

ONLINE PAPERS

Philippine Trade Union Profile

By Carlos Antonio Q. Anonuevo
Friedrich-Ebert-Stiftung Philippine Office
12 July 2000

The Philippine labor movement has a long history of intense struggle against colonialism and dictatorship and more recently against the onslaught of neo-liberalism. It has a fractious evolution and its history has galvanized a very vibrant labor movement while at the same time creating a social player that has been under constant pressure from divisive and legalistic labor laws, employer militancy, and political-economic restructuring.

Much of its trade union structure is anchored in the labor relations framework since **enterprise unionism and bargaining** is the cornerstone of the system. Bargaining representation is subject to elections every five (5) years fanning an **intense competition among unions**. A quasi-judicial court handles most of the labor cases but conciliation-mediation and compulsory arbitration are used extensively. The right to strike has major limitations in requirements and administration. The **public sector** has the right to organize but the bargaining right is severely limited and there is no right to strike. **Minimum wage setting** is done at the regional level while national labor standards provide basic protection for the workers. However, these standards have a violation rate for the past ten (10) years of 45% to 55% among the surveyed establishment.

The big majority of the workers are employed in **difficult to unionize small and medium size enterprises** thus depriving them of union and CBA coverage. Additionally the big service sector where labor flexibility abounds and the agricultural sector that is largely informal and family based already narrows the organizable base of the unions. However, this has led to **creative organizing approaches** for unions in reaching out to those that are not covered by formal employment and collective bargaining agreements (CBAs).

Tripartism exists in many facets of industrial relations and interest representation. The state-managed pension fund has a tripartite commission and the provident funds, the regional wage boards, the quasi-judicial court, and the national industrial peace council are composed of the three players in industrial relations.

The industrial relations system, the politics, the economic transformation, the internal organizational dynamics and competition have all combined to result in the creation of **9 national labor centers, 166 general and industry federations, 7 public sector federations, and some 9,169 registered firm-level unions**.

While the Filipino workers are known for their militancy and activism in socio-political-economic issues, the unionization rate is still small. Data (*as of first quarter 2000*) from the Labor ministry indicate that private sector union's total claim of membership is **3.742 million**, which is about 11% of the labor force or 26% of the wage -salary earners. However, other data show a variance in captured constituency. To measure it through **collective bargaining agreements, only 518,000 workers (3.6% of wage & salary earners/1.5% of the labor force)** are covered. Based on projections to include non-registered CBAs, the labor ministry still pegs the numbers **below 1 million**. At the same time, of the **1.5 million public sector employees**, only **160,000** are counted

About Us
Core Themes
Activities
Publications
Online Materials

FES Dialogue on
Globalization

FES International Policy
Analysis Unit

FES Journal -
International Politics and
Society

as members in the **640 registered unions**.

The primary description of the labor movement is—that it is organized along political-ideological lines. The nine national centers manifest these differences. Unity has been experimented in various forms and levels but organizational mergers remain a remote possibility. The latest attempt is the **Labor Solidarity Movement (LSM)** [May Day 2000] that gathered the center-left and moderate national centers. Its formation validated that labor unity is influenced by the "distance, posturing and relationship" with the current government. LSM is a clear anti-Estrada formation grounded on present labor issues.

The whole labor movement is now faced with the **process to reform the industrial relations system**. Initiated by the legislature, this process has been utilized by unions to voice their opposition to the infirmities of the Labor Code but at this point collective public pressure and articulation is not yet seen.

Another annual event aside for unity formations is the signing of **social accords** among the tripartite players. The year 2000 version was even expanded to include civil society organizations and was envisioned to be operationalized at the community level. Parts of LSM and some individual federations were signatories.

The disparate posturing, positioning, and articulation of the unions (*vis-à-vis government and employers*) is a clear indication of the individualism and limited organizational cohesion that continue to plague the labor movement. This was even evident in the party-list elections of 1998 when **13 trade union based parties** competed for the "workers' vote". Not one of them made it with the 2% vote threshold.

The Philippine labor movement is also noted for **its high involvement in the international trade union movement**. The three world confederations [ICFTU, WCL and WFTU] have a member each and these affiliates are active/significant in their regional structures. The international trade secretariats (ITSS) have a substantial number of affiliates from the cross-section of the labor centers as well. Three ITS coordinating structures are even operating in the country. This international exposure also made the donor community for trade unions active in the Philippines.

In sum, the Philippine trade unions can be currently describe as following:

1. The economic realities –slowdown, labor flexibility, and new technologies—have placed more **pressure on the unions** in terms of membership and bargaining leverage. However, **militancy is increasing** as government policies and market pressures result in greater social insecurity.
2. The unions' organizing efforts are met by management militancy through human resource approaches and flexibilization but they continue to **organize new firms and reach out to other sectors of the labor force**.
3. Political differences and the competitive representation process continue to fan **disunity**. But an attempt at national level unity exists-- **the Labor Solidarity Movement (LSM)** is the latest.
4. Processes and venues for **reform of the industrial relations system** are available but a comprehensive and solid trade union proposal is not existing.
5. New effort for **social dialogue** has drawn some unions into a social accord but its implementation remains to be seen.

Table 1: List of Major Formations and their Affiliations

PRIVATE SECTOR	PUBLIC SECTOR
<p>9 National Centers</p> <p>1. Trade Union Congress of the Philippine (TUCP-</p>	<p>7 Public Sector Federations</p> <p>1. Philippine Government Employees Association</p>

ICFTU)*	(PGEA-TUCP-PSI)*
2. Center for Labor and Multi-sectoral Organization (CLAMOR)	2. Confederation of Government Employees Organization (COGEO)
3. Pinag-isang Diwa ng Manggagawang Pilipino (PDMP)	3. Alliance of Concerned Teachers (ACT-EI)
4. Federation of Free Workers (FFW-WCL)*	4. Alliance of Health Workers (AHW)
5. Lakas Manggagawa Labor Center (LMLC)**	5. Confederation of Independent Unions in the Public Sector (CIU-PSI)*
6. Alliance of Progressive Labor (APL)*	6. Confederation for Unity, Recognition, and Advancement of Government Employees (COURAGE-PSI)
7. National Confederation Labor in the Philippines (NCLP)**	7. Public Service Labor Independent Confederation (PSLINK-PSI)
8. Katipunan ng Manggagawang Pilipino (KATIPUNAN-WFTU)	
9. Kilusang Mayo Uno (KMU)	

Legend: * - whole national center/federation is LSM member ** - some federations are LSM Member

(continued below)

Table 2: Labor Force Data as of April 2000

<i>Population (projection as of 2000)</i>	76.348 million	
<i>Labor Force</i>	32.874 million	43%
Employment Status		
<i>Employed</i>	28.301 million	86.1%
<i>Unemployed</i>	4.573 million	13.9%
<i>Underemployed</i>	7.105 million	25.1%
Class of Workers		
<i>Wage and Salary Earners</i>	14.328 million	50.6%
<i>Own-Account Workers</i>	10.585 million	37.4%
<i>Unpaid Family Workers</i>	3.387 million	12%

Source: National Statistics Office: Labor Force Survey of April 2000

Table 3: Selected Socio-Economic Data

GNP (<i>1st quarter 2000</i>)	3.4%
GDP (<i>1st quarter 2000</i>)	3.4%

Per Capita GDP	\$ 3,380
Per Capita GNP (<i>nominal</i>)	\$ 1,046
Minimum Wage (<i>Manila Area</i>)	\$ 5.00/day
Poverty Incidence (<i>1997</i>)	31.8% of total of families
Annual Income per Family (<i>1997</i>)	\$ 2,800

Source: National Statistics Office and Asiaweek

---END---

Copyright Friedrich-Ebert-Stiftung 2000

[▲ BACK TO TOP](#)

Copyright 2004 FES Philippine Office
Site design by Kinetic HTML Co.