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# A Filipino Metal Worker

working life in a changing world



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## Introduction

Our work and our lives are rapidly changing. Animated by technological revolutions in the fields of communication and transportation, a process of restructuring has gripped the world by its heels. Globalization has seamlessly integrated national economies into a single system. The whole mesh, in fact, has been so finely knit that developing countries find themselves either complying with the new unequal arrangements or desperately resisting being dragged into the quagmire of economic uncertainties.

Capital has just been rendered more liquid and elusive by the network of linked markets that now spans the entire globe. Thus unbridled, it has concentrated resources and economic power in giant transnational corporations (TNCs) and trading institutions. These actors have sought in recent years to further bind national governments in poor countries like the Philippines to the process of opening up their already vulnerable economies.

The so-called structural adjustment programs (SAPs) implemented by multilateral funding agencies like the International Monetary Fund (IMF) and the World Bank (WB), in debtor countries have all been guided by the idea of the superiority of the market in allocating limited resources. This neo-liberalist notion has virtually wrought havoc in the labor sectors of these countries: creating job insecurity, depressing wages, revoking social security, increasing inequality, feminizing poverty, deepening the economic crisis and threatening democracy.



This booklet attempts to present a portrait of the Filipino metal worker in the midst of all these changes and challenges. The portrait is built upon the life history of a worker in a local firm that manufactures and exports automotive and other metal parts. The metal industry is part of a manufacturing sector in the Philippines that has been stunted by years of neocolonial dependence and underdevelopment. As such, it adequately reflects the predicament that the country is facing in the new globalized set-up.

The first general section of the presentation deals with the Philippines, its history, peoples, culture, demography, politics, and economy. It also looks at the local metal industry in the context of adjustments in the global market. The second part tackles existing labor relations and the Philippine trade union movement. The first two sections provide a background for the worker's situation which is presented in the final part of the booklet.



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# Profile of the Philippines

## Geography

The Republic of the Philippines is an archipelago about 500 miles (805 kilometers) off the southeast coast of mainland Asia. Situated between the equator and the Tropic of Cancer, the country is bounded by the Bashi Channel in the north, the Sulu and Celebes Seas in the south, the Pacific Ocean in the east, and the South China Sea in the west. Its nearest neighbors are Malaysia and Indonesia in the south, and Taiwan in the north.

The country has a total land area of over 115,800 square miles or about 300,000 square kilometers. It is composed of approximately 7,100 islands and islets covering a stretch of 1,100 miles from north to south. But less than 800 of the islands are permanently inhabited, and only 2,773 are named. The 11 largest islands account for about 95 percent of the total land area. Among the tiny coralline islets are the potentially mineral-rich *Kalayaan* (Freedom) Islands or the Spratly Islands which are also being claimed by other Asian countries.

Luzon, Visayas and Mindanao are the three major island groups. These are further subdivided into 16 geographical and administrative regions. There are about 78 provinces, 96 cities and 1,513 towns or municipalities within these regions(31 December 2000 data). Manila, in Luzon, is the capital.

The country is generally mountainous. About 70% of the total land area was covered by tropical rainforests in the early 1930s. Most of these forests however have already been destroyed by decades of illegal logging and less than 19 percent of the total land area in 1994 remained forested. The country is well known for its biodiversity with forest flora numbering at least 13,500 species and marine fauna, including hundreds of coral species and more than a thousand species of fish.

Two distinct seasons define the country's climate: a wet or rainy period from June to November, and a dry period covering the months from December to May. Tropical storms or typhoons are ordinary occurrences for many regions. Both the strength and destructive potentials of such weather extremes however have been steadily increasing in the past decades as a result of changes in regional and global climate patterns.



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## Demography

As of 2000, total Philippine population stood at 76.5 million. Annual growth rate is 2.36 percent. Population projections were 71.5 million for 1997, 73.1 million for 1998, and 74.7 million for 1999. The available data in 1995 shows that the total male population (34.58 million) is slightly bigger than the female population (34.03 million). It is a relatively young population with almost half of the total figure belonging to the 20 and below age group. Those belonging to the so-called “working age group,” or those 15 years old and above, comprise about 58 percent of the total population.

The country’s simple literacy rate in 1994, based on basic reading and writing skills of those who were 10 years old and above, was estimated to be 93.9 percent. The figure is still one of the highest in Asia. However, functional literacy, which takes into account basic reading, writing and computational skills of those aged 10 to 64, was lower at 83.8 percent.



Average household size in the country is around 5.0 individuals in 2000. Both the rapid rate of increase in population and the large-scale migration of people from the rural areas to the urban centers in recent years have severely strained the capacity of the economy and the government to deliver basic social services. Around 12 to 14 million so-called urban poor now live in slums along waterways, highways, railroads, under bridges, near ports, around landfills, and in old, overcrowded districts of Metro Manila, Cebu, Davao and other urban areas. Many of the country’s blue-collar workers and their families live in these depressed communities, lacking in many facilities and often under very unhealthy conditions.





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Inspired by such socio-political articulations, the Filipino laboring class eventually developed a sense of nationhood. The rise in consciousness represented a culmination of disparate local protests and patriotic initiatives since the start of the Spanish occupation. In 1892, workers in Manila founded a secret society that aimed to lead an armed uprising for national independence. The uprising erupted in 1896 and led eventually to the declaration of Philippine independence on June 12, 1898. The elite-led Malolos government however was short-lived as its leadership was soon co-opted by the Americans who came to colonize the country upon the end of the Spanish-American War. After almost six years of putting down persistent local resistance, the new colonizers thus proceeded to win the hearts and minds of the Filipinos.



By introducing a public school system, a consumerist culture, and an economy inextricably subservient to their own interests, the Americans produced generations of Filipinos who beamed at the thought that they are “brown brothers” to the “friendly” colonizers, and who believed in the gospel of American aid, protection, and grant of independence. The new colonial masters thus were able to achieve in a few decades what the Spaniards failed to do in more than three hundred years of colonial rule.



With the help of the new breed of Americanized Filipinos, the colonizers established a commonwealth government in 1935. The outbreak of World War II however delayed full independence as the Americans were driven away from the islands by marauding Japanese military forces. Shortly thereafter, the Japanese established their own puppet government with the assistance of their own stooges among the local elite. The brief period of Japanese rule was significant in that it rekindled the nationalist sentiments that had been smothered by various American edicts as well as by the lure of American goods. The political vacuum created by the exile of the commonwealth government also contributed to this renewal of nationalism among the people.



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The struggle against Japanese imperialism culminated in 1944. The much heralded return of MacArthur in the islands and the eventual victory of the Allies in the war however signalled, not the birth of Philippine independence, but the entrenchment of American control and influence in Philippine affairs. On July 4, 1946, America declared Philippine independence. In exchange for the dismantling of overt colonial structures, America acquired parity rights over domestic natural resources, nurtured Philippine dependence on its markets, and established military bases all over the country.

The primary beneficiaries of this formal democratic order were the local elites who smartly exploited and firmed up their advantageous positions in government by monopolizing the electoral process. After World War II, the country's economy and infrastructure however were in shambles. Coupled with the continuing concentration of land and exploitative conditions in the countryside, this fueled a peasant rebellion led at first by the Huks and later by the military arm of the Maoist communist party. Popular sentiments also found a new voice in the emerging counterestablishment student movement during the 1960s and early 70s. Muslim separatist ideas likewise spread and began to take an armed form in the southern provinces. The United States however continued to orchestrate Philippine affairs throughout a succession of Filipino Presidents.

In September 1972, citing the growing strength of communists in the rural areas, the Muslim revolt in Mindanao, and the unruly student demonstrations in the urban centers, President Ferdinand Marcos declared martial law. A major clampdown followed, targeting many opposition figures and mass leaders. Throughout the nine years of brutal suppression and naked repression under martial rule, legal opposition to the government was virtually silenced, enabling Marcos and his elite cronies to enrich themselves.



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Unchecked corruption in the bureaucracy also took its toll on the economy as it slowly amassed a \$30-billion foreign debt towards the end of the Marcos administration. The dictatorship formally ended in 1981 when Marcos nominally lifted martial law. However, virtually all martial rule structures were left in place. Though done more for the benefit of the international press than for anything else, the lifting of martial law nonetheless opened up enough space for the rise of protest movements all over the country. Riding the crest of popular resentment triggered by the assassination of major opposition figure Benigno S. Aquino Jr. in August 1983, these movements slowly gathered into a loose and uneasy anti-Marcos coalition of elitist interest groups and radical forces.

In 1984, elitist opposition forces gained seats in the legislative elections. Bowing again to pressures from the United States, Marcos called an early presidential elections in 1986. The business sector and the Roman Catholic Church supported popular opposition candidate Corazon Aquino, Benigno's widow. After the National Assembly, still dominated by Marcos loyalists, declared him the winner, opposition forces launched a national nonviolent civil disobedience campaign amidst reports of massive cheating in the elections. On February 22, Marcos' defense secretary and other top military officials resigned and confirmed allegations of electoral fraud. Huge crowds gathered at EDSA to protect the military dissidents from Marcos forces. Three days later, Marcos left the country and went into exile in Hawaii.

The succeeding Aquino administration restored formal democracy and fought several coup attempts by adventurist elements in the politicized military. In terms of its policy directions, the Aquino presidency represented the return of elite democracy. After sweeping aside calls for a moratorium on debt payments, campaigning in vain for the retention of the American military bases, and allowing her fellow elites to consolidate political and economic power, Aquino turned over the reins of government in 1992 to her anointed successor, Fidel Ramos. The Ramos government's much-hyped peace initiatives and anti-poverty programs proved to be just loud gestures as it continued with the policies of its predecessor.



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In the May 1998 elections, Ramos' vice-president, Joseph "Erap" Estrada, a former movie actor popular among the masses, was elected president by a wide margin of votes. On June 12, the Philippines celebrated the centennial of its declaration of independence. In 1999, massive demonstrations erupted in Manila over the announced plans of the government to amend the 1987 constitution. The plan was soon abandoned by January 2000 in favor of short-term economic reforms.

Late in 2000, the Estrada administration was engulfed in a scandal after a political ally and governor of a northern province implicated Estrada on the widespread operation of an illegal form of lotto known as *jueteng*. The "jueteng-gate" affair soon led to impeachment proceedings in the Senate against Estrada. Other cases of plunder tied up with the anomalous construction of mansions for Estrada's mistresses cropped up during the publicly aired hearings. In January 2001, the very night after Estrada's lawyers successfully prevented the opening of an envelope containing crucial evidences against him, huge crowds quickly converged at the famous EDSA. A few days later, in what was seen to be a repeat of the first people power revolt in 1986, Estrada was forced to leave Malacañang and relinquish the presidency to his vice-president Gloria Macapagal-Arroyo.

Months into the Arroyo presidency, no end is in sight for the continuing economic and political woes of the country which have been exacerbated by the scandal that hounded the deposed administration. History's lesson is clear: the poor and the marginalized must continue to fend for themselves, and must learn new ways of pursuing the ends of people empowerment and sustainable development.



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# Profile of the Philippines

## People and Culture

Although Filipinos speak a variety of languages and dialects (over 80), and though members of each ethno-linguistic group are now widely distributed across the country, they share many things culturally. A number of factors including the long struggle for independence, the public education system, the use of Filipino and English languages (the Philippines is the third largest English-speaking country in the world), and the rapid rural to urban migration, have contributed to the formation of a discernible sense of national identity. Muslims in the south, upland communities, and recent Chinese immigrants however have retained more elements of their local traditions and practices than the other groups.



Many Filipinos ethnically belong to mixed Malay and Mongoloid stocks, with some unique combinations due to sprinklings of Spanish, American, Chinese, and Indian blood. Those with such mixed lineages are often referred to by the Spanish term *mestizo*. Among the major ethnolinguistic groups of the country are the Tagalogs, Ilocanos, Bicolanos, Kapampangans and Hiligaynons from Luzon, and the Cebuanos, Ilonggos, and Warays of the Visayan islands.

These groups are predominantly Roman Catholic. Other major religious groups in the country include the Protestant churches, the Philippine Independent Church and the Iglesia ni Cristo. Animistic practices are still observed by upland tribes. Islam is widely practiced in Sulu, southern Palawan, and parts of Mindanao.

The numerous ethnic and religious aggrupations in the country, as well as contacts with both Eastern and Western culture throughout its history, have produced a large body of indigenous and unique national cultural traditions. These include folktales, music, and folk dances. Filipino paintings and sculpture often embody the rich cultural heritage. Famous Filipino writers in English include N.V.M. Gonzales, Bienvenido Santos, and F. Sionil Jose.

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## Politics

Largely patterned after the United States, the present Philippine government is presidential in form with a bicameral legislature. It is anchored on the provisions of the Freedom Constitution that was drafted by a constitutional commission appointed by Aquino and approved



overwhelmingly in a plebiscite on February 2, 1987. After Aquino, the constitution provides for the election of a President who is restricted to a single 6-year term. The chief executive, the Vice-President, and the 24 Senators are all elected at large. Members of the lower house of Congress and local government officials are elected by their respective constituencies and are limited to three consecutive 3-year terms. The first local elections under the new constitution were held in 1988. Presidential elections were held in 1992 and 1998.

Notwithstanding the constitutional provision for electoral reforms that are directed at making public office more accessible to ordinary folks, Philippine electoral politics is still beholden to patronage, popularity, money and fraud.

Violence, though lessening over the past two elections, nonetheless remains a major feature of the electoral system. Together with the persistent tendency towards corruption and self-enrichment, these characteristics refer to what is commonly called traditional politics.

The constitution provides for a multi-party system. Philippine political parties however have been traditionally organized and maintained around the ambitions of presidential aspirants. The present majority in Congress, the People Power Coalition, is an aggregation of elite political parties that supported Arroyo's assumption into office.

Lately, sectors of the progressive movement have come to appreciate the opportunities for political engagement and local governance opened up by the Local Government Code of 1991. The passage of the party-list elections law or Republic Act 7941, which allots 20% of the seats in the lower house to party-list representatives, has also enabled these sectors to expand their electoral base and to secure some foothold in the government structure.

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# Profile of the Philippines

## Economy



The Philippine economy is still predominantly agricultural, as close to 80% of arable lands are planted with rice and corn, the staple food crops. The economic liberalization policy that the government has been pursuing these past years however has resulted in wanton conversions of prime agricultural lands into residential and industrial uses. Commercial crops include coconut, sugarcane, bananas, pineapples, abaca (Manila hemp), tobacco, coffee, and cotton. Agriculture however now contributes less than a quarter of the gross domestic product (GDP). While agrarian reform has been in the agenda of every government since the 1940s, little has been achieved in terms of redistributing ownership of lands and actually making smallholdings economically viable. Today, over 70% of peasants do not own the land they till.

Industrial production in 1996 accounted for one-third of the GDP. Most of the country's industries are tied up with the agricultural sector and are involved in the processing of agricultural products. Other major industries are in the fields of petroleum refining, chemicals, and electrical equipment. By 1997, however, electronics has become the country's leading export product, followed by textiles, coconut products, and telecommunications equipment. Despite efforts to develop industrial zones in various contiguous provinces, industrial facilities are still heavily concentrated in Manila, the nation's capital. Positive gross national product (GNP) growth rates were registered soon after Marcos left, with 1.5 percent in 1992 and 6.8 percent in 1996. The rosy economic picture that these created soon disappeared as the GNP growth weakened to 5.3 percent in 1997 and has not recovered ever since. In the third quarter of 2001 the GNP was 3.7%, and the GDP was 2.9%.

The government's economic managers have been quick to blame the Asian financial crisis for the economic slowdown that the country has experienced over the past few years. Other indicators however point to strategies of all-out economic liberalization, deregulation, and privatization as the major culprits, opening up the country to the onslaught of global market mechanisms while sacrificing people's welfare.

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The distribution of previous economic growth has been far from being equitable as the real magnitude of poverty is still staggering. In 2000, various government estimates peg the poverty line for a family of six at about PhP 6,700 per month. Based on this figure, the number of poor Filipinos during the same year was found to be around 5.22 million. The gap between the rich and the poor has also been widening with the richest 20 percent of the population cornering 52.3 percent of the annual national income in 2000 and the poorest 20 percent getting only 5.4 percent.

The series of devaluations of the Philippine peso vis-a-vis the US dollar has worsened the people's economic woes. Even before the Asian crisis, currency devaluation has

been one of the long-standing prescriptions of the International Monetary Fund (IMF) and the World Bank (WB) to its client-states which include the Philippines. Thus, from an average of PhP 27 to \$1 exchange rate, the peso dipped to more than PhP 29 per \$1 by July 1997. In December 2001, the exchange rate has hit the PhP 52 mark. The series of devaluations has further weakened the buying power of the peso and has resulted in spiralling prices of basic goods and services.

If official statistics from the government are to be believed, employment rate in January 2000 was 90.7 percent. This represented about 28.9 million employed individuals. The employment rate however dropped to 88.6 percent by January 2001. Despite the creation of 345,000 new jobs from January 2000 to January 2001, unemployment rate thus increased to 11.4 % by the start of the new millenium. In fact, this is said to be the highest since 1988, representing about 3.59 million unemployed Filipinos. By April 2001, unemployment rate has increased to 13.3 percent. The level of underemployment was placed at 16.9 percent in January 2001 or around 4.74 million individuals. The actual situation may however be worse as can be gleaned from the expanding informal sector which includes the growing number of contractuales, subcontractuales, casuales, etc. who work without any security of tenure. It is estimated that over 16 million workers in the country, or almost half of the labor force, belong to this informal sector.

In general, the wages of both private and public sector workers do increase each year, at least in nominal terms. Besides being small, such increases are further eroded by the combined effects of devaluations of the peso and surges in the prices of basic commodities. Regional tripartite wages and productivity boards set the daily minimum wages of private sector workers in each region and industry of the country. But aside from their apparent bias in favor of the employers, these bodies have been ineffective in ensuring prompt adjustments towards a sufficient "living wage". Many firms also do not comply with the minimum wage law.

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# Profile of the Philippines

## The Philippine metal industry



Mining operations in the country date back to at least 1,000 B.C., long before the arrival of the Spaniards. When the Europeans first encountered the early Filipinos, the latter were already working on various mines of copper, iron, gold, and silver. Some brass production were also evident, utilizing tin that were believed to have been imported from the Malay peninsula. The Spanish chroniclers noted the very high quality of local iron works which in some places in the country is said to even rival those that were made in Europe at that period.

The early Filipinos produced various metal implements including the famous *sumpak* made from carabao horns and silver. Other metal products include the fire piston and the *kalikot*, an instrument used for pounding betel nuts into powder. The Muslim communities were famous for their excellent gongs, made of various metals, that aside from being musical instruments also served as public clocks. Copper vessels have been found in the Itogon-Bua area in the Mountain

Province. Sacred drums were also sometimes made with metal components and parts.

The present metal industry has been considered as a “vital link” to other industries in the Philippine economy, providing the important requirements of construction, transportation and automotive, appliances and furnitures, packaging, and the fabrication and repair of machines in allied industries. Most of the manufactured metal products are components or parts that can be classified according to the major metalworking processes involved in their production: metalcasting, forging, stamping, and machining. The local industry still lacks most of the advanced technologies in the field, due primarily to limited market size and constraints of economies of scale. It is one of the major Philippine industries that are expected to contribute substantially to export revenues in the coming years.

The Philippine Export Development Plan has envisioned the transformation of the industry into a major supplier of high quality components and parts, and eventually of machines and other



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finished metal products. Among the initiatives outlined in the plan are the modernization of processes, development of engineering and technical education, development of basic raw metal and support industries, and an aggressive marketing approach in target areas which include Asia, the United States, and Europe.

The country's export strategy with regard to the industry hinges on several identified comparative advantages. These include the 60 to 70 percent capacity utilization which represents a still large capacity to accept orders from abroad, the edge in the production of components and products that are not re-ordered in large volumes and therefore tend to cost higher when manufactured in highly industrialized countries, the flexibility of most firms to produce different products, the existing opportunities for tie-ups and joint ventures, and the ability to localize many machine parts that can effectively redound to savings in terms of foreign exchange. But, as in many other local industries, one important comparative advantage of the local metal industry is the competitive labor cost, which generally refer to the low wages paid to metal workers in the country.

Exports of local metal products are carried out either directly through wholesalers, or indirectly through traders or suppliers to overseas metal manufacturers. Two products have been identified for the country's export promotion efforts: metal automotive components and machinery parts. Priority markets are the United States, Japan, and Europe. A 50 percent annual increase in production and a U.S. \$ 3.02 billion mark in 1998 have been targeted. The closure of some Japanese magwheel firms is expected to increase further the demand for Philippine-made aluminum alloy wheels. Continued environmental regulations and prohibitive labor costs in the United States, Japan, and Europe have also been seen to increase demand for local automotive parts and components.



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# Working life in the Philippines

## Situation of Filipino workers

The situation of Filipino workers has been characterized for centuries by poverty and powerlessness. While the Philippine labor movement has always stood at the forefront of the struggle to improve the Filipino worker's lot, it has yet to achieve full liberation from this degrading condition. Today, the problems of Filipino workers are being aggravated by national policies that follow neo-liberal prescriptions.

Job security remains the biggest problem. Not only have unemployment and underemployment rates gone up, but new labor hiring schemes have begun to herald flexibility as a favored value. It is not uncommon for employers nowadays to hire workers from an agency or a subcontractor who ensures that the workers are docile and are not bound to form unions. Such arrangements have also allowed employers to further lower salaries and do away with workers' benefits. Thus, even those who are fully employed have learned to live on a day-to-day basis with the knowledge that they can be replaced anytime in their work.

Unemployment is worsening, with retrenched workers remaining jobless for a long time because of the large number of surplus labor or because their skills have just been rendered obsolete by technological development. The type of jobs available in the market is also a major issue. In line with the new flexibility requirements, and to minimize "risks" associated with workers' strikes, companies have been hiring employees on a casual or contractual basis ranging from 4 to 5 months. Many workers are thus forced to take on odd jobs (retailers, public transport drivers, etc.) in the informal sector. The small local job market has forced many Filipino workers to leave their families and find employment in other countries.

Filipino workers are paid starvation wages. The 1987 Constitution actually contains an article on social justice and human rights which guarantees among other things the right to a "living wage." The National Wages and Productivity Commission has further defined living wage as the "amount of family income needed to provide for the family's food and non-food requirements, with sufficient allowance for savings and investments for social security . . ." Wage levels set by the Regional Tripartite Wages and Productivity Boards (RTWPBs) have been constantly below estimates of this living wage. Many companies have also consistently violated minimum wage requirements.

Women get lower wages than men. Based on figures from the Human Development Report (UNDP) for 2001, a female worker in the country receives only 55 centavos for every peso that a man gets in a similar



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occupation. The lowest wage rate (PhP 134.60) persists in the Autonomous Region in Muslim Mindanao (ARMM). Already burdened by low wages and rising prices, the Filipino workers are even made to shoulder much of the government's expenses as the bulk of its income comes from indirect taxes imposed on basic consumer products and services.

Together with the lack of jobs and uncertainties of employment, low wages have resulted in poor living conditions for many workers and their families. Many of them live in slums within Metro Manila and other major urban centers in the country that often lack basic utilities like sources of potable water and sewage facilities. Their children are often undernourished. Studies have shown that 28% of children under 5 years old are underweight while 30% are under height. And 21% of the total population, or more than 16 million Filipinos, in fact do not meet the daily nutritional requirements.

Many of the economic problems of workers stem from the policies of recent administrations aimed at steering the economy into the mainstream of neoliberal globalization. Concretely, such policies have resulted in drastically reduced tariffs for agricultural products. This has virtually exposed the local agricultural sector to global market forces. In almost similar fashion, government has opened up other vital sectors of the economy to foreign competition and to complete control of market mechanisms by deregulating banking, oil and several other industries, and by privatizing government-owned and -controlled corporations. Ownership and control of the public water system have already been transferred to private firms. There are attempts to do the same for the power sector and the social security system.

Corruption by segments of the private sector that have influence on government has also severely affected the economy's ability to finance the delivery of basic social services. Coupled with the bias for international competitiveness, this tendency on the part of



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government to serve the interests of the economic elite has undermined efforts at sound economic planning, redistribution of wealth, and development of a strong domestic market.

Filipino workers have had no meaningful participation in shaping economic policies from the level of the firm up to the national government. At the enterprise level, employers and managers make almost all decisions regarding every aspect of production. Workers are hardly ever consulted, especially on financial matters. In fact, they are often deprived of information on the company's financial status, making it more difficult for them to negotiate with management. Local government units (LGUs) are mandated by the Local Government Code to ensure the representation and participation of basic sectors, including workers, in their policy-making bodies. However, in many LGUs this is simply not the case as workers' welfare are hardly considered in decision-making. The same goes for the national government where workers representation, as in the case of tripartite bodies, are token at best.



This lack of workers' participation in national decision-making has also resulted in anti-labor laws and policies. A legalistic labor relations system, buffered by complex labor legislations that are highly restrictive of union organizing, and characterized by the dominant role of lawyers, have effectively alienated workers from unions and workers' associations. The rights of public sector workers and managerial employees to organize unions and bargain collectively are constrained. Collective bargaining for all workers is restricted to the workplace. Almost all aspects of union life

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are regulated by the state. Court rulings and decisions of the Department of Labor and Employment (DOLE) often contradict each other, thereby allowing employers to delay implementation of such decisions involving cases of certification elections, labor disputes, or union local elections. A recent trend in line with the policy of the government to attract foreign investments is the establishment of special economic zones (as in Cavite and Subic) where unions and strikes are practically prohibited. There are likewise some politicians and local government officials who unilaterally declare their areas or jurisdictions as union- and strike-free zones.

The powerlessness of Filipino workers has its roots in the system of formal democracy in the country that advances only the interests of a few rich individuals to the detriment of the conditions of the vast majority of working people. Participation of workers in such an elite democracy is limited to that of



being clients, beneficiaries of the protection and funds from wealthy politicians. The patrons under this arrangement thus provide for many things that are needed by the clients who are then expected to vote for the former during elections. Coupled with the absence of any substantive participation in the political system, this patronage politics has produced a culture of dependence in many workers. With limited means to obtain even the basic necessities, they tend to cling to persons or groups that promise material benefits even if these entities represent interests that are detrimental to workers. Many workers resort to escapist activities and attitudes that divert their attention from their burdens. Among male workers, machismo is rampant-- taking a veneer of not being affected by the hardships in life and resorting to vices and violence. Some have adopted a fatalistic and a resigned attitude, while some have simply refused to change existing unequal relations in society for fear of further loss or difficulties.

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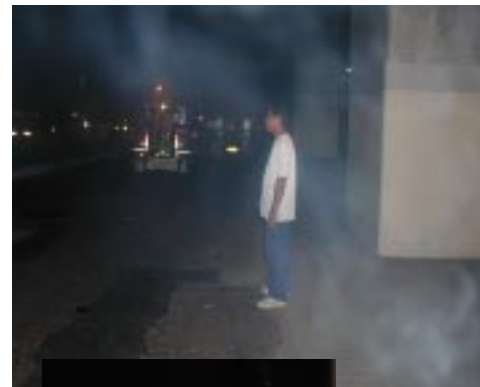
## Working life in the Philippines

### Alon: A Filipino metal worker

Dawn has barely set in across Metro Manila, the nation's capital, when Absalon Colandog, fondly called "Alon" by friends and co-workers, gets up and prepares to go to work. Ella, his wife, would sometimes help him arrange breakfast for the family whose other members include their three children: Chino (15), Ellaine (13), and Abel (9). But often, Elena and the children would wake up and think about their meals later, and Alon has to content himself with leftovers from last night's dinner. A smile forms in Alon's round face as he explains that with his small salary and with all the household expenses, sometimes even a simple morning meal of fist-sized *pandesals* (local bread), fried eggs, and coffee could be beyond his means.



Alon is among the almost 200 employees of the Mercury Tinsmith Corporation that manufactures mechanical jacks, appliance, motorcycle and automotive parts, and various metal products. Mercury Tinsmith's clientele include such big firms like the Matsushita, Kawasaki, Toyota, Nissan, Honda, and Jollibee-- a local fastfood chain. Around 16% of the Philippine labor force, including Alon and his co-workers, is employed by a small manufacturing sector that produces mainly for the foreign markets. A large percentage of the country's workers, about 39% is still involved in agriculture, and an even larger portion, 45%, is in the fast-growing service sector.



Regular salaried workers, like Alon and his fellow workers at Mercury Tinsmith Corporation, are an endangered group in the country today. In a one year period from July 1997 to July 1998, the number of wage and salary workers decreased by over 276,000 individuals. During the same period, around 1.042 million individuals were added to the ranks of part-time workers while another 172,000 individuals were included in the category of unpaid family workers. A similar increase has been observed in the number of self-employed



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workers. These trends point to the worsening job security situation in the country and to the growing number of “non-regular” workers who are generally underpaid, without benefits, not guaranteed any security of tenure, toiling under poorer conditions, and out of reach of the trade unions. These developments have also signalled the onset and the expansion of various “labor flexibility” measures like contractualization, subcontracting, and casualization.

As with many companies in manufacturing, Mercury Tinsmith Corporation is a family-run enterprise whose major shareholders are of Filipino-Chinese descent. The company office is located in an old commercial and industrial district of Quezon City, one of the biggest component cities of Metro Manila. The factory premises however are now found in Valenzuela, a major industrial zone in the flood-prone northwestern part of the capital. From their rented house in Sta. Mesa, Alon would have to travel for about two hours, taking the metropolis’ dilapidated buses and overcrowded jeepneys (a lengthened version of the military jeep that had become popular in the post-World War II period as a mode of public transportation) to get to his place of work.

Alon’s work place is a large production hall filled with loud noises from the company’s milling and lathe machine, power press, and plastic injection machine. A few industrial fans stir up the air in Alon’s work area. But the whole production hall is generally hot, especially at noon. Heat coming from the machines and the molds would be adding to the warm air inside the production hall, and Alon and his co-workers would be usually drenched in their sweat at about this time. National laws and orders from the Department of Labor and Employment (DOLE) have outlined various occupational safety and health measures for all workplaces

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in the country. Mercury Tinsmith Corporation however is among those firms which have constantly violated such provisions and still have managed to get away with it. Thus, lacking in personal protective equipments, Alon's work nowadays would usually extend for about ten hours, up to six in the afternoon. With his low salary and the needs of his family, Alon has to go on such overtimes often in order to increase his earnings.

### **The lure of the city**

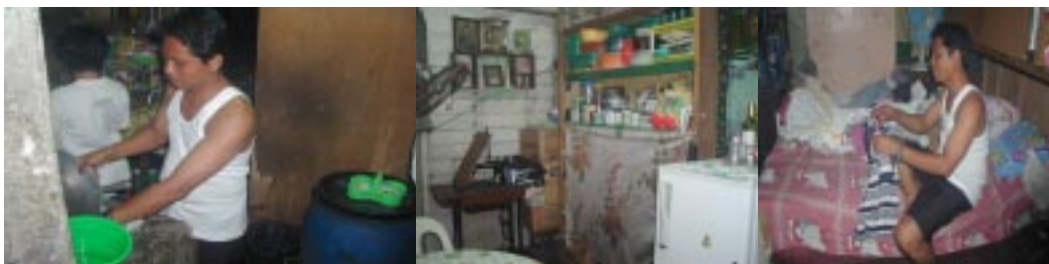
Alon could still vividly recall the sense of adventure that drove him and many other unemployed youths into the cities from the boredom and poverty that pervades the country's rural areas. He was the second son among thirteen siblings. Growing up in Surigao, a province in the northeastern part of Mindanao, Alon had to work at an early age to contribute to the family's income. Alon's parents planted rice and sugarcane on the small family holding. The family barely subsisted on the earnings from farming activities, and Alon and his younger brothers and sisters had to fish, gather shells, and sell firewood. As a teenager, Alon was even employed by a small logging outfit that combed the lush mountains for expensive timber. Like the other wood cutters however, Alon was severely underpaid by the owners of the saw mill.

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## Working life in the Philippines

It is estimated that more than half, about 52% (19.5 million), of the Philippine rural population today lives below the poverty threshold. The underdevelopment and lack of employment opportunities in the countryside have ironically fueled the rapid urbanization during the past decades. At present, almost half or 45% of the country's population lives in urban areas. Rural migrants like Alon have swelled the ranks of the so-called urban poor, many of whom work as construction and factory workers, or take on odd jobs in the informal sectors. Urban poor communities characterized by poor services and overcrowded conditions have sprouted in Metro Manila's abandoned lands, dangerous areas, and blighted districts. The disparities between the country's urban and rural areas have persisted along with the widening gap between the rich and the poor. While the richest 20% of the population have owned more than half of the nation's wealth at any given time in the country's recent history, the poorest 10% have been able to get only 1.7% of the total economic pie. Economic policies that are part of the structural adjustment programs (SAPs) prescribed by international lending institutions like the International Monetary Fund (IMF) and the World Bank (WB) have consistently depressed wages and devalued the peso during the past several years, further widening the gap and increasing poverty incidence among workers.

Alon originally planned to study while working when he first arrived in Manila in the late 70s. His first and only job ever since has been with the Mercury Tinsmith Corporation. The factory then was still located in Sta. Mesa. Starting with a salary of PhP 10-14 per day, Alon was able to enrol for a



few semester at a nearby college. He met Ella afterwards and added responsibilities with his new family forced him to quit school altogether. Nevertheless, Alon has much to thank for his short stint in college. For one, according to him, he was exposed to student activism and to progressive ideas. Alon considers these as major influences on the development of his views regarding workers' rights and the proper role of the workers' union.

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## Working life in the Philippines

### Leading the union

Alon decries the company-run union that was in place when he started working with the Mercury Tinsmith Corporation. He clearly remembers the days when the union officers were all selected by the owners of the company. Collective bargaining agreements then between the management and the workers were almost a mockery of the country's labor laws, according to Alon, as the union leaders practically gave in to almost all of management's



demands and compromises. In exchange for such docility, the company management was said to have given junkets and promised various benefits to union leaders before every round of negotiations. These so-called “yellow” or company-run unions in fact still exist today in many industries and further weaken organized labor which presently covers only about 12% of the country's total labor force.



In general, despite constitutional guarantees to the rights of labor to organize and to bargain collectively, almost all employers in the country are opposed to union activities and work hard to prevent unionization of their employees. In case workers managed to establish a union in their companies or in case one is organized just to comply with the law, owners usually try to infiltrate such unions by corrupting its leaders. Thus, while some or most of its members may continue to harbor a pro-labor perspective and to assert their rights as workers, many of these unions are steered into actions that are more in line with the owners' wishes. Company-run unions represent one strategy of management and owners of companies to contain the costs commonly associated with unfavorable collective bargaining agreements (CBAs).

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## Working life in the Philippines

For some time, during the incumbency of the management stooges in the union leadership, Alon and other members of the Mercury Tinsmith Corporation Labor Union had to make do with PhP 0.50 per year increases in their salaries. When Alon was elected president in 1990, he immediately initiated a re-orientation of the workers union with the help of other like-minded officers. The union members began to make demands to management, including more realistic upgrading of wages and other benefits, and started to take collective bargaining seriously. A union office was established and various union activities that benefited the members were held.

Alon and other union leaders later met some organizers of the *Kapatiran ng Makabayang Obrero* (Association of Patriotic Workers) or KAMAO (Filipino word for “fist”). KAMAO is one of the 173 industry and general labor federations existing in the Philippines. It is part of the Alliance of Progressive Labor (APL), which is among the country’s 9 labor centers or national aggregations of labor federations. KAMAO is also one of the 14 dues-paying member organizations of the Labor Education and Research Network or LEARN, a labor education network that aims to promote an integrated and socially responsive trade unionism through its union consolidation, education, research, publication, and networking activities.

After initial talks, the officers and members of the Mercury Tinsmith Corporation Labor Union decided to affiliate with KAMAO. They were thus able to avail of the various political education seminars and union administration trainings offered by the federation. It was at this point that Alon and his fellow union members began to understand better the country’s political and economic situation, the state of the local labor movement, and the process of globalization, and how all these affect their everyday lives as factory workers. Alon and his co-workers soon found themselves applying their new found knowledge and skills in their organizing activities.



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## Working life in the Philippines

Since the union's interventions in labor relations at the Mercury Tinsmith Corporation, average yearly increases in workers' salaries have gone up to about PhP 9-10. But the management has grown more wary of the workers' activities through all these years and have resorted to numerous actions meant to undermine the workers' union. Recently, the management has attempted to form a separate company union, obviously in an effort to regain its lost influence among the workers. The company's security personnel, as if taking their cue from the management, have also began harassing and provoking union members.

### Life goes on

Taking his PhP 30-lunch of rice and *kaldereta* (beef cooked with potatoes, carrots, and spicy sauce) at one of the makeshift stalls across the factory gates, Alon just shrugs at the latest report of his fellow union officer about a "stack" of suspension papers apparently to be issued to union members in the coming days. A few months ago, the company owners have declared an illegal lock-out. Union members have likewise witnessed some machines being transported by management from the factory premises in Valenzuela to a newly built production hall in Laguna, a province south of Metro



Manila. A number of key union officers have been suspended indefinitely during the previous weeks. In all of the 23 years that Alon has spent with the Mercury Tinsmith Corporation, Alon has learned to expect the worst.

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And the worst is of course the closure of the factory in Valenzuela and Alon and his fellow workers suddenly left without work. In keeping with labor contractualization trends under the new globalized set up and in order to bring labor cost down, Alon says that the company management has even indicated its plans to hire new employees from a private agency. The union has repeatedly expressed its opposition to such plans. During the past few weeks, Alon and other union leaders have been busy



strategizing their next actions with some KAMAO organizers and sympathetic lawyers. But above all the recent tensions with management, Alon has been able to maintain a calm, detached disposition. Friends and co-workers say this is probably one of his good traits as a leader.

The truth is, being one of those who have spent much time with Mercury Tinsmith Corporation and its workers' union, Alon stands to lose more from any retrenchment or company closure. But Alon harbors no such feelings at the moment. He deplors the fact that after more than two decades of working, and despite all the gains of the union, he is receiving PhP 283 a day. This is just a little above the declared minimum wage of PhP 250 in Metro Manila. Past devaluations and inflations have quickly eroded whatever yearly increases in salary Alon and his co-workers have received.

Add to this the fact that even the minimum wage is way below the amount of PhP 11,388 required by a family to survive in the metropolis for a month. Back at the rented house in Sta. Mesa, Ella has been running in her mind for the nth time the almost absurd calculations of family income and expenses that a typical wife of a factory worker has to go through every waking moment of her life. With all the overtime pays, Alon's income amounts to a little over PhP 7,358 a month. The monthly rent for the house is PhP 2,000. Each month, the family pays PhP 1,000 for electricity and PhP 200-400 for water. Food amounts to a little over PhP 200 per day. Alon spends an additional PhP 300-400 for food at work. His weekly transportation expenses in

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## Working life in the Philippines



going to and from work amount to about PhP 200. The children's daily allowance is about PhP 100 a day. With the expensive health services, the family visits the doctors at a nearby government hospital only in cases of emergencies or extreme illnesses. Common complaints like colds and headaches are treated at home with self-prescribed drugs.

The rising costs of living in urban areas like Metro Manila has been in the public's mind once again during the past few years in the face of the privatization of public services and utilities like energy, transportation, telecommunications and water services. Motivated primarily by profit, private firms which have assumed ownership and control of public utilities, have had no second thoughts in increasing their rates and charges. Privatization is one aspect of the neoliberal policies that the government has been actively pursuing in recent years.



*Diskarte* is the common Filipino term for the uncanny ability of many poor families to go on with life even in the face of such an impossible situation. A three-month delay in paying rent for example is not entirely uncommon for Ella and her family. Debts typically run high, and a large portion of Alon's weekly take home pay ordinarily goes to paying off such debts. To augment the family income, Ella has started selling sweetened bananas ("bananacues") in the neighborhood. She has also been taking on some sewing jobs, feeling a

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## Working life in the Philippines

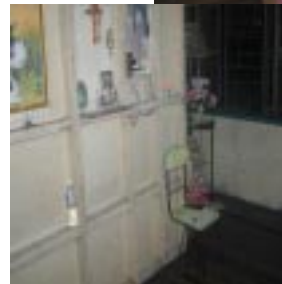
little lucky that the family hasn't decided yet to pawn or sell off her sewing machine.

### Just another day

But Alon has no plans yet of leaving his job at the Mercury Tinsmith Corporation. Anyway, with the unemployment rate standing at 8.7%, it is pretty doubtful if he could find another one easily. Coming from work, it is almost past dinner time when Alon walks through the dark, narrow *eskinita* or alley leading to their house. Having stayed in this neighborhood for the past twenty years or so, and changing residence only once, Alon knows the place like the back of his hands. Back in the 50s, Sta. Mesa has been an area for commercial and industrial expansion at the outskirts of the old city of Manila. It has been a long time since most of the factories and commercial establishments have moved out of the district. Workers and their families, as well as new immigrants, have settled in the old, dilapidated houses and apartments that remain standing up to this day.

In some ways, Alon's neighborhood is a lot better than the shanties lying along river banks and *esteros*, or under Metro Manila's bridges. But like any other poor communities in the capital, it is overcrowded and it lacks some basic facilities and social services like drainage, health centers, waste collection and disposal, and public market. During Saturdays and Sundays, the alley to Alon's house becomes a sort of wet market as his neighbors have resorted to selling fish, meat, and vegetables on such days. Their smelly tables line up one side of the alley the rest of the week.

Home for Alon is a two-floor, three-room wooden structure that actually comprises one unit in this very old apartment



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## Working life in the Philippines

building. One room upstairs has been rented out by the owner of the apartment to another family, and Alon and his family are really occupying only two rooms. The one at the ground floor is only large enough to fit a bed for two people. Shelves have been built on the walls, and boxes filled with the family's various possessions are lined up on them. In one corner, clothes hang from a wooden bar under the shelves. The other room upstairs is larger and has windows lining up one side. Upon entering the house, one immediately encounters the dining room which also serves as the living room.

After dinner, Alon and his family usually pay a visit to their neighbor upstairs just to watch their favorite soap opera on television. It has been quite some time now when the family's own television unit has broken down and has not been repaired since then. Occasionally, long after Ella and the children have gone down, Alon would stay on in order to watch the late evening news. But most of the time, Alon would be fast asleep early, weary from the day's work and gathering strength for another stint at the factory. On Sundays, especially when there is a championship basketball game or a boxing match, Alon would be spending the afternoon with his other neighbors who would be as interested as he is in watching such programs. But most of the time, he would be resting, helping on some household chores or going over some of the union papers and reading materials from all the workers' seminars that he has attended.

### Simple dreams

Squinting behind his reading glasses as he scans the latest issue of KILOS, a quarterly workers' tabloid published by LEARN, Alon talks about his wishes for the Mercury Tinsmith Corporation Labor Union and his family. In spite of his present condition, he has not given up on his dreams of seeing that day when he and his fellow workers would be receiving salaries enough to support their families' needs. Having had no opportunity of finishing his studies himself, Alon dreams of sending at least one of his children through college. The government's insufficient budgetary allocations for



*A Filipino Metal Worker*

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social services like education and health however has limited the capacity of state colleges and universities to accommodate children of poor families in recent years. In fact, to defray their rising expenses and operating costs, these state-run institutions have instead been targeting mostly students who can afford to pay tuition. Given the family's situation, it would thus be difficult for Alon to send his children through college. Nevertheless, he often tells his children to do their best at school even though he couldn't afford to give them all the things they wanted.

Alon's dream had carried him and many of his comrades back to the streets during EDSA 2 where they had strained out their throats and lungs in demanding for the resignation of then President Joseph Estrada. Rattling on with his soft but rapid speech, as if he were spurting out words like a radio announcer, Alon recalled the subdued hopes and emotions with which they greeted the new administration. For Alon, all these so-called "people power revolutions" only served to sustain in him the belief that the day when workers would be running the factories and when justice would be reigning in society is not far off.

Outside his house, the noise and exhaust from a passing vehicle momentarily disturbed the silence and coldness of last night's air that hang precariously in the streets. Dark figures began to appear from alleys and corners and reveal themselves in the light coming from a solitary street lamp and from a few windows along the road. A new dawn is about to break free from a cloudless sky.



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# The Philippine trade union movement

## Unionism and collective agreements

The total number of registered unions in the Philippines has consistently increased throughout the 1990s. From about 5,710 in 1992, the number went up to 8,250 in 1996 and to 9,850 in 1999. By June 2001, labor organizations further increased to 10,606, composed of 175 labor federations and labor centers, 794 public sector unions, and 9,637 private sector unions. However, it is interesting to note that both the number of collective bargaining agreements (CBAs) in the private sector and of CBA-covered workers decreased significantly during the same period. From 5,487 in 1992, the number of CBAs dropped to about 4,216 in 1996, and then to 2,568 in June 2001. Likewise, the number of CBA-covered workers slid down from 662,451 in 1992 to 542,446 in 1996, and then to 466,000 in June 2001. Total union membership in the first half last year was 3.82 million or just a little over 10% of the country's estimated labor force. Private sector unions had a membership of 3.63 million while public sector unions account for 192,000 individual members. The CBA-covered workers represent a mere 1% of the entire labor force.



The data above point to a number of discernible trends in the country's trade union movement. One is the proliferation of so-called "paper unions," unions whose members are not covered by CBAs. From about 200 in 1992, the number of such paper unions have soared to more than 9,000 last year (2001). The effects of union-busting activities are also evident in the sharp decline in the number of collective agreements forged between unions and employers. With the decreasing population of regular and salaried workers, the expanding informal sector, and the increasing number of non-regular workers due to

neoliberal policies of labor flexibility and economic liberalization, this trend of declining union effectiveness and influence could be one potential trend in the coming years. In fact, despite increases in the number of unions through the years, the annual numbers of newly registered unions have been decreasing. For the whole of 1997, the Department of Labor and Employment (DOLE) listed only 342 newly organized unions, the lowest annual total in the last 11 years. It further decreased to 339 in 2000.

Unionism in the public sector at present is severely limited. Executive Order (E.O.) 180, signed by Aquino in 1987, implicitly banned strikes among government employees and narrowed the items or provisions that may be contained in the so-called collective negotiations agreement (CNA) - the counterpart of the private workers' CBAs. Instead, the order presented a long list of economic, political, and organizational demands that are not permitted.

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# The Philippine trade union movement

## Achievements

### Highlights in the history of the Philippine labor movement

**1872:** Workers and soldiers launched a mutiny against Spanish colonizers in Cavite. *Gremio de Impresores*, a mutual aid society, led the first workers' mass action when they protested against low wages in a government-owned printing press in Pampanga.

**1892:** The *Katipunan*, a revolutionary organization against Spanish rule, was founded by Andres Bonifacio, a worker from Fressel and Co.

**1899:** *Union de Impresores*, the first formally organized union in the country held a strike against the "La Independencia" newspaper to demand for higher wages.

**1902:** *Union Obrero Democrata* (UOD), the first labor federation in the country (printers, lithographers, barbers, and cigarette workers) was established under Isabelo delos Reyes.

Since its inception, the Philippine trade union movement has lived up to the ideals and aspirations of the international trade union movement towards the historic emancipation of the working people. Throughout more than a century of existence, the Philippine labor movement has had varying degrees of successes in realizing this vision.

The local trade union movement has contributed immensely to the process of legitimizing the workers' struggle in Philippine society. Beginning as far back as the colonial period, the local labor movement has engaged and fought with both the state and employers in asserting the basic rights of workers to a decent livelihood and humane conditions at work. This long, arduous struggle has in fact resulted in many of the rights and benefits which workers now enjoy: right to organize, sick leaves, paternity and maternity leaves, social security, minimum hours for work, overtime pay, holiday pay, etc.

In the process of fighting for these rights, the Philippine labor movement has impressed upon the workers the value and strength of organized actions in the form of collective bargaining and strikes. These actions have become important tools for workers in their daily struggle to protect their jobs and improve their working conditions. The movement has also constituted a viable political force at the firm level, challenging unilateral decisions of management that impinges on workers' rights.

The Philippine trade union movement has participated actively in national discourse, contributing significantly to the shaping of the nation's economy, politics, culture, and social life. Labor organizations also played an important role in movements for national liberation especially during the colonial period.

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# The Philippine trade union movement

## Future challenges

Changing the existing labor relations system in the country has been on the agenda of the progressive labor movement and will continue to be so in the coming years as some labor laws are still restrictive and biased against workers. While no less than the 1987 constitution has affirmed the right of Filipino workers to organize and to bargain collectively with their employers, the actual labor relations framework has only allowed enterprise-level negotiations. In many instances, such policy has turned the workers' unions against each other. In fact, intense competition among trade unions in the country has resulted in labor federations being organized along general lines and not in the form of industry-wide federations. The complexity of Philippine labor laws has also rendered the trade union movement heavily dependent on lawyers. Lawyers do not only represent unions during negotiations with employers but are also often found in leadership positions in many of these workers' organizations.

Responding to the nature of the Philippine economy and to the attacks of neoliberal globalization constitute a major challenge to the local trade union movement. The country's persisting underdevelopment has put to the fore its cheap and abundant labor resource as its competitive edge in the international trading system. Labor flexibility measures that aim to keep labor costs down have made organizing work more difficult with the reduced workforces in many firms. As of the year 2000, 91% of the firms in the country are micro-establishments, each employing less than 10 workers. Trade unions organizers thus have focused on and competed over the few large companies (those employing 200 or more workers). In many of these companies, union raiding, wherein one union try to recruit workers from the other unions, has become a common practice.

### Highlights in the history of the Philippine labor movement

**1903:** Workers under the *Union Obrero Democratico de Filipinas* (UODF) led the first International Labor Day celebration in the country with the demand for an end to American rule.

**1913-30:** Unions continued the struggle for workers' rights under the *Congreso Obrero de Filipinas* (COF). The Congreso championed the fight for the 8-hour workday. It later split into two, with the majority forming the *Katipunan ng mga Anakpawis ng Pilipinas* (KAP). The *Partido Komunista ng Pilipinas* (PKP) was formed on August 1930.

**1935:** A provision in the Commonwealth constitution declared state protection for labor. Working women finally won their rights to vote and be voted upon.

**1936:** Commonwealth Act 103 institutionalized compulsory arbitration.

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## The Philippine trade union movement

### Highlights in the history of the Philippine labor movement

**1939:** Commonwealth Act 444 mandated the 8-hour workday.

**1940:** Workers launched strike against Manila Hotel. First strike in a government-owned establishment that led to a landmark Supreme Court decision affirming the rights of workers to organize unions and to strike.

**1941-48:** Workers continued with resistance against the Japanese occupation army.

**1953:** Industrial Peace Act (R.A. 875) or the Magna Carta of Labor was passed which institutionalized unions, collective bargaining, and recognized the right to strike.

**1972:** Martial Law curtailed the right to strike through General Order No. 5.

**1974:** Presidential Decree 442 institutionalized the Labor Code

There is a need for trade unions to participate in the larger political system if they hope to influence the economy and other aspects of social life. Political parties are indispensable in this regard. However, the labor movement has yet to overcome the highly problematic relationship between trade unions and political parties. In the Philippine experience, political parties with rigid ideologies have proven to be detrimental to the development of trade unions as there has been a tendency in such parties to dominate the unions. Party-led unions also represent one hindrance to building solidarity as they usually don't associate and work with unions or groups with different ideological persuasions.

In similar fashion, the leader-oriented and personalistic nature of many unions in the Philippines has served to undermine the democratic principles underlying workers' collective action. Worse, it has stifled the internal dynamism of many unions and labor federations with conflicts resulting from personal differences and power struggles of their leaders. Many of these conflicts have eventually led to divided organizations that only tend to weaken the whole labor movement. Another factor that has caused the fragmentation within the Philippine trade union movement is the tendency of many Filipinos to identify more with their regional or clan background. This regionalistic and clannish attitude has also manifested in trade union work as union organizing sometimes run along regional or clan-oriented lines.

Finally, developing a democratic culture in most unions in the country remain a challenge to the Philippine labor movement. Because of the problems mentioned above, like the dominant role of lawyers, political parties or personalities, many union members have had little chance to practice

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## The Philippine trade union movement

democratic decision-making. They have yet to learn how to respect each other's ideas and opinions. Adequate processes also have to be institutionalized in many unions that would enable them to implement majority decisions.

Meeting these challenges at the present juncture of neoliberal globalization requires gaining political power for trade unions and the workers' movement. Such power can only be achieved by further strengthening the capacity of workers and their organizations to influence governments, international financial institutions, world trade organizations, and other agents of neoliberal globalization. Faced with a segmented labor force and new work arrangements, various sectors in the Philippine labor movement which include the *Kapatiran ng Makabayang Obrero* (Association of Patriotic Workers), the Alliance of Progressive Labor (APL), and the Labor Education and Research Network (LEARN) have forwarded the strategy of "social movement unionism." The strategy calls for a broad approach to organizing and mobilization which encompasses all types of workers and unions as well as different arenas for workers' struggle.

Specifically, social movement unionism proposes to strengthen traditional trade union organizing by building the capacities and promoting the formation of different types of workers' organizations, including trade unions, workers' self-help associations, workers' cooperatives, workers' community organizations, workers' education associations, migrant workers' organizations, labor federations, national unions, labor alliances, labor centers or confederations, and international labor centers and federations. Each of these types of union is seen to respond to various problems of the working people and at various levels of intervention (enterprise, industry, national, and international).

### Highlights in the history of the Philippine labor movement

**1986:** People Power I that ousted Ferdinand Marcos. During the 100th labor day celebration, trade unions converged under the banner of the Labor Advisory and Consultative Council (LACC), the broadest unity achieved in the history of the Philippine labor movement. Founding of Labor Education and Research Network (LEARN) Inc.

**1996:** Alliance of Progressive Labor (APL) was publicly launched as the working people's response to neoliberal globalization.

**1998:** Birth of *AKBAYAN!*, a working people's party. Manggagawang Kababaihang Miithi ay Paglaya (MAKALAYA), a women workers movement was founded.

**2001:** Trade unions joined the broad People Power II that ousted the corrupt President Joseph Estrada.

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## The Philippine trade union movement

To arrest the further fragmentation of the Philippine labor movement, as well as to increase the effectiveness of workers' organizations, mergers among unions are being encouraged by the proponents of social movement unionism. The formation of industry unions or national alliances along particular industry lines is promoted as a form of vertical organizing. This is likewise in response to the limits imposed on the workers' movement by the existing labor relations system that tend to contain collective bargaining at the enterprise level. The industry formations are expected to articulate issues that are pertinent to their respective industries and to work for industry-wide policies. It is hoped that these efforts would eventually lead to the institutionalization of industry bargaining mechanisms and to the reorganization of the labor movement along industry lines.

Perhaps among the most potent responses to the challenges of the present juncture is active participation in the global struggle of workers. Social movement unionists in the country believe that strengthening and developing the capacity of local workers' organizations to view local concerns from a global perspective should be continued. Solidarity work with labor groups from all over the world is thus seen as a major component of local struggles. The sharing of information and experiences on labor concerns and trade unionism is actively pursued. Philippine unions also participate in global campaigns and actions on significant issues. The international agenda includes strengthening the global labor movement, creating international guarantees for human rights including workers' and trade union rights, reforming and strengthening the United Nations and bodies like the International Labor Organization (ILO), participating in networks that promote ecological protection, and democratizing global trade and finance.



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