

# **LABOR PROBLEMS**

Labor problems as viewed in Philippine social realities reveal a chain of causes and effects that are inextricably linked by economic, political and cultural factors. Only a comprehensive analysis of these problems can equip workers with the tools for mastering them. Thus the need to understand the structural, historical, and moral dimensions of labor problems.

## **WHAT ARE THE COMMON PROBLEMS CONFRONTED BY WORKERS AT THEIR PLACE OF WORK?**

### ***Low Wages***

In 1889, the Filipinos organized the first labor union to assert the right of workers to a just living wage. Today, after less than a century of struggle, social conditions remain unchecked.

The wage rate in the Philippines is way behind those in other countries; in the United States, wage rate is seventeen times more than the wage rate in the Philippines; in developed countries, ten times more; and in less developed countries, four times more. It is not surprising to learn, therefore, of a survey conducted by the Union Bank of Switzerland placing the Filipino workers' wage second to the lowest in the world.

### ***Poor Working Conditions***

Forced to suffer under poor working conditions in exchange for unemployment and eventual starvation, Filipino workers have long been deprived of the right to life and duty to work.

Inadequate physical facilities and occupational safety measures exposure to hazardous chemicals, unreasonable work schedule, unjust compensation, inadequate leave benefits, limited, if not absence of opportunity for personal and professional growth, and unstable employment status – these are but a few of the unjust working conditions that burden Filipino workers.

### ***Inhumane Treatment***

Directly related to poor working conditions are oppressive practices inflicted on workers by employers who look down on labor as mere material instruments of capital accumulation.

Inhumane practices of employers include failure to implement wages and compensations as prescribed by law, sexual harassments, physical abuses, illegal dismissals, and other problems emanating from poor working conditions.

### ***Absence of Job Security***

Two conditions underscore the absence of job security in the Philippine work force. First is the escalating number of unemployed workers who command cheap wages for limited and small number of employment opportunities. Second is the advent of automation that displaced and replaced many workers because employers choose speed and accuracy in production rather than the creative efforts that shall flourish once labor is relieved from the drudgeries of work.

### ***Underemployment***

It is unfortunate to note that the government is unable to tap the ingenuity, craftsmanship, intellectual prowess, and industry of the Philippine labor force as vehicle of national development and economic recovery.

NEDA statistics in 1987 showed underemployment population of 6.8 M workers representing 30.1% of the total labor force.

Thousands of workers take jobs that neither utilize nor enhance their skills and academic training. College degree holders performing functions that used to be reserved for janitors, clerks, messengers, drivers, even domestic helpers are not an uncommon sight nowadays.

### ***Unorganized Labor Force***

The organized sector of the Philippine labor force is still a minority. Although the number of unionized workers is rising, it has not gone beyond 13% of the 22.6 M actual labor force. As a result, the trade union movement is still weak, with a fluctuating and unstable membership covering only a small percentage of the workforce.

### ***Discrimination***

Discrimination with respect to sex, age, beliefs, and race still exist in the areas of hiring, promotion, and compensation.

The rate of unemployment of women is higher than of men. Quite a number of establishments refuse to hire women. Some deprive women of equal opportunities for career advancement.

Age consideration is another discriminating factor. Although the Labor Code defines the legal age brackets for employment, many establishments still prefer employing workers who are neither too young nor too old.

Finally, the issue of racial discrimination has become a disturbing reality for Filipino overseas workers who are forced to take menial jobs as domestic helpers and laborers even if their educational attainment and experience prove that they are over-qualified for the work they take.

## **WHAT ARE THE PROBLEMS MET BY WORKERS IN RELATION TO TRADE UNIONS?**

### ***Restrictive Laws***

## ***For BCTU***

The enactment of restrictive laws and legislations pertaining to labor curtails trade union freedom. Legal restrictions thwart the free and effective exercise of the right of labor to self-organization, collective bargaining, dispute settlement, and other trade union activities.

1. Unreasonable requirement for union organization and registration (Article 234, 237, and 238 of the Labor Code);
2. Lofty membership requirements (Article 234 of the Labor Code);
3. Restriction against union membership and union formation among managerial employees (Article 245 of the Labor Code);
4. Legal sanctions requiring a trade union to acquire the status of an exclusive collective bargaining unit (Article 257 of the Labor Code);
5. Intervention of government institutions particularly the Bureau of Labor Relations and the National Labor Relations and the National Labor Relations Commission in dispute settlement (Article 263 and 265 of the Labor Code);
6. Restrictive provisions against the right to strike that require a fifteen-day notice of strike, a strike vote of at least two thirds of the collective bargaining unit, strike ban on vital industries, and government intervention particularly by the President and the Labor Secretary in the settlement of strike (Batas Pambansa 130, also known as the New Strike Law);
7. Free ingress and egress of employers in picket areas and the authority vested on the President to expand the list of industries protected from strikes (Batas Pambansa 227, also known as Anti-Scab Law)

### ***Employers' Resistance and Hostility***

Trade unionism poses a threat to employers who cling to their eroding status as sole owners of capital.

Faced with this perceived danger, employers resort to several underground measures to quash any step toward unionism among workers. These measures take the form of job transfer, replacement and discrimination. Some establishments require non-membership in a union as a condition for employment. Still, there are some employers who resort to different forms of harassments that include delayed salaries, pending leave and benefits claims, surveillance, and disciplinary actions on union members. Finally, there are employers who use sly tactics like forming a company union and initiating a labor-management council that turns out to be an employer-dominated assembly.

Because of these intimidations, many attempts to organize a union are frustrated. Most of the time, employers in the former's struggle for unionism overpower workers. At other times workers adopt an indifferent attitude, thus losing a battle that never was.

### ***Divisive Trade Rivalry and Competition***

Adding a considerable load to the already heavy burden of trade unionism is its own disunity.

Factionalism bugs the ranks of trade unions. Based on current statistics released by the Bureau of Labor Relations, there are approximately 1,896 federations and independent unions throughout the country, all of them caught in a cycle of spins off splits and breaks caused by personal and organizational rivalries; ideological and political rifts; national and international alliances and affiliations; strategic separation of peasant unions from other sector; and exclusion of government employees, security guards, and managerial employees from the mainstream of the labor movement.

### ***Pseudo Trade Unions***

Not all unions promote and protect the interest of labor. There are some that serve to perpetuate only the selfish interest of certain quarters. Pseudo trade unions are of five types.

The first type is called the *fly-by-night union* that disbands as soon as it collects all union fees from its recruits. A variation of this type exists as a front that assists in putting a group into political power or in gaining political leverage.

The second type is the *corrupt union*. It is characterized by rampant graft and corruption in the form of kickbacks and under-the-table negotiations among union leaders. The proliferation of this type of union is caused by a number of factors, among which are the absence of checks and balances within an organization and the lack of vigilant members.

The third is known as the *profit-oriented union* that undertakes activities mainly for the purpose of generating income in the form of dues and fees collected as payment for such services as research, negotiation, processing and other special union services.

The fourth is called the *company-controlled union*, which may be directly or indirectly controlled by the management. A company union that is directly controlled by management openly operates according to the dictates of the company that organized it and that provides for all its resources. On the other hand, a company union that is indirectly controlled by management in exchange for their inclusion in the company's "invisible" payroll.

The fifth is the *government-controlled union* that allows itself to be manipulated by the government in accordance with the latter's efforts to reduce political friction and industrial disorder. Through this type of union, the government is able to realize its economic and political goals.

## **WHAT ARE THE COMMON PROBLEMS CONFRONTED BY WORKERS IN SOCIETY?**

### ***High Prices (Inflation)***

The daily cost of living for a family of six as of March 1988 is P132.80 (National Census and Statistics Office and National Wages Council). But the minimum daily wage is only P69.33 representing a little more than half (62.2%) of the daily cost of food and other basic necessities. Workers literally live a hand-to-mouth existence as high prices push them deeper into the pit of poverty.

### ***Massive Unemployment***

Unemployment rate in the Philippines registered a feverish pitch of 11.8 % for the quarter of 1988. Potential labor force is 34.4 M while actual force is 22.6 M. Untapped human resources have exceeded the 10 M mark.

This scenario is aggravated by the lack of qualified workers who possess the necessary skills and training to compete in the labor market. Thus, many of the 900,000 jobs generated in 1986 and the 1.2 M created in 1987 were laid to waste because many of the 700,000 workers that joined the labor force annually were under-qualified.

### ***Widespread Poverty***

Seventy percent of the Philippine population, which lives below poverty line, endures the hardships caused by inadequate housing, malnourishment, and zero-access to quality education.

The pathetic condition of the poor is mocked by the unjust and unequal distribution of wealth in society. The richest 20% earns about fifteen times higher than the poorest 20%. More than  $\frac{3}{4}$  of the population has to share with all its members less than half of the country's total family income while the rich that comprises  $\frac{1}{4}$  of the population enjoys more than half of the country's wealth.

### ***Poor Economic Performance***

Compared with its negative growth rate during the past three years the Philippine economy's performance, which registered a 5.05% growth rate in 1987, presents an optimistic pattern. However, much awaits to be done. The Philippines has the lowest per capita gross domestic product (GDP) growth rate compared with those of other Asian nations.

Furthermore, the economy is saddled with many other problems; foreign debt; an increasing balance-of-payments; and an import-dependent and export-oriented economy that is dominated by transnational corporations (TNC's).

### ***Foreign Interference and Control***

Structurally, the Philippines has become so dependent on external aid, particularly from the United State and Japan, that the country's economic and political affairs have been seriously stunted because of the economics and political maneuvers of foreign creditors.

In the absence of an internally generated capital for investment and reinvestment, the country is pushed to mendicancy and begs foreign capital in the form of investments, loans, aids and grants. Thus, the International Monetary Fund (IMF) and the World Bank (WB) – two international loan agencies dominated by foreign capitalists – are allowed to implement strategies that practically open the Philippine economy, its market, labor force and its other resources, to the free and unhampered exploitation of foreign creditors. Among

the IMF-WB strategies are peso devaluation, freeze of minimum wage, increase of domestic tax on oil and fertilizers, and installation of export processing zones.

*Now, the trend of globalization even adds burden to the deteriorating economic condition. Globalization manifests itself in the “new economy and in the triad of policies identified as **liberalization, deregulation and privatization**. These policies have resulted in macroeconomic structural adjustments that seek to integrate the national economy in the global market. Likewise, these have abetted corporate closures and failures among those who can no longer survive global competition. Otherwise, these policies induce public and private corporations to restructure. Public companies are privatized. Private corporations relocate, merge or are acquired or spin-off. Now local or foreign partners are invited to invest in order to re-capitalize companies and prepare for companies and prepare for global competition.*

Worse, foreign investors also lay their hands on the political arena to direct the course of government actions in ensuring the smooth and lucrative conduct of foreign business in the country. Peace and order must be maintained, insurgency must be quashed, the economy must be made dependent on imports – these and many other subtle forms of political manipulation by external forces can be felt in the country.

### ***Displacement of workers and communities:***

*Globalization, corporate restructuring and closures have led to displacement of workers and whole communities. Downsized workers often cannot find equivalent employment on account of age or due to lack of marketable skills. Large corporations that are closing down initiate a domino effect that leads to resizing or closure of upstream establishments or of downstream companies in communities where these are located. Collection of local and national taxes among corporate or individual taxpayers is reduced. Loss of internal revenues by the local and national government constrain the ability of government to provide for its citizens and thus exacerbate the ill social consequences of globalization.*

### ***Flexibilization, Informalization and Migration***

*Flexible employment arrangements such as job contracting or labor-only contracting result from globalization. The incidence of piece-rating, commission-based payments and similar other flexible compensation practices are also resorted to in increasing frequency. Displaced workers as well as new entrants who cannot find employment in the formal sector eke out their living in the swelling informal sector where institutional social protection is absent. Or workers migrate overseas which raises a host of complex and controversial global and national policy issues and concerns for job security and the protection of migrant workers.*

*Three other phenomena arise out of these developments:*

*The feminization of the labor force resulting in the multiple burdens of women and their continuing discrimination;*

*The increasing number of the “educated-unemployed”;* and

*The emergence of “core-periphery “ arrangements, where the educated and highly skilled workers tend to be employed permanently while the unskilled and semiskilled ones make up the periphery as casual, contractual, seasonal and project employees.*

### ***Changing work, workplace and workforce***

*Workers are being displaced and the changing nature of work, the workplace and the character of workforce are dislocating whole communities. Job security is waning but employment security is still far from being achieved. These result in the breakdown of traditional labor relations, which adds to insecurity in the work and life of workers.*

### **HOW ARE THESE PROBLEMS RELATED TO ON ANOTHER?**

Labor problems are mere manifestations of larger and more encompassing problems that can be traced to unjust structures in society. State policies that are concretized in the form of an economy that is subservient to foreign powers and a labor market that offers cheap labor are a reflection of a scattered people that has yet to establish its national sovereignty, integrity and self-reliance. The Filipino people have yet to unchain itself from more than three centuries of colonialism and have to deliver itself from ignorance, slavery and blind obedience.

***The problems are by nature economic, political and cultural.***

#### ***Economic***

Filipinos are miserably poor not because the country is poor but because wealth is concentrated at the hands of a few. This few consists of a native elite or local ruling class composed of eighty-seven families that contrive with more than 334 TNCs in plundering the wealth of the people.

#### ***Political***

The preservation of the status quo, that is, the wide margin between the rich and the poor, is made possible through an iron grip over the country's political affairs. Only through a tight control of decision-making powers and state machineries can the ruling class and their foreign partners perpetuate the unequal distribution of wealth and power. With money at their coffers, the rich possesses the means to bribe people and buy votes to install a political puppet that can facilitate the enactment and implementation of policies favorable to the ruling class interests.

#### ***Cultural***

Filipino values, lifestyles, thoughts, and even religious practices have succumbed to the dictates of foreign hands. Even the Philippine educational

system faces the fatality of being converted into an indoctrination process that teaches students what to think, not how to think; that trains them to adopt, not to modify and that imbibes in them colonial consciousness, not nationalism. Moreover, western norms have successfully seeped into the Philippine value system through clever manipulation of the media, causing the people to snub locally made products and scamper for imported goods.

***The emergence of these problems in society can be traced to historical, moral, and structural roots.***

### ***Historical***

First came the Spaniards from whom Filipinos inherited the European model of feudalism and aristocracy. Next came the Japanese who left a devastated Philippines after World War II. Last were the Americans who boast of educating the natives and who claim to have rescued the Philippines from national annihilation.

Colonizers came, proclaiming themselves as harbingers of Christianity, democracy, freedom, and prosperity. In the end, their presence in the country proved to be disadvantageous to the Filipino people since their main goal was to exploit the abundant and cheap raw materials, including labor, of the country and to open the local market to surplus products from abroad.

### ***Moral***

Centuries of colonialization marked by the transfer of power from one century to another left a confused people out of the Filipinos whose concept of nationalism is forever linked to the whims of a foreign country.

Concepts that endow to employers the exclusive status as owners of capital and that elevate foreign products as superior to locally made ones are a reflection of the distorted and oppressive values of Filipinos.

### ***Structural***

The moral dimension further perpetuates the problems that were implanted by history in Philippine society. All structures, be they economic, political, or cultural, operate according to the moral orientation and historical course of the country. Government institutions, state legislations, educational system, property ownership, and business transactions – all reflect the values that Filipinos developed over the years.

## **HOW SHOULD WORKERS APPROACH THESE LABOR PROBLEMS?**

A societal transformation carried out through the collective effort of a united labor movement is necessary to rebuild society along lines that are expressive of the people's ideals of human dignity, freedom and justice. Hence, workers are exhorted to:

- 1. Build and support people's organizations that are truly reflective of the interests of Filipinos. Among these organizations are trade unions, peasant alliances, and other aggrupations of various interest groups;**
- 2. Organize these aggrupations into bigger alliances to comprise a strong and genuine social movement;**
- 3. Lead the movement in restructuring and remolding Philippine society into free, democratic, independent and sovereign nation.**

*Trade unionism offers itself as a catalyst of social change with a deep commitment to building solitary, independent, and mass-based organizations of workers that integrate themselves into the system by forging alliances with other groups of similar orientations. Trade unionism is genuinely democratic, just, humane, and uncompromisingly against control of any type. Most importantly, trade unionism works for the peaceful transfer of power to the people.*

*At the economic level, trade unions function to guarantee security of tenure and just living wage for their members. At the political level, they strive for the equal distribution of wealth and power through profit sharing and shared decision-making. At the socio-cultural level, they work to redirect and reorient the consciousness of workers toward a humane and liberating concept of man, property, work, society and economy.*