressure has yielded few relevant results. Only recently, with the arrival of the Socialist Party to office in 2018, has a more favourable 'political contingency' (Batstone et al., 1990: 24) emerged in the process of political exchange (Pizzorno, 1991) between the government and the unions, increasing the capacity of the latter to exert pressure.

In any case, for the unions, the results obtained through social dialogue and political pressure do not make sense in and of themselves; they are merely the necessary conditions for the achievement of their main goal, the improvement of working and, above all, employment conditions for postal employees through the signing of *good collective agreements* (Responsible of Union Action CCOO). Since the total liberalization of the sector, unions have had difficulties in securing negotiations and signing collective agreements. It could be argued that the company has carried out a deliberate policy of blocking the collective bargaining process. Correos has reached three collective agreements since it became a public limited company in 2001. The third one was signed in 2011. It formally expired in 2013, but it is still in force today because the company is reluctant to unblock the negotiation process. In accordance with Spanish labour legislation, if a collective agreement signed before 2012 included the ultra-activity clause, it would remain valid indefinitely until a next agreement is signed. This is causing serious problems for the unions since, due to the rapid changes in postal activity, the content of the current agreement regarding working hours and contract modalities has become obsolete. The company is profiting from this situation to make employment and working hours more flexible by a *fait accompli* approach. For example, it is using part-time and shift work that is not included in the Third Agreement and has not been negotiated with the unions:

. . . it can't be like the company is doing now, because it is not sufficiently tied up in the Collective Bargaining Agreement, it does it as it pleases, through the back way, a little bit like this now and another little bit like that and in the end you find that there are certain shifts in place [. . .] 'Can you explain to me where this came from? Because you were supposed to run them through the Negotiating Committee, but we didn't even see this' 'Man, of course, but if we don't want to lose customers . . .' (Responsible of Union Action CCOO)

As a result, the mobilizations that have taken place over the last 10 years have focused mainly on forcing the negotiation process to begin or on pressing for it to be unblocked. Although unions prioritize negotiation over conflict, they by no means exclude it. The strategic option of the unions in this domain is what they call the 'pressure-negotiation binomial' in which, as they emphasize, 'neither mobilization nor strike are considered ends in themselves, but rather the gathering of the necessary strength to face negotiations and agreements in better conditions (CCOO, 2017). A fundamental component of this strategy is the unity of action of the main union forces, a unity that has been respected and practised since 2010 in all relevant conflicts.

Since the complete liberalization of the postal market in 2010, the unions have organized four national-level strikes in 2011, 2014, 2015 and 2018, preceded by partial strikes and demonstrations at the local level that lasted several months. A detailed analysis of the evolution of these protests shows that, just like in political exchange actions, trade union conflict strategies in this area have had limited success, at least in the short term. The

strike in 2011 served to unblock corporate resistance to the signing of the Third Collective Bargaining Agreement – finally signed in April of the same year – but did not succeed in modifying the contents of the Postal Law that liberalized the sector that year. Whereas the mobilizations of 2014 contributed to maintaining the ultra-activity of the III Collective Agreement despite the company intention to terminate it (the issue was only closed via an appeal to the High Court), they did not manage to reopen the negotiations of the IV Collective Agreement. In fact, as we have pointed out, despite three national-level strikes, the negotiation process of the IV Agreement remains open to this day with no precise estimate of when an agreement between the parties may be reached. Finally, after the 2018 mobilizations, unions managed to close the ‘Pluriannual’ Agreement that includes improvements in some of the issues that usually form part of the regulatory content of collective agreements in Spain (wage increases, an increase and stabilization of employment, and the re-instatement of some rights). However, we should not overlook the fact that it is an agreement of limited scope (it does not include all the contents, nor does it have the rank of Law of Collective Bargaining Agreements).

However, if instead of evaluating the short-term success of the unions’ strategies we adopt, as Molina and Barranco (2016) propose, a long-term approach based on the interaction between these strategies and the mobilization of union power resources, the outcome can be evaluated differently. From this perspective, the mobilizations called for by trade unions should not be considered solely as actions aimed at revoking or forcing a particular decision made by the enterprise (or government), and also – and above all – as elements of a broader trade union strategy aimed at building and mobilizing its power resources in the interest of achieving its long-term objectives.

Thus, first, the national-level strikes and the strategy of unity of action have served as mechanisms to strengthen the main power resource at the disposal of the postal unions, their extraordinary capacity for mobilization (organizational power). All strikes are preceded by assemblies in the workplaces to explain the issues to workers and invite their participation in the demonstrations and strikes. In doing so, unions have not only sought to obtain – and have succeeded in securing – the massive support of workers in each of the mobilizations they have called for, but they have also conveyed their vision of the challenges faced and proposed solutions (framing) with the aim of obtaining long-term worker involvement. Second, trade unions have made use of mobilizations to raise social awareness of the repercussions of the political abandonment of Correos and thus gain public understanding and support. To this end, they mobilize their discursive power by framing the conflicts as defensive actions against the erosion of the quality and coverage of public services rather than as mechanisms to preserve workers’ labour interests. The combined effect of the mobilization of these two resources – the organizational and the discursive power – strengthens the unions’ negotiating position in the political exchange, that is, their political power.

Case 2: The Belgian historical postal operator bpost

Socio-economic and institutional context

The Belgian post became a state service in 1830, changing its legal status to an autonomous public enterprise in 1991 and then transforming into a public limited liability

company in 2000. As is the case with Correos in Spain, bpost is among the five largest employers in Belgium, totalling more than 34,000 employees. However, its position with regard to the state differs from the Spanish case, as bpost maintains a high degree of management autonomy. This does not mean that the state, which remains the majority shareholder with 50.1 percent of the capital, does not intervene in strategic decision-making. On the contrary, it has been supporting the process of ‘modernisation’, aimed not only at adapting the company to changing market conditions, but also at transforming it into a leading postal operator.

The modernization process, initiated at the turn of the year 2000, coincided with the onset of the liberalization process of the postal sector in Europe. The company signed a strategic industrial plan coupled with the signing of a social agreement with trade unions for the period 2001–2004. At that stage, trade unions still managed to make the social management of ‘modernization’ prevail. However, the situation changed from 2004 onwards. First, the company’s financial and economic situation was deteriorating, primarily due to the decrease in mail volume; and second, the political authorities became increasingly inclined to safeguard market forces and private sector management practices, thus withdrawing their essential support of trade unions. The change was substantial for unions:

It is true that things have changed [. . .] all those years back, we were negotiating directly with the ministers [. . .] I would say that today we are dealing with a company, it is the boss, what, it is really a business owner, it is no longer a director. (CGSP General Secretary)

From that point on, the general context became increasingly unfavourable for trade unions, now unable to make their own solutions prevail, while management became increasingly uncompromising in bringing forth what they deemed to be necessary changes.

The bpost has now evolved into a diversified postal group, in terms of both activities and internationalization, and as a result became profitable once again after a loss-making period in the early 2000s. However, despite positive commercial results, bpost’s employment volume steadily decreased from 2005 onwards.

Unlike at Correos, labour relations at bpost are governed by a company-specific arrangement – the Trade Union Statute – and maintain the characteristics of a co-management logic. The main negotiating body, the central joint committee, is composed of 18 members: the management and the trade unions have nine votes each. Relations between company and unions show a high degree of formalization. In addition to the central joint committee, there are several joint sub-committees and consultation committees. All these committees fit into each other like Russian dolls. Moreover, there are more informal channels of dialogue, consisting of monthly meetings between the company and trade union representatives, in which management presents its initiatives for preliminary discussions before they are officially submitted. Collective bargaining, systematically undertaken every 2 years, is exclusively reserved for joint committees at national level, and usually leads to the signing of Collective Labour Agreements (usually valid for 2 years) or framework agreements. Other corporate agreements that are subject to unscheduled negotiation are contingent on, and result from, overt conflict, in response to managerial restructuring, organizational changes and strategic plans.

Union strategies of conflict and negotiation

Union membership rates at bpost are particularly high, ranging from 70 to 80 percent, in comparison with a national unionization rate of about 55 percent. This high level of union membership, together with a strong trade union network in the workplace and a high level of legitimacy that postal workers and management give to trade unions, bears witness to a great mobilization potential and a strong institutionalization of labour relations. Three trade union organizations are present in the joint national committee of bpost: Centrale Générale des Services Publics (CGSP), CSC Transcom (CSC) and Syndicat Libre de la Fonction Publique (SLFP), all three belonging to their corresponding trade union confederations. Although CSC has always been one of the unions calling for mobilization, it has never been a signatory of the agreements reached to resolve these conflicts. In contrast, the CGSP and the SLFP are more inclined to accept compromises in the name of job maintenance. Union unity is seldom found at bpost.

None of the trade union organizations questions the need for modernization of the company; however, as it threatens employment in terms of quantity and quality, it has resulted in a high level of conflict over the last two decades, with strikes reaching their peak during major restructuring processes. There have been three major periods of conflict since the complete liberalization of the postal market: in 2010, in 2015 and, more recently, in 2018. The analysis of these conflicts and ensuing agreements allows us to assess the unions' positions and their degree of success in moderating management's proposals.

The first period of conflict started with the company's proposal to create a new category of employee: the so-called 'neighbourhood postal workers', on a part-time basis, minimum wage salaries and whose job function would be exclusively the delivery of mail. When presenting the plan, management declared that it intended to force it through, on the ground that 'it's that or bankruptcy'. This management project became a major source of conflict and generated substantial negotiations that concluded in 2010 with the signing of a collective agreement regarding the re-organization of mail distribution. Neighbourhood postal workers ended up being 'auxiliary postal workers', a one-tier employment status with no increase in earnings for seniority. The agreement also stipulated the preferential use of full-time employment over part-time employment and an increase in the basic hourly wage originally proposed. Thus, the agreement served to soften the blow, not to eliminate it altogether. Even unions tended to downplay the extent of this 'victory'. Of the negotiating unions, CSC did not subscribe to it. For this union, 'it was a Pyrrhic victory, because what followed was the famous DA, an auxiliary postal worker, low-cost positions for some' (CSC Federal Secretary).

In 2015, the proposition of the MSO work organization plan strained social relations significantly. For the management, the aims of this plan were to make the organization of bpost more 'agile', that is, flexible, in order to cope with the fall in traditional mail volume and the strong fluctuations in the volume of parcel flows. It was depicted as a 'catalogue of horrors' by the CGSP, while the SLFP saw it as 'unbearable stuff'. Among its most drastic measures, the plan intended to equate work on Saturdays with work during weekdays. Eventually a social agreement was reached, once again with the disengagement of CSC. Finally, the conflict in 2018 was, in many respects, unprecedented in the

scale and offensive nature of the strike. The union-led conflict consisted of a 5-day rotating strike, successively covering all sectors of the company, with nearly 90 percent% of postal workers following the strike, according to union sources. Again, the negotiations resulted in a collective agreement – not signed by CSC – which served to tone-down the management's proposals.

In general, the analysed union responses to management projects reveal a disposition to what could be described as a unionism that moves between strategies of conflict and support of the modernization process. The company's transformation is based on an intensive social dialogue that combines formal procedures with more informal practices, overlapping with periods of conflict that usually result in the signing of collective agreements. The institutional framework, which reflects historical dynamics of co-management, has favoured the development of trust-based relationships and a set of shared understandings (Hall and Soskice, 2001) between management and unions. There is a well-established culture of social dialogue that does not exclude conflict, but which aims to reach agreements by both parties.

This context of common expectations does not exclude the fact that management negotiates from a position of superiority, determines the content of negotiations and establishes timing and pace. These requirements often surpass what appear to be breaking points for unions; therefore, negotiations are difficult and, at times, very difficult. The unions' position is largely defensive. Their aims are to limit, wherever possible, the impact of managerial decisions that affect working conditions and wages while striving to maintain employment levels. This often involves substantial concessions and compromises. Unions insist on the need to modify the employers' projects through negotiation:

I take the MSO plan for example, on which we worked for more than a year . . . The CSC did not sign, and it caused a ruckus, but we introduced many things for the workers, especially for the DA's who had no right to job mobility, security of employment . . . They [the management] know very well that we take our responsibilities seriously and that if we decide to get involved in a matter, we will go all the way. (CGSP, General Secretary)

In these processes, the strength of the union's responses and the responses of the workers are decisive. Therefore, as is the case in Spain, the main power resource bpost unions turn to is their mobilization capacity. However, weakened they may be, unions and workers have proven their ability to bring bpost activity to a grinding halt in recent years. But, in contrast to what occurs in Correos, this resource is mobilized on the basis of a strong institutionalization of collective labour relations. The combination of both power resources would account for the fact that, although weakened by free-market logic and the intensification of reforms, the unions remain an important or even unavoidable player. To date, this implies that attempting to weaken or undermine trade unions is likely to compromise future projects for the company.

Agency, institutions and unions' strategies

The analysis of the cases of Correos and bpost shows, first, that despite facing very adverse contexts, unions can act strategically to contend and constrain labour consequences resulting from these scenarios. In both companies, unions have been severely

questioned in terms of their efficiency, demands, strategies and practices. Cornered into a defensive position, unions have had to take a pragmatic approach and make major concessions in terms of both quantity and quality of employment. With regard to this issue, our conclusions are in line with the findings of a study focussing on the British national postal operator, the Royal Mail (Mustchin, 2017): the pressures resulting from a liberalized market dominated by competition based on labour costs make it very difficult for unions to attain their main strategic objectives, the preservation of traditional public sector work and employment conditions. Nevertheless, their strategies of building and mobilizing their restricted (or diminished) power resources have succeeded in keeping union influence strong in both companies, especially when compared with other companies and productive sectors in their respective countries. Coinciding with what Beale and Mustchin (2014) have observed at Royal Mail, at both Correos and bpost there is a relatively resilient, oppositional union action against an aggressive management agenda.

Operating in a very hostile context, unions have been able to act at least as a ‘contention barrier’ in opposition to market pressures by managing, on the one hand, to avoid dismissals, limit precarious work and promote full-time employment and, on the other hand, to preserve public service and avoid privatization – partial or total – of the postal operators. Perhaps the most telling indicator of postal unions’ resistance is the sharp contrast between the employment conditions at Correos and bpost, which, albeit downgraded, remain relatively secure and under the control of the unions, and the highly precarious and low-pay ones prevailing among competitors in the logistics sector and particularly in the digital delivery platforms (Moore and Newsome, 2018). Although the gap between the public and private sectors regarding terms of employment and protection has long been highlighted (Grimshaw et al., 2015; Mori, 2017), recent research shows that in sectors undergoing liberalization or crisis this divide has been significantly reduced (Bach and Bodogna, 2013 ; Flecker and Hermann, 2011). The strategies adopted by unions both in Correos and in bpost have ensured that, up until the present, this has not been the case in the postal sector (Bouffartigue and Vandewattyne, 2020; Mustchin, 2017).

In the two cases analysed in this article, there is no doubt that the union practices we have observed respond to the concept of strategic capacity (Gumbrell-McCormick and Hyman, 2013). We have observed organizational practices that respond to decisions conceived and carried out by trade unions to represent the workers of these enterprises and to defend their interests. In both settings, trade unions have made smart use of their (scarce) power resources to achieve their strategic goals. By making this remark, this study adds to existing research in highlighting the relevance of the agency of unions in mediating the impact of profound company transformation (Mustchin, 2017).

Unions at both Correos and bpost have faced similar challenges, derived from management’s similar approaches to liberalization and marketization; they have established the same priorities – the defence of employment and working conditions – relying on their sources of power and, by mobilizing these, have achieved similar results. However, we have also observed that these challenges have been translated into different strategies of conflict and negotiation and, in this regard, our findings support the thesis of the relevance of the institutional context in the configuration of the strategic options of unions (Frege and Kelly, 2003; Kornelakis and Voskeritsian, 2018).

At bpost, trade unions operate on a far stronger institutional basis than at Correos. And, as Gumbrell-McCormick and Hyman (2013: 31) have noted, ‘the institutional environment per se can be a source of power’. In line with previous research (Greer and Doellgast, 2017), we have observed that the strong institutionalization of collective labour relations and, specifically, social dialogue mechanisms provides bpost unions with a high level of legitimacy and a key power resource to counterbalance the company’s actions. The modernization process is based on an intensive social dialogue marked by a high level of labour conflict in which the unions have repeatedly tested and demonstrated their capacity for mobilization (organizational power). Although cornered in a defensive position, unions are an unavoidable actor in this process thanks to the consultation and negotiation rights granted to them by the institutional framework and the common expectations that shape union–management interactions. In contrast to unions in Correos, the unions at bpost have not felt much need to increase their legitimacy by securing other power resources, such as unity of action vis-à-vis the company or by involving broader audiences in defending the employment and working conditions of postal workers.

In the case of Correos, a double institutional weakness is revealed. On the one hand, the strict subordination of the company to government’s decisions forces unions to develop strategies of political exchange and makes them dependent, to a far greater extent than bpost unions, on ‘political contingency’ (Batstone et al., 1990: 24). On the other hand, the bargaining structure and bargaining rights established by Spanish labour law aim to facilitate social dialogue but do not encourage it. As noted by Doellgast (2008), this situation provides few formal tools for trade union representatives to force employers into collective bargaining or to impose negotiated constraints on management. Moreover, the case of Correos shows that it provides opportunities for management to bypass unions and unilaterally enforce their policies. Thus, to obtain similar results, trade unions at Correos have had to adopt a more proactive role, develop a longer-term vision and resort to a more extensive ‘strategy mix’ (Kornelakis and Voskeritsian, 2018:362) that includes, in addition to the mobilization of their organizational power, significant efforts to frame the strikes and demonstrations to be able to extend the conflict and mobilize support for union-proposed solutions or resort to the courts of justice to defend their own institutional base.

Comparing the two cases, we can argue that industrial relations institutions explain much of the difference in the strategies deployed by unions in the two national postal operators. Furthermore, we have observed that the institutional framework does not only set the opportunities and constraints for trade unions actions in both; it also has the effect of structuring unions’ routine patterns of interaction with the other actors. However, as various investigations have shown (Frege and Kelly, 2004; Gasparri et al. 2019; Holst, 2008; Pulignano and Stewart, 2013), while trade unions strategies are influenced by institutions, they are not fully determined by them. Indeed, evidence suggests that other conditions which we have not fully analysed, such as the micro-foundations of unions’ behaviour, that is, unions’ identities and ideologies (Kornelakis and Voskeritsian, 2018), or firm-related factors, such as the company’s financial vitality (Pulignano and Stewart, 2013), can also play a role in explaining unions’ strategic responses. Further research would be necessary to analyse how these factors interplay with institutional configurations in shaping unions strategies.

Conclusion

We seek to contribute to the ongoing research on comparative industrial relations by increasing our understanding of strategic trade union responses to processes of profound business transformation. Although we have focused on a very specific sector and on highly particular organizations, some more general issues emerge from the analysis carried out. First, our findings illustrate that even in adverse contexts, if unions make a strategic use of their power resources they can at least resist and mitigate the effects on employment conditions. Second, the study suggests that trade unions tend to optimize the use of their power resources in their strategic decisions: if they deem that their objectives can be achieved with a certain strategy mix, their incentives to develop or mobilize additional power resources will be limited. And, third, our analysis shows that institutions that encourage the development of trust-based relationships and constrain employers' ability to bypass or undermine unions are key variables that support union power.

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