

WORKERS'

satellite

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are you ready?

The realization is growing that individuals will have to be prepared for a range of employment options, including self-employment. Many may have to hold down two or more jobs simultaneously in order to maintain a reasonable quality of life.



Trade unions and workers' enterprises



are

social entrepreneurship



The challenge

- Globalization
- Corporate restructuring
- Unemployment

National economies are integrating into a global set-up. We now have regional blocs like the AFTA-CEPT or the ASEAN Free Trade Area-Common Export Preferential Tariff and a global system of multilateral agreements like

the WTO or the World Trade Organization.

Involving liberalization, deregulation and privatization, this process of global integration is still crisis prone, the Asian financial crisis comes to mind. And will continue to be so for some time, until the situation peaks or stabilizes.

Meanwhile, globalization and the intermittent crises are forcing all types of corporations to either restructure or shut down altogether.

Corporate restructuring comes in several forms

- **Outsourcing.** Cirtek subcontracts from a bigger firm.
- **Mergers, acquisitions, takeovers & relocation.** Warner Lambert acquired by Pfizer. WL relocated to Thailand after closing down factory in the Philippines.
- **Spin-off.** Telefunken chopped into 4 separate corporations.
- **Toll manufacturing.** Meaning making the products of other companies according to their own specifications using the raw materials they supply. Reynolds Phils. is now into toll manufacturing, among other things.
- **Joint ventures.** Here, Filipino owners take on foreign investors as business partners, again like Reynolds which has a Japanese investor and is looking for more foreign partners to infuse capital into the company.

Corporate restructuring

Corporate restructuring results in right sizing the scale of operations and the workforce. Commonly what most companies are doing. Right sizing scale of operations often involves automation or the use of cutting edge technologies. Right sizing of the workforce is done through retrenchment, redundancy, early retirement, outsourcing or subcontracting jobs to other companies or through labor only contracting. In effect, this reduces the number of regular employees but increases the number of non-regular employees, contractals or agency workers.

When firms shut down, workers lose their jobs. Much like what happened to National Steel Corporation. When firms restructure, some workers lose their jobs; and jobs that are retained tend to become consolidated.

Consider the case of operator-mechanic-inspector where all three jobs are rolled into one position to be done and performed by a single worker. Or workers and work are made more flexible such as flexible employment forms, flexible time or working hours or working days, job rotation, compressed workweek, and flexible pay.

Often, many who lose their jobs can no longer find another or similar paid and regular work either because they are old when companies are looking for younger employees. Or because they do not have the skills needed by new or restructured corporations.

Some workers who retire prematurely or who accept separation benefits prefer not to get employed again. Instead, they self-employ or go into business

Many find employment, self employment or establish businesses in the informal sector. Even some of those who still have jobs also have sidelines. Some practice their profession, trade or interests.

Word of caution:

There is no job security in doing business. And there are many risks ahead.

Others have their own small, family owned business or go into business with friends or relatives. These sidelines or businesses may be found in the formal economy or more often, in the informal sector or underground economy.

Many who lose their jobs also prefer or end up working overseas as OFWs. Here, they may earn more, save more and be able to establish their own businesses during or after their overseas work.

In essence, because workers are pushed to it by necessity or because they want to do it to earn more, to have more or to be more, some of them go into business.

Word of caution: There is no job security in doing business. And there are many risks ahead.

Then again, even job security can no longer be assured by unions,

management or government. Jobs available are precarious, flexible or contractual, both here and abroad, in the formal or informal sector. In most cases, job security is fast eroding.

Indeed, many of the businesses workers got into fail for lack of entrepreneurship. Most workers are used to working for employers for a fixed wage and time; they are used to receiving salaries regularly and on time. They are not used to risking their money to produce more money, which is what entrepreneurs do. Where to go then?

The impetus

Older, not readily-employable displaced workers need to earn money immediately to support the needs of their families.

Need for projects that will economically empower women and other marginalized sectors.

A semblance of an organization for those who don't have a defined employer.



Enter entrepreneurship

- Attitude
- Skill
- Livelihood option

Elements of a workers' enterprise

- Capital is pooled and built-up by workers or unions to buy assets and to operate the enterprise.
- Credit is accessed to enhance operating capital.
- Labor is pooled and paid correspondingly under arrangements commonly agreed upon.
- Goods and services are sold in the open market, not just exclusively for members.
- Management decisions are taken collectively.
- Enterprise is a "going concern"; expanded by profits from operation.

Entrepreneurship is both attitude and skill.

You must have the 'feel' for it or the appropriate training to succeed in it.

Entrepreneurship is more than merely trading or selling or lending money. It is knowing what businesses to get into in order to make money and have profits. It is producing quality goods or services that are affordable to buyers, selling these in the market and establishing distribution outlets, competing with similar businesses, sustaining it as an on-going concern, saving for the rainy days or expanding the business. It is employing other people, dealing with customers, dealing with government agencies, with other businesses, with banks and money lenders, with suppliers and distributors and with other manufacturers.

In entrepreneurship, there is no sure thing. You can fail or you can succeed, depending on your attitude and your skill.

As a call to action, FFW proposes a program on developing entrepreneurship as an alternative for workers in general and as an employment and livelihood option in particular.



There are several important and crucial issues and concerns to consider.

1. Trade unions are organizations of workers not entrepreneurs.

So why should trade unions develop and promote entrepreneurship? But do not unions or workers' organizations become entrepreneurs themselves when they establish producers' cooperatives, marketing cooperatives or credit unions or when they become part owners of their companies through profit sharing or stock option plans?

2. Entrepreneurs are employers and unions are not.

So there is a conflict of interest. But sometimes, unions are also employers, when they hire people to do jobs for them or when they establish service-oriented, non-profit, non-stock corporations or institutions to do collateral work for them. And since they depend on dues to finance themselves, unions also take the risk of failing when they

have no dues paying members or when members fail to pay dues. In that sense, unionism is also risk taking, in much the same manner as any other entrepreneur. Except when unions are dependent on local or foreign grants to finance their operations. Then they are dependent on others and become employment agencies instead, much like subcontracting portions of global or local work for other outfits and getting paid for it through program loans or project grants.

3. Because it is oriented to money making, entrepreneurship often lacks or altogether loses the social dimension.

Entrepreneurs, former workers included, who turn into employers, exploit their wage earners and salaried employees in much the same manner which they and their unions used to fight against. On the other hand, integrating social dimension in the training of future entrepreneurs can mitigate this all too human tendency to make money over broken bones and limbs. For yet

Issues and concerns

- Conflicts with unionism
- Lack of social dimension
- Lack of competence

another reason, the experience of entrepreneurship can help unions understand the predicament of companies and the workings of the micro and macro economy or can help them develop practical skills in running worker owned, controlled or managed enterprises.

4. Workers often fail as entrepreneurs because they do not have the requisite competence for it or they do not know how to succeed in it.

Also workers are used to receiving salaries or depending their job security and, therefore, have high aversion for business risks.



But in working anywhere, workers risk their lives and limbs everyday. And job security is disappearing in many jobs in any case. The alternative is non-regular, precarious formal or informal work arrangements in exchange for wages. Which limits personal growth and career options, if workers in the first place have the requisite skills for the new jobs demanded by the labor market, which often they do not.

5. Unions are not equipped or have no competence to service entrepreneurs or group of entrepreneurs which may be formed.

So what is keeping unions from acquiring the competence and from establishing these services now and well into the future?

We can continue discussing these issues and concerns until we find adequate reasons to convince ourselves to get into entrepreneurship or not. In the meantime, we need to focus on the essentials and the here and now.

Focus on the essentials

- Job matching
- Skills training
- Entrepreneurship training

Workers are losing their jobs. Job security is eroding. There is very little wage employment to go around. Many jobs are becoming obsolete. New jobs are being created. There is mismatch between the skills that workers have and what the labor market wants. In most instances, workers are not globally competitive. Traditional unionism is weakening and is on the defensive.

Areas for trade union action

- Research: investigate into “worst” and “best” practices of unions and workers’ organizations concerning entrepreneurship
- Policy discussion: a more proactive stance on sub-contracting and flexibility as well as other employment options for workers
- Training cum mentoring: entrepreneurship development program
- organizational mode: open up all available options for worker-owned, -managed, -controlled enterprises and integrate these in “social unionism”

Collective bargaining is increasingly becoming inadequate. Employers want more flexibility. Government can not do much to solve the problems.

On the other hand, there is much room for flexible wage employment, permanent self-employment, low risk and high risk livelihood and business ventures, especially those related to services and production for the domestic market as well as for export. There are businesses that thrive even during periods of economic crisis and some jobs are still necessary even if the world were to end tomorrow.

In any case, whether we like it or not, as individuals or as unions, worker and union members are looking for jobs or livelihood. They have gone into business, whether

they know how and whether they have the appropriate competence and training.

So, instead of waiting for the mountain to go to Mohammed, why should not Mohammed go to the mountain for a change? Or put it another way, what's to prevent FFW from jumpstarting new services and programs?

Establish new types of services

1. Job matching services and employment placement services.

The first can be done easily. We now have the computers to connect the job hunters to the head hunters. But the government Philjobnet is not enough. And private employment agencies are not under our control; they also charge fees which are often not affordable.

Employment placement services can be developed. But these require more work. The work includes job counseling, developing

our own data bank to ensure that we can place those looking for jobs here or overseas. *Pero baka tayo maging cabo?*

2. Skills training, retraining, upgrading or multiskilling.

We have little competence for it at the moment. We can connect to public and private training centers for free but for only a very few and for a fee easily but this may not be affordable for the displaced workers who have very little money to spend or none at all. Many workers are reluctant to spend for their own training. What for when there is no job available anyway? But if they get it for free, they often do not value it.

3. Entrepreneurship training and development is yet another.

Entrepreneurs are not born. They can be 'genetically engineered' and the technology is currently available. We can train SOCIAL entrepreneurs – those who can integrate the social dimension in their economic activities—or establish

SOCIAL enterprises—like enterprises that make goods for, or give service to, workers and society and yet make money AND create jobs.

But we have little competence in this area which we can gain. There is much demand for the service that we can not yet fully supply, so there is much room to maneuver, to earn money and sustain our activities.

In all these options, we can and we should put up pilot programs. Develop these programs and then expand it. If we fail, that is the risk and there is not much to lose. There may be more to lose if we do not try. If we succeed, big rewards are just ahead for the picking.

And then again, we must be able to organize differently. Like setting up craft unions for both wage earner or the self employed, getting into sub contracting, establishing producers' cooperatives or simply corporations, single proprietorships or partnerships.

So, where do we begin?

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SOCIAL UNIONISM

There
ought to
be a
chance



our

pilot programs