

Towards a New Philippine Labor Movement

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The Philippine trade union movement is celebrating an important milestone this year. 2002 is the centennial anniversary of one of the one colorful, dramatic and sometimes controversial player in the history of this country. It is indeed an impressive achievement. It indicates the continuity of four to five generations of workers and their belief that organizational strength is needed to overcome structural weaknesses imbedded into the individual member of the wage earning class.

The Centennial anniversary appears to give the Philippines the achievement of establishing the first labor movement in South East Asia. This long history is even impressive, when we compare it to countries in Middle Europe, where trade unions had its birth some 160 to 180 years ago.

In many societies, trade unions have been the major institutional actor in improving the socio-economic lot of ordinary workers, have challenged and tried to establish a counterweight to the socio-economic interests of other classes, and have contributed immensely to the nationalist struggle for a sovereign state, to nation-building and to a democratic political system. One hundred years is not just a milestone in history but also an opportunity to reflect on the achievement of the past and the needs of the future. Let me take a few indicators in order to assess where the labor movement stands today:

1. Organizational Strength

The latest official labor statistics confirm what has been an alarming trend since several decades. The trade union movement is divided more than ever. There are still nine (9) national centers, 167 industry and general federations covering 6,936 firm-unions, and 6,509 independent registered unions. This multiplicity may be impressive for someone, who looks at pluralism as a sign of strength. For someone, who believes, that structural disadvantages of labor against capital have to be overcome by organizational unity, this multiplicity is an indicator of weakness;

If we put the organizational profile towards its real test, the so-called "representation test", we get a somber picture. Taken together, all these thousands of unions claim a membership of 1.6 million. However, there is no independent proof for such claims. We can assume that this figure is grossly inflated. One indicator for the strength of trade unions is the number of collective bargaining agreements (CBAs). The latest statistics of the Department of Labor and Employment (Dole) of Aug. 2001 states some 2,500 collective bargaining agreements concluded, covering some 450,000 workers.

To determine from these 450,000 workers the real membership of trade unions, we have to take three steps:

- o First, add workers covered by CBAs which are not registered with DOLE; if

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we assume a rather high figure of about 1,000 CBAs not being registered in DOLE, then we will only have to add some 50,000 to 100,000 workers to the DOLE-statistics, as these not-registered CBAs are likely to cover small and medium-sized companies.

- In a second step, we have to subtract workers, covered by CBAs but not necessarily union members who are paying agency fees instead of membership fees; some surveys indicate that only some 70% of rank & file workers of a company with CBA are actually members of trade unions. Therefore, we have to deduct 30%, or between 100,000 to 150,000 from our reference figure of 450,000 worker.
- In a third step, we have to add those workers, who maintain membership in trade unions without CBAs. This is, of course, the most difficult category. Assuming, that membership in an organization from where no economic benefit is derived then it must be based primarily on ideology or mere "paper membership". We are dealing here in particular with trade union members under the influence of socialist or communist cadres and parties as well as of those unions that lost in certification elections and are waiting for the next round of election. We may add here between 50,000 to 200,000 members.

Due to the imprecise, double counting and non-verifiable claims of membership and the very incomplete character of official statistics, nobody can claim authentic figures on membership for the whole of the Philippine trade union movement. An educated guess, like the one just presented, would put the real membership figure anywhere between 350,000 and 600,000.

Now let us put these figures into some perspectives. Some 12,500 unions have been registered, but only 2,500 are holding a CBA. Five out of six registered trade unions have failed to represent the core interest of workers - and are likely to be defunct anyway. The 450,000 workers, covered by CBAs, represent some 4% of the 12-million wage earners of the country. For the overwhelming majority of workers, the process of minimum wage fixing and its implementation is the real reference line. Since labor standards inspections by DOLE reveal that 60-70% of workers who should be covered by the minimum wage are actually underpaid, we can say that in practice the minimum wage has developed into a maximum wage. We can further conclude that no collective wage mechanism of any sort exists to give any protection to the large majority of wage earners.

The labor movement had its climax in terms of organizational and political strength in the second half of the 1980s. In one decade, the already low coverage with CBAs has shrunk by about 30% and we can assume the same applies to trade union membership. Some people call this the development of "ghetto unionism".

This stark reality can be explained by various historical and structural considerations. Let us focus on to three key issues: a) the system of building bargaining units, b) the politicization of trade unions, and c) the quality of trade union Leadership.

2. **The collective bargaining model**

The collective bargaining model in the Philippines has some in-built structural features, which are disadvantageous to trade unions. Legal requirements mandate the recognition of trade unions via a firm-to-firm base. It is de-facto a two-tier barrier systems where unions have to overcome first a registration procedure and secondly, a certification election. Why are there two forms to legitimate a union when one should be sufficient? The procedure is of course designed to eliminate pluralism and to constitute a single union bargaining model. But this procedure has very telling consequences on trade unions. The

establishment of bargaining units through certification elections leads to inter-union rivalry and creates micro-wars among unions as its outcome, the exclusive bargaining agent, is based on the winner-takes-it-all. Additionally, the model applied reduces collective bargaining to a single company and, either legally or politically, hinders other forms of collective bargaining such as multi-employer bargaining or associational or coalition bargaining. Multi-employer bargaining is a system, where one and the same union bargains with different employers while associational or coalition bargaining brings groups of unions and employers together to settle wages and working conditions for a large number of companies and workers.

The Philippine model of single company or plant bargaining, other than coalition or sectoral bargaining, makes wage settlements a crucial factor in a company's strategy for cost advantages. Instead of a corporatist strategy of management looking for the cooperation from unions to improve productivity, it pushes management towards a strategy to prevent CBAs from being concluded or implemented. This type of bargaining is the most adversarial model for joint determination of terms and conditions of employment. At the outset, interfering in the registration procedure and in certification elections or outright union busting become rational strategies for management. So where did this model come from? The Philippine model of collective bargaining is the replication of what was introduced in the USA in 1935 (National Labor Relations Act, known as Wagner Act) and thereafter amended a few times, in particularly 1947 (Labor Management Relations Act, known as Taft-Hartley Act). Some historical references were even made about its origins -- that the respective Philippine labor laws introducing the single company bargaining unit was drafted half a century ago in the US embassy in Manila.

Whether this is true or not, does not really matter. What matters is, that the Philippines follows the US-system and that the US-system, seen in a worldwide context is a rather unusual if not an exceptional case. And in the USA, it produces the same results: the trade union sector consists of over 50,000 local unions, the membership lies below 10% of organisable labor and trade union busting is a common practice. By introducing the US-American model of collective bargaining, the Philippines may have installed one of the worst available systems being used by any industrialized countries in terms of limiting trade union and workers rights.

3. The Politicization of the Labor Movement

The second issue however cannot be blamed on the American model. In the USA, we do not find a split at the national level of the labor movement along political-ideological lines. That the Philippine labor movement is highly politicized and divided along ideological or partisan lines is either imported from other countries or all home-made. There are several reasons that explains this infiltration of partisan politics into the ranks of labor leaders:

- A trade union movement that emerged out of a liberation struggle by its very origin is highly politicized and could not draw a clear distinction between a fight for socio-economic betterment and the struggle for independence and a sovereign national state;
- A labor movement which was engaged in the struggle against a dictatorship could again not draw a distinction between a trade union strategy for socio-economic improvements for its members and the need to democratize the political system;
- And a trade union movement, which engages in parliamentary politics through self-representation - be it through sectoral representation from 1987 to 1998 or through party-list election thereafter - may be confused between the different necessities of focusing on workers socio-economic interests on the one side and the requirements of a parliamentary mandate

on the other side.

While all these points help to understand the politicized nature of the labor movement, the major question is if this politicized nature has been a cause for its failure in workplace representation?

There is an important lesson to be drawn from the history of many countries. If a trade union links itself organizationally to a political party - especially, when it is done by sharing leadership and finances - it becomes an integral part of partisan politics. It will not be able to focus on the socio-economic interests of workers anymore or to just add a political voice of general concerns of workers. It will be instrumentalized to act and follow a political party strategy, eventually splitting the labor movement.

Trade unionism is the only form, to organize workers in great numbers whereas political party organizations of workers will never mobilize more than a small elite. A workers' party, whose core-membership does not come from trade unions is surely built on sand. However, trade unions which do not stay outside political parties are likely to find themselves bogged down into political rivalries, weakening their own core function: the advancement of the interest of workers through workplace representation and collective bargaining.

4. Trade union leadership

All the factors mentioned above do always point in one aspect or the other to the quality of leadership. There is indeed hardly any organizational or structural facet, which could not be overcome or at least improved upon, if a united leadership is focusing enough energy towards that matter. To tackle the leadership issues in the Philippine labor movement is to enter a wide and controversial field. Some observations that is pervasive within and outside the movement include:

- There is lack of a programmatic debate on how to go about reforms. There appears to be very limited technocratic competence or no interest at all in most leadership circles;
- at the company level, it appears, that many local leaders have started to love the "winner takes all" system. It eliminates the competitor and at the same time provides for a "captured paying membership". Thousands of pesos are spent during elections with an understanding, that these expenses can be recouped in the future. Trade unionists appears to behave like little mayors and act like politicians;
- at the middle layer, where the federations provide assistance to company unions, we are in many cases faced with "labor dealers" and "solo flight attorneys", whose major concern is to keep their small federation independent and isolated in order to continue the business of milking their clientele;
- on the national level, we find - apart from the engagement in partisan politics -, the participation in tripartism with dubious merits for the labor movement. Tripartism can play an important role in pushing for workers interest if some principles are observed:
 - that the trade union movement participates with one voice;
 - that it controls the access to tripartite bodies and decides on who should sit as labor representative;
 - and that a feedback as well as callback mechanism are installed to ensure that the position of the labor representative in a tripartite bodies reflects the position of the labor movement as a whole.

None of these principles are observed in the Philippine case. Government selects

the trade union representatives, and organized labor has no control over tenure. I assume that never ever has any labor representative briefed trade unions (other than the home base) about debates in tripartite bodies and requested policy direction. The Philippine tripartism is not linked into the labor movement and is nothing but a possibility for personal careers for individual leaders.

A look at the demographic structure is further revealing. Members of the "gerontocratic class" lead most segments of the trade union movement. It is a well-known feature in many countries, that political leader are recruited from the highest age-groups, the reason forwarded is that the well-aged have accumulated more experience and are more qualified to keep a boat on stable course. There is again a general equation here: *older in age, stronger in conservatism, less interest in reforms*. A movement facing all the challenges of globalization and confronted with its internal weaknesses does not need conservative leadership but needs young radical leadership to push for deep-reaching changes.

Families have also taken a significant role in a typical Filipino fashion. Dynasties have evolved within the trade union movement and family members inherit positions just like in politics. While this may have brought skill and progressive thinking into trade union leadership in a few cases, the very concept that a leadership is pre-determined through family ties is an anomaly of union democracy.

5. Conclusions and Recommendations

This has not been a comprehensive analysis but more an illustration of some critical areas of the trade union movement. We may not have a solid foundation from which a systematic set of reforms could be argued but some recommendations are clearly in order.

- It is high time to think through on concepts such as bigger bargaining units, joint bargaining committees, and organizing for membership instead of campaigning for elections. In my view, it is the process of building bargaining units at company level, which must be simplified rather than a transformation of company bargaining to sectoral and industry wide bargaining. It is not possible to transform a weak company bargaining system into strong industry bargaining.
- There is no need to have a double barrier in place before a union is allowed to call for bargaining. It should be a simple process of proving representativeness through either membership or a list of signatures and not a two-obstacle exercise with registration and certification elections. Employers should have no say in how trade unions constitute themselves as bargaining agents;
- A small labor movement does not need a three-tier organizational system. When trade unions in industrialized countries are joining hands in building larger organizational units, those in developing countries should do likewise. Organizational synergies can be gained through the merger of federations and national centers. This would allow national centers to focus more on organizing and collective bargaining needs and less on party politics. It would allow larger units, to develop more technocratic expertise and help the labor movement speak with less but more competent voices;
- Trade unions should strengthen their autonomy - organizational and staff wise - from political parties. A clear independence from political parties would remove one major cause of rivalry from national centers and would make it easier to merge into larger units;
- The trade union movement should shy away from tripartism as long as it does not follow the principles outlined above;

- Organized labor should re-think its role in fixing minimum wages that in a majority of cases are not implemented and turn out to become maximum wages. It is difficult to recommend more than a general debate, as we do not have enough statistical data to clarify the relationship between actual non-bargained wages, minimum wages, average wages and collectively bargained wages;
- It is high time for the labor movement to develop its own statistical base on wages and employment in order to enter into collective bargaining and social dialogue from a point of knowledge and competence;
- Organized labor from the private sector should help associations in the public sector to organize. While labor in the public sector usually shows great potential for organizing, in the Philippines, it has been neglected to a large extent;
- The effort of some groups to re-conceptualization of unionism through its "social movement unionism" is an interesting step to adapt to the new realities of the labor market by organizing wage labor and non-wage labor. But reaching out into new terrain may prove a dangerous step if the core business of trade unions, that is collective bargaining for wage labor, is not fully taken care of.

There are certainly numerous challenges facing the Philippine trade union movement. External and internal factors continue to configure the century-old expression of workers' desire to uplift their working and living conditions and expand their voices from the workplace to the national political life. However, there is need for structural and behavioral changes within the trade unions. One hundred years is a long history. While the basic rationale for trade union existence has not changed this does not mean that the role of trade unions is secured. The threat of insignificance remains and the imperative for innovation and change become ever more pressing.

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