



TOWARDS BUILDING AN ALTERNATIVE LABOR CENTER

PART ONE: OUR RATIONALE FOR BUILDING A NEW LABOR CENTER

The Global Context

The global economy has changed drastically in the last fifteen years. The rapid technological changes in the field of communications and transportation and the series of structural adjustment programs imposed by the IMF-WB ushered in a new world order where there are less constraints on world trade, and, capital, production, and profit are able to flow more freely and efficiently across national borders.

Intensifying this globalization process is the institutionalization of multilateral (cross-national) agreements — such as the General Agreement on Tariffs and Trade or GATT - which seek to open further national economies by increasing incentives and reducing barriers on free trade. Nations have also aligned themselves into different trading blocs (such as NAFTA, AFTA, APEC) to formulate and implement region-specific trade agreements.

Who wins and who loses in this new world economic order?

Evidently, transnational corporations (TNCs) stand as the biggest winners. Now numbering approximately 37,000 with 170,000 subsidiaries outside their country of origin, these TNCs control 75% of all world trade commodities. They are, in fact, the driving force of on-going rapid global economic integration. With the blossoming of free trade and the establishment of a hi-tech information highway, these TNCs can now easily operate satellite companies in any part of the world where production costs are low and profits are assuredly high.

Furthermore, being supra-national entities, TNCs have no accountabilities whatsoever to any single national economy or civil society. Nations, especially those with no comparative advantage in world trade, suffer negative effects from such new world economic arrangements. Democracies and national sovereignties are also at stake. The economic life of every population is affected by decisions made by a few corporate elites. These decisions, as well as binding regional and global agreements are constructed without consultation. Even the state is weakened, as its role in regulating the economy diminishes and gives way to supra-national decision-making bodies.

The situation also poses grave problems for workforces all over the world. What is being transferred is merely production, not jobs or incomes. Workers in industrialized countries are losing jobs to their counterparts in developing or underdeveloped countries who accept such jobs at a much lower rate. Workers in poor countries, on the other hand, suffer from low salaries and harsh work conditions. Alarming, the whole world is losing jobs.

New forms of heightened competition ushered by the foregoing global trends have likewise created new human resource development (HRD) and organizational development (OD) practices that threaten to annihilate, if not weaken, workers' unionism:

- Giant corporate structures are being streamlined, downsized, rightsized or re-engineered. What has developed is a core-periphery pattern of hiring, wherein the workforce is divided into (1) skilled and professional staff, and (2) semi-skilled and unskilled. In such practice, corporations keep only the former as its regular workforce. All labor intensive operations are subcontracted and these subcontractors hire semi-and-unskilled workers under arbitrary terms, with no labor standards or safeguards. Such new employment pattern has practically obliterated the tenorial security of workers worldwide.

- Companies are no longer structured in the classical pyramid mode with management at the top, middle management and administration below and production workers at the bottom. Flat organizational hierarchies and sophisticated management and value-formation HRD techniques have undercut traditional layers of decision making processes. Subsequently, a semblance of mutual trust and confidence is developed between workers and management enabling capital to co-opt the hearts and minds of workers.
- Furthermore, alongside new production and employment arrangements, a new layer of management militants, schooled not only in the facets of labor relations but also in the various ways of union-busting, have emerged.

More and more employers all over the world now offer employability (i.e. workers are hired temporarily, after which they supposedly can apply such skills elsewhere), instead of employment (i.e., full-time and long-term). Undoubtedly, in the new world economic order, workforces are the biggest losers. Unions too are problematic as job losses and insecurities mean less union members.

The National Context

In response to global trends, the Ramos administration, upon its installation in 1992, formulated Philippines 2000, its blueprint of a politico-economic project which promises the country's movement toward NIChood by the turn of the century.

Philippines 2000 intends to mainstream the Philippine economy into the globalization process by completely rolling back state interventions in the economy, primarily through privatization and the liberalization of trade and investment policies. With the same intention, the Ramos administration actively pursued its membership in regional trading blocs such as the AFTA and APEC and readily ratified the GATT-UR agreements in 1994.

Similarly-motivated, employers have also responded to globalization by promoting competitiveness, primarily through strengthening the country's primary comparative advantage in world trade: cheap and flexible labor. Job contracting, subcontracting, franchising and its numerous variants have become prevalent determinants of employment patterns in the country.

Both government and employers claim credit for Gross National Product (GNP) rate increase of 5% from 1994-1995. This has been the highest leap in five years, from a meager 1.27% growth in 1992. For this year, growth rate is projected to reach a high of 6-6.5%.

Such claims are not altogether an exaggeration. They do not, however, paint the whole picture of the nation's conditions. A large bulk of the economic sector — the working people — are currently facing serious problems, notwithstanding the optimistic pronouncements of both government and employers:

- Despite the 5% GNP growth in 1994, income disparity has increased. In that same year, it was noted that the richest 20% of the population controls 52.5% of the total national income, while the poorest 40% are left with a measly share of 13.6% of the national income.
- Government has failed to deliver its promise of 1 million jobs per year, supposedly a result of the GATT ratification. Despite incentives for foreign investments (i.e., in the form of industrial parks and export processing zones) and local big businesses, only 644,000 jobs were created in 1995 — not even enough to accommodate the 725,000 new entrants (that year alone) to the labor market (Source: Current Labor Statistics. Bureau of Labor and Economic Statistics - DOLE, Dec.1995). Further, jobs created are clearly unsustainable. Wages are below minimum, benefits are wanting, and work arrangements flexible. Trade union rights have also been systematically repressed through "innovative" union-busting techniques.
- Taxation remains regressive. While high-income earners continue to evade tax payments, the poor shoulder the brunt of tax collections through indirect tax collection measures. Domestic taxes on goods and services account for 35% of the total tax revenues for 1995 (Advocacy Resource Magazine, Oct.1996).

- Marginalization of the basic sectors have deepened, widening further the gap between the rich and poor:
 - The urban poor are evicted forcibly from their homes to give way to government infrastructure programs and private sector real estate development projects. In Metro Manila alone, a total of 1,709 families were illegally evicted in 1994 (UPA, Apr.1994).
 - The peasants and rural poor are losing the battle for agrarian reform as more and more lands are wantonly being converted to industrial parks and golf courses.
 - Women, both in the urban and rural areas, experience poverty and displacement due to discriminatory employment and work practices.
 - Workers, both men and women, experience harsh and insecure work conditions, and low wages. Even the DOLE's statistical report, admit that out of 77,849 establishments inspected in 1995, 19.6% were found violating the minimum wage law (DOLE-BLES; 4th Qtr. Report 1995).
 - Public sector workers, now numbering 2.041 million endure low wages and insecure employment arrangements.
- High-consuming sectors and industries threaten to turn the country into a chemical wasteland. Orientation is geared towards production instead of conservation and environmental degradation has reached crisis levels.
- Peace and order remains elusive. Peace talks between government and rebel groups are under way but the roots of insurgency remain unresolved. Further, criminality is on the rise, as perpetrators now include even those among the ranks of government, particularly those in the military service.
- Violence against Filipino women, here and abroad, continue unabated. Women overseas workers, most of whom work as entertainers and domestic workers, do not receive necessary protection and not a few have come home either battered or incapacitated. About 60% of Filipino legal migrant workers are women.
- Prostitution, though clearly a social problem, is still treated by government and the general public as a common crime and no real programs have been developed to cater to the needs of prostituted women.
- Employment of child labor remains rampant despite statutory prohibitions. There are now 3 million child workers found in the agricultural, manufacturing and service sectors.

Summarily, majority of the Filipino people continue to wallow in poverty and powerlessness. Even the World Bank has declared that "poverty is still the major development problem in the Philippines." Although the incidence of poverty has somewhat declined, the absolute number of people living below the poverty line remains overwhelming.

The Philippine Trade Union Movement Context

For almost a century now, the trade union movement in the Philippines has remained steadfast in its objective of improving workers' rights and welfare. It has also contributed much in shaping the country's economy, politics and culture by actively participating in discourses of national significance. Though it has advanced the struggle of the working class to new heights, the movement has yet to structurally alter the inequitable distribution of wealth and power which continue to burden the majority.

With the phenomenon of globalization and the reality of Philippines 2000, the Philippine trade union movement now faces a myriad of new and complex problems. Unfortunately, recent developments show that the movement has not been fully successful in meeting the challenges of the times. Neither has it effectively adjusted its objectives and strategies in the light of major changes in the global and national scenes.

For one, the “traditional” Filipino concept and practice of trade unionism has failed to take under its protective wings the vast majority of casual, informal sector, and overseas contract workers. Organizing strategies remain responsive only to workers with clear employee-employer relations. The rest remain unorganized and unprotected.

Furthermore, out of an estimated 28.379 million labor force, only a little over 12.7% or 3.597 million workers are unionized. Of these, only about 471,000 are supposedly covered by 4,130 collective bargaining agreements, most of which are suspected to be “sweetheart” (i.e., unauthentic) contracts. (Data from: Labor and Employment Statistical Report; 4th Qtr.1995, DOLE-BLES)

Dismally small in number, the Philippine trade union movement has also been perennially fragmented. Lacking in real democratic culture and political maturity, the movement has been continually susceptible to “splitist” tendencies that cause unhealthy divisions among the working class:

- The leader-oriented labor movement is deeply divided over ideological and personal differences of trade union leaders. To date, there are 9 major labor center, 159 general federations and national unions (including fly-by-night and “shell” organizations), and 6,027 independent unions (half of which, the DOLE claims, are already nonexistent). More than half of all registered unions have an average membership of below 200 workers.
- Thousands of independent unions shun federations and remain indifferent to national, regional, and industry-based actions.
- The legal framework of the labor relations system heighten these divisions. Recent Supreme Court rulings have even outlawed the unity of supervisory and rank-and-file unions. National legislation has not also been favorable for organizing. The proposed Anti-Terrorist Act, for instance, hangs over the militant trade unions, fanning fears of further curtailment of workers and trade union rights and the possible resurrection of authoritarian rule.
- The trade union movement leadership, and thereby its culture, is dominantly male. It has not been readily responsive to the needs of women workers, nor has encouraged these women to develop skills necessary for union leadership. Moreover, most unions operate in a highly-hierarchical manner with trade union leaders seen as “bosses”. Consensus is hard to come by and intra-union conflicts are numerous.

At best, the trade union movement has succeeded in legitimizing the workers’ struggle. It cannot sweepingly nor substantially claim, however, to be worthy of its avowed role as the leading protector and advocate of workers’ interests. It has also failed miserably in empowering its members who, to this day, continue to rely on trade union leaders / lawyers (genuine or otherwise) for solutions to their problems.

Clearly, there is a pressing need for a democratic and progressive pole within the movement, one with a coherent trade union framework that is responsive to subjective and objective conditions. This pole may serve as a fulcrum that will catalyze a unified, solid and militant labor response amidst diverse interests and ideas of the whole labor movement spectrum.

PART TWO: OUR CONCEPT OF SOCIAL MOVEMENT UNIONISM AS THE APPROPRIATE RESPONSE TO CHANGING TIMES

Our concept

The trend is clear, and most likely, irreversible: issues heretofore common to all workers are becoming blurred and unarticulated as more and more Filipinos find themselves divided into several subsectors (formal and informal, OCWs, women workers, child labor, etc.). Without a common thread, collective action as a sector is increasingly becoming impossible.

In the light of new production and employment patterns, the workers’ struggle need to go beyond the confines of factories and plantations toward non-traditional locations of the working people. A more conscious will to unify all workers — notwithstanding the dichotomies set by new patterns — need to be

forged. Demands as well as actions have to cater to the needs of the working people as a whole, not just to those of certain sections.

This is what we call social movement unionism. It is a kind of unionism that reaches out to the broadest base of the non-owning, marginalized working class who are either unorganized or organized into various forms of aggregations. It is a kind of social struggle that seeks to encompass economic, political, and cultural dimensions.

Social Movement Unionism implies that workers should ideally belong to at least three distinct organizations which serve as their vehicles in three major arenas of struggle:

- 1) The unions, in its various forms, remain to be the main instrument of workers in the mass movement arena. Its main role is to defend workers' and trade union rights in all levels: firm, industry, community, local, national, and international.
- 2) The cooperative movement is another vehicle by which workers can participate in the development arena. Not only do cooperatives provide self-generated economic benefits, they serve as schools or apprenticeships for self-management as well.
- 3) The workers' political party is an important instrument by which workers can engage in the electoral and parliamentary arenas. It will enable workers to develop and implement a state agenda.

Mobilizing these three instruments for the advancement of workers' interests is like "marching on three legs". Each instrument will allow us to engage in a specific arena of struggle. Weaving these three together — in the spirit of social movement unionism — will allow us to transform the whole of society.

The Motive Force

Our concept of social movement unionism necessitates that we seek out workers located in various sections of (changing) economic relations. These workers, though diverse in classification, are unified in their status as marginalized and powerless. They form the motive force of our social movement unionism concept:

- 1) The large majority of Filipinos/as of working age — both in the urban and rural areas — still fall within the ambit of labor-capital or wage relations. Four features characterize this section of the working people:
 - the unprecedented increase in the number of employed in the services, industry and trade, in both private and public sectors.
 - the dramatic rise in the number of farm laborers in small-scale agriculture and additions to the ranks of plantation agricultural workers
 - the transformation of those engaged in the liberal professions into salaried employees and middle rank executives of service institutions, and their expansion in numbers; and
 - the scattering of more than seven million Filipinos/as overseas who work as entertainers, domestic workers, professionals, etc.
 - the women workers who now account for 37% of those employed in the formal sector; these women are continually susceptible to discriminatory and harsh work arrangements.
- 2) Non-wage informal labor has become a widespread phenomenon. This category — informal labor — includes the vast ranks of the self-employed or own-account workers in a great variety of small and usually unstable trades and occupations. Although these workers are outside the ambit of wage relations, they nevertheless, fall prey to the highly irregular shifts in money and pricing dynamics of the capitalist market.
- 3) The swelling ranks of the unemployed, mostly from peasant families who have been uprooted and alienated by new working arrangements in rural farm production, are now regarded as reliable reserves in the new economic order that places a premium on "flexible workers" — people who are

more than willing to work while being paid less. They are now looked upon as a permanent pool of casual or contractual workers necessary for “lean-and-mean” companies.

- 4) Seven million Filipinos who have become overseas contract workers or hired professionals (abroad).
- 5) Houseworkers (mostly women), though largely unacknowledged as active contributors to the economy, are, in fact, necessary to social reproduction and should be considered as part of the labor force.
- 6) Low income levels and unemployment have driven a significant percentage of the labor people to assume double or multiple statuses in terms of occupations.

The motive force for our social movement unionism, therefore, consists of the main bulk of wage earners in the country, part of non-wage informal labor, the houseworkers, and the unemployed. These workers shoulder most of the social costs of the new economic order and easily fall victim to capitalist exploitation and oppression.

PART THREE: BUILDING THE ALLIANCE OF PROGRESSIVE LABOR AS OUR MAIN UNION INSTRUMENT TOWARDS SOCIAL MOVEMENT UNIONISM

Our Vision:

A just, self-managing and peaceful Philippines, where the working people is empowered, democratic principles and practices are upheld in the economic, political and cultural spheres of life, gender equality is recognized and the equitable distribution of the fruits of sustainable development is guaranteed.

Our Mission:

To organize Filipino working people into various forms of organizations and to consolidate and strengthen the same along industry, sectoral and geographical lines toward the advancement and protection of workers interests through the transformation of social and property relations.

Our Role:

APL (referred to hereafter as the “Center) believes that the project of transforming society cannot be done by the Center alone. In fact, APL sees itself as an instrument that can help pursue a singular union structure for the whole Filipino workers’ movement. This grand unification initiative, however, should be anchored on a smaller yet more solid unity of labor organizations working on similar principles. Such formation may then serve as a fulcrum for the whole Philippine Trade Union movement.

Our Nature:

For the APL to effectively play its avowed role, it must build itself as a multiform labor center -- organizing into its fold various forms of labor organizations such as independently-registered unions, alliances (area-based, or along industry-lines), national unions, general federations, community and trade associations, working women’s organizations.

At present, a special section within the APL has been created for worker-based cooperatives, signifying its crucial role in organizing workers. And since the APL also carries the long view that these cooperatives can serve as vehicles for workers’ apprenticeship in self-management, all cooperatives affiliated under the Center are enjoined to spin-off into a confederation of self-managing groups, covering a broader range of economic activities.

In the long run, the Center sees itself as a singular union structure consolidated along industry and geographical lines.

Strategic Directions of Key APL Programs

1. Organizational Formation and Development

a) Merger Agenda

To help reverse the splitist tendencies of the movement and to increase the effectiveness of unions, the Center would encourage the merger of its affiliates. Such would not only streamline the operations of merging affiliates but would also provide a broader resource base both in terms of human and material resources. Mergers shall be encouraged among affiliates with similar forms (e.g., mergers among independent unions or alliances into general federations) or those working in similar industries (e.g., between two service sector national unions).

b) Vertical Organizing

In an increasingly globalizing world where TNCs run roughshod over workers' and trade union rights while interlocking its operations the world over, the movement would always be at the losing end if it allows itself to be shackled by the limitations imposed by the current labor relations framework.

One way to circumvent these limitations is to build industry line formations such as nationals unions or industry alliances that would cut across its affiliates. These formations shall then articulate issues and concerns pertinent to their respective industries and work for specific industry policies such as industry labor standards and industry labor management councils (LMCs). This would be the workers' main vehicle in pushing for industry-wide bargaining mechanisms. Hopefully, its success would encourage, in the long run, the reorganization of the whole TU movement along industry lines, thereby reducing, if not entirely eliminating, the current practice of predatory union raidings.

Initially, the Center should aim to build these formations in industries where it would have a "competitive edge": where it has a substantial number of member unions in such industry and where it has a minimum grasp of the industry dynamics.

c) Horizontal Organizing

Another way to circumvent the limitations imposed by the present labor relations on trade union actions is to build territorial alliances. All APL member organizations in a particular territory shall be encouraged to participate in these alliances the main role of which is to coordinate political actions, including concerted actions and electoral exercises of the Center. These alliances may then work closely with a workers' political party while maintaining its autonomy.

2) Political and Legislative Action

APL's political and legislative action shall be oriented towards the following strategic objectives: (a) effecting changes, through parliamentary and extra-parliamentary forms of struggle, in the social, economic, political and cultural landscape which would allow the broadening of organized labor and the advancement of workers' interests; (b) struggle for workers' representation in all levels of decision-making bodies; and (c) help in building the workers' political party which would include active participation not only in the electoral arena but in local governance as well.

3) Unification Initiatives

Recognizing the need for labor unity as a requirement for social transformation necessitates a three step approach; (a) building APL as a social movement; (b) forging a strategic coalition of progressive and democratic unions; and (c) building the singular expression for the whole Philippine TU movement.

Regarding the strategic coalition of progressive unions: The Center shall give emphasis to the forging of a democratic, progressive and pluralist pole within the TU movement which shall serve as the fulcrum for the broader TU movement unification activity.

Regarding the singular TU movement expression: In the long run, labor unity shall be concretized only when the whole TU movement unites under a single organizational expression.

4) Education Work

The strategic direction of APL's education programs is the transformation of its individual members/leaders' values and the upgrading of their knowledge and skills. Moreover, the APL shall help set up two key institutions for the movement:

- a) Union School. Faced with a new breed of well-educated management militants, it is imperative that the movement produce and reproduce leaders trained in all facets of union work. This shall be ensured through the establishment to a trade union school that has a clear socialist orientation. Such school shall focus on the local leadership of each member union (Board and Council Members), women members and leaders, and students who are on their way to joining labor's ranks.
- b) Union Think Tank. One major challenge of the Center is how to gain credibility vis-a-vis the general public. This can be done through the Center's development of viable alternatives and proposals. For this reason, a labor think tank should be formed, either within the Center or outside of it. This think tank shall provide timely analysis of issues confronted by the Center's members who will in turn use such as the basis of its advocacies. This think tank shall also create "thought processes" necessary to generate ideas among the Center's membership.

5) Negotiations

Strategically, this program shall be oriented towards the creation of a multi-tiered bargaining structure: enterprise, industry-wide, community or area-wide, nationwide, and TNC-wide international bargaining.

6) Economic Development Projects

This shall include the development of cooperatives and other similar self-liquidating economic services that provide workers with their much needed economic upliftment. It shall also serve as the movement's training ground for workers' control and self-management.

7) Multi-Sectoral and International Solidarity

The Philippine trade union movement needs to develop multi-sectoral participation towards strengthening civil society. It must also establish closer links with international labor organizations and foster genuine global workers' solidarity. The Center, for its part, shall forge bilateral and multilateral relations with: (a) International Trade Secretariats; (b) Regional Labor Networks; (c) Labor Centers of other countries; (d) Labor-based social movements; and, (e) the ICFTU.

