TRADE UNIONS STRATEGIC RESPONSE TO THE CHANGING MANAGEMENT PRACTICES:

A Research Paper presented by

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(Philippines)

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TRADE UNIONS STRATEGIC RESPONSE
TO THE CHANGING MANAGEMENT
PRACTICES:

The Case of The Philippines

Leda Canellada Celis
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<td>ACTU</td>
<td>Australian Trade Union Confederation</td>
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<td>CB</td>
<td>Collective Bargaining</td>
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<td>CLO</td>
<td>Congress of Labour Organizations</td>
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<td>CIR</td>
<td>Court of Industrial Relations</td>
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<td>DOLE</td>
<td>Department of Labour and Employment</td>
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<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
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<td>EO</td>
<td>Executive Order</td>
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<td>EOZ's</td>
<td>Export Processing Zones</td>
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<td>ESOP</td>
<td>Employees Stock Ownership Plan</td>
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<td>EWC</td>
<td>Employees Welfare Programme</td>
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<td>FFW</td>
<td>Federation of Free Workers</td>
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<td>FWP</td>
<td>Family Welfare Programmes</td>
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<td>HRM</td>
<td>Human Resource Management</td>
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<td>ICFTU</td>
<td>International Confederation of Free Trade Unions</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IR</td>
<td>Industrial Relation</td>
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<td>IRS</td>
<td>Industrial Relation System</td>
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<td>JMP</td>
<td>Japanese Management Practices</td>
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<td>KMU</td>
<td>Kilusan Mayu Uno</td>
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<tr>
<td>LACC</td>
<td>Labour Advisory Consultative Council</td>
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<td>LMCC</td>
<td>Labour-Management Coordinating Council</td>
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<tr>
<td>LMLC</td>
<td>Lakas Manggagawa Labour Center</td>
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<td>LOI</td>
<td>Letter of Instruction</td>
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<td>MNC</td>
<td>Multi-National Corporations</td>
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<td>MOLE</td>
<td>Ministry of Labour and Employment</td>
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<td>NCMB</td>
<td>National Conciliation Mediation Board</td>
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<td>NLRRC</td>
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<td>Quality Control Circle</td>
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<td>Quality of Working Life</td>
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<td>RA</td>
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<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<td>SSS</td>
<td>Social Security System</td>
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<td>TU</td>
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<td>Trade Union Congress of the Philippines</td>
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<tr>
<td>TNC</td>
<td>Transnational Corporation</td>
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CHAPTER ONE

1. TRADE UNIONS STRATEGIC RESPONSE TO THE CHANGING MANAGEMENT PRACTICES: The Case of the Philippines

1.1 AIM

"Balancing an interest especially in an environment where adversarial relations existed is a very crucial issue. But it is time now for the adversary system to be changed. It is a system that is causing unions to run in second place. Unions should be ready to work with management towards a broader conception of collective bargaining that has been common in recent decades. If economic and social progress is the name of the game, then labour and management cooperation should be now the preeminent ruler under this game should be played ".

The economic and political changes over the past decades have placed a great strain upon established forms of worker representation and in particular trade unions\(^1\). Unions have been in retreat faced with declining bargaining power in the industrial sphere, declining political influence and falling membership. Trade unions fortunes have varied throughout the history and power commonly fluctuates with business conditions but the economic crisis of the 80’s has brought 'qualitative changes ' in the economy which pose new kinds of problems for the methods of representation used by unions throughout much of the post war-era. This paper sets out to explore the contrasting outcome of contemporary politics of new work organization at the firm and plant level. Although this is not the only issue face by trade unions in the Philippines, I believe that the extensive reorganization of work, challenges established in the office and shop floors, the new relationship emerging between management, 

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\(^1\)The term trade unions refer to workers organizations that have officially been recognized by the employer and/or the government for purposes of representing workers at the local, national, regional or international level. They constitute one of three actors in industrial relations identified by Dunlop (1958).
workforce and union, the way unions and industrial relation systems adapt to and shape the new circumstances says a great deal about the prospects for the stability of industrial relations and union influence. Further, I contend that a stable industrial relations settlement is a pre-requisite for sustained industrial adjustment and competitiveness in the modern world economy. The main aim of this paper therefore is to venture into providing answers to the following questions:

- What causes the changes in the environment in which trade unions operate? What is the nature of the crisis or the challenge facing the trade unions?

- What are the impacts of these changes to trade unions and their response? Are there intervening institutional factors underlying the different responses?

In seeking to provide answers to those questions the main objectives of this study shall be to:

- Discuss the historical and contemporary roles of trade unions and collective bargaining in the workplace, community and society. The initiatives done by the State and other Institutions to heighten leverage of trade unions in the Philippine society.

- Critically examine the function of trade unions as the firms pursue production\(^2\) and work reorganization including rapid technological change that give rise to new instability of industrial relations, major challenges to union influence and decline of unions.

- To cast light on this contrasting outcome for industrial adjustment, for industrial relations and above all the changing role and position of contemporary unions.

---

\(^2\) Production shall mean engagement in economic activities for the production of goods and services.
1.2 BACKGROUND TO THE PROBLEM

Labour Force constitute 27.5 million of the total 69.3 million population in the Philippines, while employed persons constitute 25.1 million of the total labour force (Current Labour Statistics 1994 integrated household survey, 1995:24). Of this total employed figure, only 3.3 million are active union members which epitomize under representation in the formal employment. Majority of these unionized workers according to CBA’s registered as of 1994 (Labour and Employment Statistical Report, 1995: 24), represents the major service sectors i.e. transportation, storage and communication with a giant share of 53.3% followed by the manufacturing sector with 28.6%. Remaining share in union membership were divided in almost proportion ratio to all other sectors (see annex 1 for the sectoral distribution of union membership).

Figures presented reflect the limited confinement of the organized sector in the Philippines. This means that majority of the labour force are not protected by the labour standard laws and the collective bargaining contract. Figures also showed a great emphasis on the shift of employment from the manufacturing and industrial sector where traditionally was a trade union

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3Labour Standard refers to the minimum requirements prescribed by existing laws, rules and regulations and other issuances relating to wages, hours of work, allowances and other monetary and welfare benefits, including those set by occupational health and safety standards. They could be subjected to inspection and enforcement by the regional director of the Department of labour. Inspections, acting on complaints, are conducted by Labour standards and Welfare Officers who must conclude investigations in fifteen (15) days. Such case must be disposed three (3) days after the end of the investigation (Anunoevo, 1992:25).

4Collective Bargaining is the negotiations between union and management resulting to a document containing agreements reached by both parties on the terms and conditions of employment of the workers. The objective of the collective bargaining is to bind the management to a framework and process wherein the rights of employees as well as their rightful claim to the fruits of their labour shall be recognized and provided for (Anunoevo, 1992:90). Styles in collective bargaining in the Philippines are fully explained in chapter three of this study.
stronghold. Data showed evidence that the movement of employment is burgeoning in the service sector.

Apparently, problems face by trade unions emanates from various environmental factors. They broadly range from i) changes in the structure of economic activity and globalization of productions; ii) increased diversity in workforce; iii) new technologies; iv) political and legal changes brought by complicated and highly differentiated nature of trade union organizations themselves. All of these challenges will be explained in detail in Chapter three of this study.

Philippine industries in the same manner were affected by the changes in the structure of economic activity that took effect in the 1980’s. They too, had no choice but to take the painful adjustments largely in response to the expanding market. Some of these adjustments include plant expansion, business diversification, aggressive marketing programs, deployment of new and more efficient machinery, increased sub-contracting jobs, etc. Definitely all have implications to the workers and the unions.

The most interesting development is the increasing awareness that they can have access to labour pool that can be utilized flexibly\(^5\) even if the companies are unionized. These are in the forms of subcontracting classified into job and service, maintenance of certain percentage of casual or temporary workers who serve as security buffer for the factory owners. Other measures include the practice of the Human resource development

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\(^5\)The term *flexibility* in human resource management can be viewed according to context, with each context giving rise to a different set of problems. In this paper it is viewed as ability of the firm to reduce or increase employment or wage levels with ease; the ability to increase mobility; the ability to make more elastic use of skills for greater occupational flexibility; and the ability to introduce non-conventional working arrangements such as part-time work, self-employment, etc. There are many well-known cases where management and governments in Asia have tried to preserve flexibility by making it difficult for unions to organize the workers (Report from ILO Asian and Pacific Regional Workers Education on Symposium on Trade Unions and Structural Adjustment Issues, Australia, 1990; 53 and Kanawaty, et al as quoted in Venkataratnam, 1993).

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(HRD) techniques to optimize labour utilization e.g. training of workers in the various aspects of production process (Multi-skill training) so that they can readily deploy workers in other departments when needed, giving of the production incentives like cash rewards for those who exceed their quotas. There is also the use of trainees and students in order to avoid the payments of statutory wages and other standard labour benefits.

In the labour-management relations aspects, management groups have learned to adjust to unionization and labour demands. Employers are now more conscious on the need to manage more efficiently personnel relations. This shows the product of greater professionalization of industrial relations department, reflecting the rise of industrial relations and Human Resource Development consulting firms and the numerous industrial and labour seminars conducted by individual companies and employers association.

Management responses in the field of industrial relations vary from company to company. There are firms which hire consultancy groups specializing in the busting of unions or the organizations of the company-dominated unions\(^6\) and registration of sweetheart contracts. There are also firms which try to tame unruly unions by promoting within the companies activity i.e. organizing prayer sessions, masses and novenas obviously to pacify the rebellious spirit of the workers. Others try to experiment with the Japanese style 'Labour Management Councils (LMC)\(^7\) which the Department of

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\(^6\)Company unions refers to a type of labour organization whose formation, function or administration has been assisted by the employer. In the perspective of trade unionists, this type of union is considered as yellow union and its negotiations with the employer would result into a sweetheart contract (Anunoevo, 1992:56).

\(^7\)Labour-Management Council is a bipartite body wherein workers and employer discuss or dialogue on issues that concern productivity, health and safety and workers’ welfare except those traditionally covered by collective bargaining. It is the venue wherein workers could participate in decision making on matters that affect them (Anunoevo, 1992:67). Details of the implementation of the Labour-Mgt. Council approach will be in Chapter four.
Trade and Industry (DTI) has been promoting as a 'proactive program' in industrial relations.

These developments have serious and far-reaching repercussions on industrial relations especially to the rules that define work and work relations. But while there are no labour legislations that overtly protect the security of tenure\(^8\) of the working masses, Filipino workers will continue to feel threatened and insecure. And while the problem of unemployment prevails, workers will continue to commit themselves to inefficient labour market. Hence, surplus labour would rather chase jobs than join organizations. In fact, many says that the age of independent trade unions and collective bargaining that began a long time ago is drawing to a close. The question is what will take its place? What are the reaction of the Philippine Trade Unions to all these changes? Are the trade unions ready to face the challenges of the changing world of work? How do new management practices affect trade unions and their role as workers representatives? On top of the apparent irrelevance of the role of trade unions in the workplace, these are some of the questions that I bear in mind as I examine possibilities of how well trade unions should respond to the changes brought by macro economic policies and the changing employers prerogatives in managing enterprise.

1.3 METHODOLOGY

1.3.1 Approach

The paper is constructed upon labour relations theories and employees concepts of adversarialism, human resource management

\(^8\) Security of Tenure means the right of a regular employee to a secured employment. The worker cannot be terminated from his employment except for just causes such as: serious misconduct and willful disobedience; fraud and willful breach of trust; and the commission of crime or offense against the employer. If terminated due to aforementioned causes, the worker will not receive a termination pay. But corollary to the security of tenure is the right to question the legality or validity of the dismissal before the National labour Relations Commission (NLRC) (Anunoevo, 1992:38).
and workers participation as the main tools of analysis which concepts shall be examined in Chapter two.

A multi approach combining the historical, contemporary and comparative approaches is employed to analyze the social, economic and political status of trade unions in the workplace, community and the society as a whole. A historical and comparative approach is used in Chapter 2 where labour relations theories of adversarialism, pluralism and unitarism are examined to illustrate how trade unions in its subordinate role to capital either politically or economically constructed will require deconstruction of existing structures to overcome it. A historical and contemporary approach are employed in Chapters 3 and 4 to empirically analyze the status of trade unions and emerging management practices as well as the response of trade unions to the challenges brought by the structural changes.

In organising a framework for discussion of the changes in the environment in which trade unions operate which is in chapter three, a model was adapted to represent the nature of worker representation and help understand the variety of trade union experiences. The model does not provide a general explanation of the changes in the world of work, rather to offer a framework within which in a limited manner a testable propositions can be elaborated and discussed. The model seeks to bring out some key factors affecting ability of worker representation to adopt the pressures of the 80’s.

1.4 Inspiration

The inspiration to undertake this study arose from my personal experience as full time staff and trade union official at the same time of a Labour Federation in the Philippines for almost a decade. Being connected with a national labour organization for
quite sometime, I come to learn the confronting complications of how trade union organizations work, how they participate in job regulations, how they police abuses of the management, monitor and safeguard the rights of their members, how they make sure that they bargain for a substantial collective bargaining agreement to workers and broaden their institutional base in terms of other services to members, how they educate and empower their members on the importance of solidarity and rights consciousness, how they strengthen the bond of common sentiments, ideals and objectives in order to keep the members fiercely entwined, how they struggle with the challenges brought by political uncertainties, by the constraints caused by economic restructuring, and were able to cope with trade union raiding and busting.

Too much is expected of a trade union organization, especially at the enterprise level. With the current changes in economic trends which triggers changes in the work structures, their relevance is being challenged and identity questioned. Notably, from the structural changes taking place, I learned to hear that their presence in places of work by the turn of the century becomes a question of relevance to workers.

But I was struck by the fact, that these changes in the work structure and labour relations practices do not bother the trade unions in the Philippines, instead they are busy with their political and lobbying activities which are mainly focus on national economic issues.

My curiosity was further raised by the initiatives undertaken by the trade unions in the Western countries, having realized the implications of what the emerging modern trends in work practices may caused them and how they can cope with the challenges brought by these practices. Nevertheless, I encountered articles which described these practices, but none indicated how trade unions should respond to the situation at the enterprise level. It was my desire to get a deeper understanding of these contradictions
and complications and finding out how trade unions should react to these changes and unremittingly remained relevant to workers. How the trade union movement should reassess their role and would make a pivotal role in response to these challenges raised my interest to undertake this study.

Existing work concentrates on The Challenges of Labour and Social Development: the Philippine Experience (ILO 1993), Understanding the Labour Movements in the Third World (Scipes, 1995), Trade Unions and Industrial Relations in the Philippines (Ramos, 1976), Philippine Employment and Economic Situationer (Damaso, 1988), The New Unionism (Hecksher, 1992), Innovative Approaches to Industrial Relations (ILO/UNDP/ASEAN,1985), Trade Unions and the New Industrialization of the Third World (Southall, 1988), Democracy at Work: Changing World Markets and the Future of Labour Unions (Turner, 1991), Organization and Framework for Managing the Social Dimension of Change (Garibaldo, 1993) while recent works by researchers on Management and Implications to Industrial Relations (Molander and Winterton 1994, Cordova, 1982; Salaman, 1992; Guest 1987 and 1992; Legge 1992; Strobber 1990; Wood and Albanese 1995, Ambarao,1994 etc. ) none of these studies were focused on how trade unions at the enterprise level should respond to these changes. Nevertheless, nobody in the Philippine labour movement has given attention in assessing the challenge brought by the changing world or work to trade unions and how to improve the role of Philippine Trade unions under this complicated notion. This study attempts to make contribution in that aspect. It is also my view that proper examination of these emerging modern management practices and its implications to trade union’s role is essential to enable the trade union to make a pivotal role and for them to pave the way for positive changes.
1.5 Sources

This study will be based largely on secondary data from published books, journals, reports and unpublished materials as well as my observations and experiences being with the trade union movement for sometime.

Primary data through actual interviews were obtained from the officers of the Research Department of the Dutch Confederation of Labour (FNV), Netherlands and the Industrial Relations experts from the office of the International Labour Organization (ILO), Geneva. The author had likewise explored the very useful documented surveys, information and data on Philippine industrial relations system from the library of these two prestigious organizations in the field of labour.

1.6 DEFINITION OF TERMS AND CONCEPTS

Throughout the paper, several concepts which are not defined in the text are being used and their definitions will be adopted as below:

Bipartism
This refers to power relations between employers and employees organizations with little intervention of the State.

Corporatism
Collier defined corporatism as a pattern of relationship between the state and interest groups that involves such elements as the state structuring of representation that produces a system of officially sanctioned, non-competitive interest associations, and direct state control over their leadership, demand making and internal governance (Collier, 1979:400). The state may simply license such associations if they already exist or simply create them if they are not in existence.
**Conciliation**
The concept is used to refer to a process of mediation by a third party in an otherwise voluntary settlement of disputes. Conciliation services are usually carried out by the state as peace making exercise between employers and employees when they are locked in dispute.

**Pluralism**
The concept refers to the system of interest representation in which the constituent units are organized into an unspecified number of multiple, voluntary, competitive, non-hierarchically ordered and self-determined (as to type of interest) categories which are not specially licensed, organized, subsidised, created or otherwise controlled in leadership selection or interest articulation by the State and which do not exercise a monopoly of representational activity within their respective categories.

**Tripartism**
Harrod (1987) refers to tripartism as the intervention of the State within a bipartite power situation regardless of which side is assisted or controlled. This implies that three distinct power centres of employers, workers and the state must be considered.

**Voluntarism**
Voluntarism as applied in industrial relations refers to three basic features; to refer the general preference for collective bargaining, to the regulation of the state as a method of settling wages and other terms and conditions of employment. Voluntarism is also identified with the preference for complete autonomy by the bargaining parties in their relations.

**ILO Convention**
A Global labour standard developed and formulated by an International Labour Organization (ILO) conference which deals with guidelines on the conduct and parameters of workers', employers' and governments' rights and privileges on the multifaceted aspects of employment and labour relations. It is subject to ratification by individual governments - which means that the government concerned undertakes to apply them. Its ratification is a binding obligation to international law and failure to apply the provision of a ratified convention may cause the government...
to be called for breach of undertaking. Thus, it becomes a legal and moral force that is seen as a general influence on the social policies of a signatory-government. It is usually issued with a corresponding recommendation, providing detailed guidelines for governments to follow but not binding the latter to implement them fully.

1.7 Scope and Limitation

This study is limited to Philippine Trade Unions and the response to the emerging new management practices within the industrial and manufacturing sector for the period from 1980 to 1995 due to limited data base of the Philippines. The Philippine Labour Review; The Challenges of Labour: Philippine Experience; Philippine Journal of Industrial Relations; and the Philippine Employment and Economic Situationer cover all workers and industries and are focused on the Philippine setting as of 1980’s provided most of the data in Chapter 3. Use were be made from the Current Labour Statistics and Labour and Employment Statistical Report for 1994. Collection of papers and case studies done by the ILO/UNDP/ASEAN on ASEAN countries from 1985 onwards on industrial relations and management practices were used in Chapter 4. Primary data as a result of interviews conducted from two international labour organizations are limited in the context of what supposed to be are the responses of trade unions on the emerging new management innovations.

The short duration within which to write the paper and my financial limitations rendered it impossible for me to conduct field research on several manufacturing industries and trade union organizations in the Philippines which could have enriched my study. Moreover, while Philippine management practices are not fully documented because they are of recent trends as a result of structural adjustments in the 1980’s, the author will make use of the limited reference materials available.
1.8 Chapter Structure

Chapter one introduces the research problems and questions that are to be handled as well as the aims and objectives this study. An overview of trade unions in the Philippines and the challenges it is facing, as well as methodology, sources of data, definition of terms, scope and limitation and chapter structure. In Chapter II, the conceptual and theoretical framework for analyzing the problem in subsequent chapters is laid out based on human relations theories, capitalism, unionism, workers participation and human resource management. A historical and contemporary discussion of Philippine Trade unionism is carried out on Chapter 3 while the assessment of the changes in management practices taking place in the Philippines is done on Chapter IV. Chapter Five contains my recommendations as to the strategic response of Philippine trade unions to these challenges and thereafter my conclusion arising out from my findings.
CHAPTER TWO
CONCEPTUAL AND THEORETICAL FRAMEWORK

2.0 INTRODUCTION

This chapter will deal with the different elements that have contributed to the changes in the pattern of labour management relationship and the declining influence of trade unions in the workplace particularly focusing on paradigm closely identified with the patterns of human resource and industrial relations practices. I will take into account the theories of Human Resource Management (HRM), concepts of workers participation and their implications to the role of trade unions at the enterprise level. The main objective is to develop a model and theoretical framework which will help analyze the changes taking place on the working patterns at the enterprise level and its effects on the relationship between management, workers and the trade unions. The specific in depth analysis of the roles and influence of Trade Unions in the Philippines and the contemporary environmental challenges that besets them shall be confined in chapter 3, while those changes that specifically occur at the workplace and their implications to industrial relations and trade unions will be on chapter 4.

2.1 THE HUMAN RESOURCE MANAGEMENT (HRM) THEORY:
The nature of personnel management and industrial relations has undergone major changes in emphasis in the recent past, a process which has been hastened by the development and growth of human resource management. Human Resource Management (HRM) as defined by Rojot (1992) is the management of all the relationships and interactions between employers and employees of all kinds, between their differing environments (political, economic and social), be it at a formal or informal level, collective or individual (Rojot 1992 as quoted in Cressey, 1992:7).

The term human resource management or HRM has emanated from the previously known 'personnel management' (Storey 1992; Legge, 1992; Strauss 1986 quoted in Beaumont, 1992) or simply from the term
describing management of people. These changes were highlighted by Strauss (1986) as a movement from a concentration on blue collar workers to a concentration on management of personnel movement; from an interest in the social needs of workers to one emphasizing the achievement of 'self-actualization'; or simply from a change seeking to eliminate conflict to that seeking to make conflict more joint problem solving nature.

Human Resource Management consists a number of tenets which include the following: i) the integration of personnel management into the strategic planning of the enterprise, rather than being seen as an isolated set of issues; ii) the decentralization of many of the industrial relations functions of personnel management to middle or line management; iii) the greater use of employee involvement initiatives, consultative practices, teamwork and so on, with increased stress upon direct communication with the individual employee; iv) the formalisation of employment policies, equal opportunities, appraisal, job evaluation, working time, working conditions and so on; v) emphasis on performance related pay and reward system; vi) the revamping of corporate culture and recruitment policies, development of high commitment employees and stress on continual training and skill upgrading.

Guest, 1987 in his paper cited the several economic reasons for the implementation of the HRM: first, HRM is motivated by the increasingly competitive and integrated characteristics of the product market environment; secondly, from the 'positive lessons' of the Japanese system and high performance of industrial US companies which accord human resource management a relatively higher priority; thirdly, on the declining levels of workforce unionization particularly in the US private sector; fourth, from a relative growth of the service and while collar sector of employment; and lastly, on the relatively limited power and status of the personnel management function in individual organizations due to its inability to demonstrate a distinctive contribution to individual and organizational performance.
Analysis rests on the contentions that HRM is a development driven by fundamental changes (particularly in product market conditions) which were not capable of being adequately responded by traditional concerns, orientations and power of personnel management functions.

2.1.1 HRM AND ITS IMPLICATIONS TO THE ROLE OF TRADE UNIONS AT THE ENTERPRISE LEVEL:

Human Resource Management has been closely linked to what is termed as the 'new industrial relations', as a result of industrial relation developments in the 80's. The scheme is for the firm to catch up with its competitors, that it has to engage in the full use of its human resources as necessary and this requires therefore a shift from industrial relations towards HRM policies to improve performance. With this, HRM has been described as a new set of management practices affecting both collective bargaining arrangements and the management of employees. These practices include a move towards a longer term deals, recognition of only one union or even no unions and attempts to create employee involvement and a more flexible and swiftly adaptable workforce. Guest (1987) in his study therefore emphasized that the driving force behind the introduction of HRM appears to have little to do with trade unions. Rather it is a pursuit of competitive advantage in the market place through provisions of high quality goods and services through competitive pricing linked to high productivity and through the capacity swiftly to innovate and manage change in response to the changes in the market place or to breakthrough in research and development (Guest, 1987). Nevertheless, if Guest theory is valid, HRM has considerable implications to industrial relations. Focus is therefore on the underlying values of the HRM of which are in contrast to the more pluralist and collective values of traditional industrial relations.

Obviously, while several authors contend that HRM emanated from personnel management practices, I will therefore use Storey (1992) illustration of the differences between personnel
management and human resource management practices. As such he tried to cite twenty seven points of difference. He summarized it as follows:

<table>
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<tr>
<th>DIMENSION</th>
<th>PERSONNEL AND IR</th>
<th>H R M</th>
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<tbody>
<tr>
<td>A. BELIEFS AND ASSUMPTIONS</td>
<td></td>
<td></td>
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<tr>
<td>1. Contract</td>
<td>Careful delineation of written contracts</td>
<td>1. Aim to go beyond contract</td>
</tr>
<tr>
<td>2. Rules</td>
<td>Importance of devising clear rules/mutuality</td>
<td>2. 'Can-do' outlook; impatience with 'rule'</td>
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<tr>
<td>5. Mgrl. task vis-a- vis labour</td>
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<td>6. nature of relations conflict</td>
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<td>7. conflict</td>
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<td>7. De-emphasized</td>
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| B. STRATEGIC ASPECTS | | |
| 10. Corporate Plan | Marginal to | 10. Contral to |
| 11. Speed of Decision | Slow | 11. Fast |

| C. LINE MANAGEMENT | | |
| 12. Management role | Transactional | 12. Transformational leadership |
| 15. prized Management Skills | High (e.g. Parity an issue) | 15. Low (e.g. 'parity' not seen as relevant |

| D. KEY LEVERS | | |
| 17. Selection | Separate, marginal task | 17. Integrated, key task |
| 18. Pay | Job evaluation (fixed grades) | 18. Performance related |
| 20. Labour-Management | Collective bargaining | 20. Towards individual contracts |
| 21. Thrust of relations with stewards | Regularized through facilities and training | 21. Marginalised (with exception of some bargaining for change models |
| 22. Job categories and grades | many | 22. Few |
| 23. Communication | Restricted below | 23. Increased flow |
| 24. Job design | Division of Labour | 24. Teamwork |
| 25. Conflict handling | Reach temporary tructures | 25. Manage climate and culture |
| 26. Training and development | controlled access to courses | 26. Learning companies |
| 27. Foci of attention for interventions | Personnel procedures | 27. Wide ranging cultural, structural and personnel strat. |

Source: (Storey, 1992: 143-144)
The 27 list of points of difference were the results of the survey done by Storey (1992). He grouped it into four (4) main categories namely: a) Beliefs and Assumptions; b) Strategic Aspects; c) the increased significance of Line managers; d) the utilisation of set of 'levers' which are different from those to which managers previously had recourse. A summary of the points presented is in figure two (2) below. In essence, the models presented by Storey highlights several key features of the 'new paradigm'. Thus, the trigger is shown as the increased level of competition in product markets (in contrast for example of a new set legislative requirements). The second feature is the alleged 'strategic' nature of the corporate response to this new competition. This has two aspects: a definitive linkage between employment policies and the corporate plan to win competitive advantage, and a novel degree of integration between the various elements constituting those employment policies. The third highlighted feature shown in the model is the threefold span of the HRM arena of action. This encompasses not only the 'personnel levers of selection, communications, training and the like, but also brings in 'cultural strategies' through working on beliefs and assumptions (of managers and other employees) and the 'structural strategy' of projecting line managers to the fore. The model then shows how there is an assumed link to changed attitudes and behaviours and how these in tandem with the new priority areas for action taken by managers ie the aforementioned threefold span of HRM, can expected to impact on industrial relations.
On the other hand, Guest (1992) posits a contention that HRM leave little scope for collective arrangements and assume little need for collective bargaining, I will then try to examine some of the common HRM elements that are said to have contributed to the centrality of industrial relations issues and therefore the role of trade unions or trade unions representatives in the workplace.
**FUNCTIONAL FLEXIBILITY** - This refers to the capacity of the organization to manage innovation (Guest, 1992). This is usually the response of the management to the rapid environmental changes that increased price competition. The practice persuade the employers to reduce employment in their highest labour cost units and shift investment to low-wage alternatives or reallocate resources and jobs from union to non-union environments without major conflicts. The situation of which compel workers to have little reason to carry out their union commitment or loyalty to new jobs (Kochan, 1988). He observed further, that while employers are putting resources into designing their new facilities to both maximize flexibility and avoid unionization, many workers found these new job environments responsive to job related interest. And in these new jobs, job dissatisfaction which required interest on majority of workers to unionize are absent (Kochan, 1988). Guest (1992) in his paper suggests that the HRM concept in itself, is not necessarily anti-trade union, in particular it is the notion of flexibility as the most important element of HRM which is posing a significant challenge to some unions specifically those enterprises with multi-union sites. Beaumont (1992) strongly endorsed Guest contentions. In his paper he argued that "... HRM is most applicable in non-union organizations and difficult to introduce in a highly unionized firms, but if introduced in the latter, may have significant anti-union implications... " (Beaumont, 1992). He viewed HRM as awkward and having essentially negative relationship with industrial relations because they are seen to threaten the position of collective bargaining as traditional centrepiece of industrial relations system and a challenge to the loyalty and commitment of existing members (Beaumont, 1992).

**THE ELEMENT OF HIGH COMMITMENT** - this is a kind of innovation and quality-based strategies requiring a workforce that is committed to the organization. The term 'commitment' is a unitarist in concept but a central element in human resource strategy for managing workforce (Kochan, 1988). The term commitment is likewise related to other management practices (Wood and Albanese, 1995),
which could be firstly, in the form of recruitment practices aim to attract and select highly committed and flexible people; secondly, can be applied to internal labour markets which reward commitment and training with promotion and job security; and third, can be defined in the methods involved in direct communication and involvement such as team briefing, team working and quality circles. In the actual practise, these includes the i) development of career ladders and emphasis on trainability and commitment as highly valued characteristics of employees at all levels of the organization; ii) high level of functional flexibility with the abandonment of potentially rigid job descriptions; iii) reduction of hierarchies and the ending of status differentials at least between white-collar and blue-collar workers; iv) heavy reliance on the team structure for disseminating information (team briefing), structuring of work (team working) and problem solving (quality circles) (Wood and Albanese, 1995). The element of commitment is a unitarist in concept but a central element in Human resource strategy for managing workforce, it threatens industrial relations and therefore unions (Kochan, 1988).

THE ELEMENT OF TRAINING—regarded as a central to human resource development, training can be aimed to provide i) efficiency and concepts form implementing cultural change, ii) efficiency and customer service, managerial skills, performance appraisal process itself, iii) specific skill training for production workers, and iv) as on going activity for alcohol abuse and absentee reduction (Ambarao, 1994). Training can be argued as a solid economic rationale which is likely to bind to the development of wider human resource management policies (Keep, 1992). If a company has invested in training its workforce, it then makes sense to develop policies that will help to retain these employees and to motivate them in such a way as to put their best to their skills, thereby maximizing the return on investments. Training can be used as a gauge for the firms claim that they are people-centred organizations and that they regard their employees to be important and valuable (Keep, 1992).
But having an educated workforce on the part of the management and an empowered members on the part of the union have become a threat to the existence of both trade union and management. Self-reliant workers are incompatible with the traditional styles of management and industrial relations system, and workers may take both unnecessary in the long run.

**THE ELEMENT OF QUALITY AND COST CONSCIOUSNESS**— Similar to each other, this element operates on a theory that workers possess competence, talent and skills and ability to identify problems in their particular job areas and defects in the existing system or work procedures (Trajano, 1985). While both quality and cost consciousness are elements for competitive advantage, one can say that they are pluralist in nature. Management seek to minimize labour costs, while workers seek to maximize them (Kochan, 1988). Under the concept of commitment, these concepts are less suitable for HRM but fitted for industrial relations. Under the free market strategies, they have become extended choice for employers as they can reduce the costs effectively without the trade unions. Where costs advantage is the goal, unions and industrial relations system appeal to carry higher costs. If possible management will prefer to do without them (Kochan, 1988). These values underpinning HRM leave little scope for collective arrangements and assume little need for collective bargaining and therefore trade unions.

**FREQUENT PERSONAL CONTACT** — Writers of HRM, Mahoney and Deckop (1986) give central place to communication to identify a shift away from communication through collective channels to more direct communication with employees as individuals. This is a change adopted by the management to be able to shift from an adversarial type to follow an HRM approach. This will enable the management to take a shift towards a more direct contact between management and workers which will reduce extent of union representatives to act as go betweens (Walton, 1985).
THE ELEMENT OF WORKERS PARTICIPATION - the concept of workers participation has long been practised during the industrial revolution as a result of the growing size of industries when it was no longer possible for the employers to have an informal consultations with the employees. The practiced of workers participation itself at the enterprise level were known to provide enormous challenge towards industrial relations and the role of Trade unions at the workplace. In essence, I find it therefore proper and imperative to provide the theory of workers participation a focus among other HRM elements mentioned. The components of workers participation and its implications to labour-management relations must be therefore thoroughly scrutinized.

2.2.0 MEANINGS AND CONCEPTS OF WORKERS PARTICIPATION:

Different authors have defined workers participation in various ways. Roca and Retour define workers participation as:

" A medium of humanising and delineating work, for motivating the personnel and for handling internal conflicts and also a superior element in the praxis and self-determination of the individual and the workers at all levels " (S. Roca and D. Retour, 1981: 21).

While Gladstone and Greve define it as " any input by workers or their representatives into the decision making process of the enterprise" (Gladstone and Greve, 1984). On the other hand, Virmani defined it " as a process by which workers share in decision making that extends beyond the decisions that are implicit in the specific content of the jobs they do " (Virmani, 1978). The first definition combines the main objectives of the two different approaches to workers participation namely: the humanistic approach pursued by the human relations school of thought of Vroom (1959), Blauner (1964), Tannenbaum (1966); Guest and Patchett (1974) which ascribe the transformative role to workers participation. The second and third definition centres
on participation in decision making. In as much that I ascribed workers participation schemes as those reflecting the emerging new practices in the modern enterprise under the present up, for the purpose of this study workers participation is defined as a process whereby workers directly or indirectly through their representatives are involved in decision making, and managing the affairs of the enterprise at whatever level.

This in practise amounts to the workers having a share in the reaching of final managerial decisions in an enterprise. This could be through collective bargaining by the trade unions, workers representatives on the board, works council, joint management councils and some styles of management and leadership. The initiative for workers participation can originate from the workers themselves or their organization, from the employers or from a third party which in most cases is the government. All three social partners in development have different purposes for initiating workers participation.

Workers participation is always centred around the pattern of representation and conflicts of roles and responsibilities that arise. Under this situation, the management of the affairs of the Company are primarily deemed as a decision making process through which the aims of the enterprise and the methods of achieving them are decided. Many decisions could be made only higher levels within the hierarchy, which could have an effect on the pattern of any system of workers participation in management. How these decisions are attained, workers participation schemes played a major role in this regard. In a broader context, workers participation can be classified into three main categories namely: Consultation, Association and Participation.

**CONSULTATION** — A situation where workers and management may consult on specific issues before taking a decision. The final choice as to whether to accept or reject the workers advise or suggestions is left to the management. Presumption is that
through consultation, management will be able to know the problems and viewpoints of the employees before final decision is taken.

**ASSOCIATION** - The role of the workers representative is not merely advisory or consultative but also participative though not on a parity basis. Management may associate one or more employees representatives in decision making process but their representation is normally on a minority basis.

**PARTICIPATION** - Both management and workers jointly take managerial decision on the basis of equality. Equal representation is given to both the parties in the decision making process.

2.2.1 **FORMS OF WORKERS PARTICIPATION:**

There are various forms of workers participation. Some could have been in existence for a number of decades while others are of more recent creation. There are those where workers are involved directly while others involved them indirectly through their representatives. The various forms do not grant however, the workers the same degree of participation. There are those that grant them partial participation which Pateman following Verba refer to as pseudo participation.

Under this type of participation, workers are only involved in a limited sense and "are persuaded to accept decisions that have already been made by management" (Pateman, 1970:68) and according to Stephens such forms grant workers less than fifty percent control (Stephens, 1980:14). Others grant them equal power in running the affairs of the enterprise and yet others grant them full participation whereby workers take over the running of the enterprise (Pateman, 1970:70) and have more than fifty percent control (Stephens, 1980:14). The degree of participation that a particular form can accord to workers also depends on the level at which participation takes place within the enterprise as well
as the subjects for discussion. Workers' participation can take place at any level of the enterprise and maybe on a wide range of issues namely; personnel, welfare, working conditions, work organizations, health and safety, technology, investment and host of other issues. Depending on the level, the issues and degree of power, workers have to influence decisions. Bernstein established this as under the "threshold of regular participation and threshold of democratic transformation". Direct forms include operation of suggestion boxes; shop floor level schemes like total quality control; job enrichment schemes; productivity groups or competition groups as they are called in France (Y. Delamotte, 1988); profit sharing and co-ownership; and self-management. Indirect forms of participation include collective bargaining, works councils, workers directors, and co-determination. I shall begin my discussion with the direct forms:

**SUGGESTION BOXES** - Initiated by employers private and public except the self-manage enterprises. Present virtually in all countries, this scheme is instituted with the aim of soliciting views, criticisms and proposals from workers about the enterprise and the way in which it is being run. Suggestions can be made on any issue pertaining to the enterprise or about any person within the enterprise. The responsibility of analyzing the suggestions entirely lies with the management, while in some enterprise a special committee is instituted for that purpose as well as an appeal committee to ensure fair judgment (Kester and Schiporst, 1987). It is however important to note that this new enthusiasm about staff suggestions schemes is combined with a change in work organization whereby workers operate in small voluntary autonomous groups. As far as old mode of suggestion boxes is concerned there is substantial evidence to prove that majority of the enterprises have not been taking the suggestions seriously (Delamotte, 1988; Kester and Schiporst, 1987). This has resulted into workers disinterest about them and a complete loss of the meaning for which they were basically meant to benefit the employer. Although at times they may lead to improving conditions within the workplace, this does not in any case lead
to more power being entrusted to workers. Even in cases where workers suggestions are now more valued the prerogative to decide on which suggestion to reward or how much to reward still rests with management. The relations between management and workers remain unchanged with improvements in working conditions this does not in any way lead to humanizing work.

**QUALITY CIRCLES** - of recent this has been replaced with total quality control but still they pursue the same objectives. This is a shop floor scheme which are characterized by workers being organized in small voluntary groups of about six to eight people. The group is granted more autonomy and is entrusted with the responsibility of regulating its way of working. These responsibilities may range from fixing the time and pace of work, breaks, holidays, disciplining members of the group, to administering finances and purchases as well as making proposals of how products or services should be improved and what type of machinery should be purchased. Although target groups are set for them, it is up to the group to moderate how it is going to work. Each group is guided by a team leader who no longer plays a supervisory role since the group is self-regulatory. Any member of the group is entitled to make suggestions which are then submitted to top management for approval. Each group is entitled to any information in relation to production that will facilitate it in smoothly carrying out its work. Such shop-floor schemes do not only stop at changes in work organization but are also accompanied by attractive payment schemes that are geared towards motivating the workers more.

Agreeably, some more power has been granted to the workers that what they previously had. Workers are involved in decision-making

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9 According to Watanabe, 1991 the Nippon Steel Company in Japan who started using this small groups called the quality circles in 1974, after the crisis was able to save 40 billion yen in a year (Watanabe, 1991).

Britain Engineering companies was able to make substantial savings on supervisory staff (Bratton, 1991:387). The scheme had likewise the effect of diverting conflict over the pace of work and production standards from management to shop floor (Bratton, 1991:387).
on production and working conditions and they have taken over the supervisory role. They have more access to information especially that related to production. They organized their own schedules of work and are encouraged through suggestion schemes to become more creative and innovative. This makes work more humane, interesting and makes workers proud of identifying themselves with it and the enterprise. Nevertheless a lot of this rotates on production and working conditions. Workers still have no hand in deciding how much should be spent on staff salaries or how much of the profit should go to them. Even though suggestions are welcomed and seriously considered by the management, the prerogative of deciding which one to select remains with the management. Secondly, the groups appear to have taken over the lower management roles but top management will remain intact and workers do not in any way participate in decision making at that level. Thus, besides production issues and working conditions as well as health and safety, workers play no part in determining how much of the profits should go to them. A number of authors (Bratton, 1991; Rainie 1991; Oliver and Wilkinson, 1990) have argued rather correctly that these new schemes are intended to increase the control of management over workers and get maximum productivity out of them.

**PROFIT SHARING AND CO-OWNERSHIP** - Profit sharing involves workers being given the latitude to share part of the profits at the end of the year if any accrue to the enterprise. This has mainly been practised in private companies and the main objective has basically been to increase workers motivation and loyalty to the enterprise. Profit sharing schemes where they are in operation are in majority of cases entirely administered by the management. There are countries where unions have managed to secure a provision in agreements for end of year bonus accruing from profits but to a greater extent it is still management which decides whether there will be any profits to share and how much of it should go to workers. Thus, apart from workers getting an additional payment on their salaries at the end of the year, profit sharing does not grant them any other rights. Co-ownership
schemes involve workers being allowed to purchase shares from the Company. Trade Unions may also be allowed to do so and in quite a number of countries they have been able to buy majority shares. Several governments in developing countries have resorted to these kind of schemes in state-owned enterprises. Shares purchased by workers only entitle them to a share in the Company’s dividends and in most cases they do not even attend shareholders’ meetings. On the other hand, the trade union with its majority shares can attend the shareholders’ meeting and use that as a platform to influence a number of policies. It is however, important to note that most important decisions are most times made outside such forums and things are brought to the meeting for mere endorsement. Thus, unless the union is able to have access on the executive body of the enterprise it may still be difficult for it to make any meaningful influences. There are instances where the union becomes the sole owner after purchasing all the shares. In such situation, one expects workers to be granted more latitude to run the enterprise but this is not usually the case.

Evidence has proved that the union continues to run the enterprise as it was previously run and it merely becomes a change of guards (Kester and Schiporst, 1987). Profit sharing and co-ownership do improve the economic situation of workers by putting more money in their pockets and winning their allegiance to the enterprise but they do not lead to any changes in relationship between the workers and management at enterprise level. Management remains at the ream of control. In most cases its main objective for initiating such schemes may have been to secure more loyalty from the workers or strengthening the financial base of the enterprise as was the case in Canada. Trade unions are suspicious about such schemes and would prefer to have collective bargaining extended to cover such areas. In some countries, they have demanded profit sharing to become a right to be enshrined within the collective agreements. Profit sharing and co-ownership only enable the workers to have a share in the
profits but do not in any way accord them any opportunity to take part in managing the enterprise.

**SELF-MANAGEMENT** - this is the last form of direct workers participation with three ways of which can be instituted in an organization. One way maybe by workers over taking the running of the enterprise as a result of management’s efficiency; another may be through a collision between workers and management to take over a previously state-owned enterprise as is now the case in India and Hungary in 1978; a third one maybe through legislation by the State as has been the case in Yugoslavia in 1958, and Peru in 1974. Whichever maybe this was introduced, self-management involves workers taking over the running of all the affairs of the enterprise which has hither to been done by management. Taking the case of Yugoslavia in small enterprises the workers general meeting constitutes the supreme organ of the enterprise. It is this body which is responsible for setting all the policies for the enterprise, recruiting all the personnel, deciding on how much to spend on salaries and how much to invest. In larger enterprises where it maybe quite difficult for all workers to run the enterprise, they delegate their responsibility to a few workers on the council which is elected at the general assembly. This council then elects amongst itself a smaller managing committee and also appoints a managing director who are entrusted with running the enterprise. policies are made by the council which is also responsible for recruiting the management staff. General meetings for all workers are convened in specified times to keep the workers informed about the affairs of the enterprise. This does not necessarily mean that all management staff have to be got rid of. In order for the enterprise to remain running smoothly these have to be kept on but they now have to work under the orders of the workers management.

Self-management is the highest type of workers participation that can be aspired. It enables the workers to realize all the objectives of participation namely; human working relationship, full involvement in decision making, an equitable share in the
enterprise's income and taking over the supreme powers of running the affairs of the enterprise. It is the only form of participation that really results in entirely changing the relationship between workers and management at the enterprise level. Nevertheless, some critics like Stephens (1980), Roca and Retour (1981) have argued that self-management per se does not lead to participation by all workers. According to them there is no participation at the lower levels and the fact that workers are now in control does not eliminate the management hierarchy. In most cases, the council is dominated by the managerial and skilled workers.

Indirect forms of workers participation as mentioned earlier include collective bargaining, works councils, workers directors and co-determination.

**COLLECTIVE BARGAINING** is the oldest way in which workers through their trade unions have tried to change the existing capitalist order by reducing management prerogative and trying to have a say in matters that affect them. Collective bargaining differs from other forms of workers participation in that it is independent of management. In that respect, the union is free to dissent from any decision. Though initiated by workers, governments have come to appreciate its importance and in almost all countries it is covered by state legislation. Bargaining issues have mainly been around wages and working conditions although of recent a number of unions in industrialized countries have succeeded in having these extended to introduction of new technology and health and safety. A number of countries have also succeeded to win rights to certain categories of information of which are meant to assist them during their bargaining (i.e. Norway, Sweden, UK, USA and Germany). Trade unions have made substantial gains for workers through collective bargaining in the form of improved wages and working conditions, health and safety at the workplace, protection against maltreatment, sickness and old age as well as job protection. In essence, they have strived to make work more humane and to win a bigger share in the proceeds for
the workers. They have also reduced the power of management on wages, working conditions, health and safety as well as introduction of new technology since management can no longer decide on those issues without the involvement of the union. Collective bargaining has high potential of changing relationship at the enterprise level if combined with shop-floor level schemes and workers directors. in fact, some authors like Ogaden 1982, hyman 1974, Scargill and kahn 1980, Aarono Vitch 1981 advocate for the transformation to be brought about through strengthening collective bargaining at enterprise level and widening the scope of negotiable issues.

WORKS COUNCILS - In majority of the cases where works council operates they may have been initiated by the employers. Names by which they are called vary from country to country, in some countries like the Germany and Denmark, they are by law supposed to set up the works councils. Nevertheless, it is mainly large enterprises that have set up these councils. Representation on the council is in most cases laid down within the law and it ranges from councils made up of equal representatives. Workers representatives are usually elected by the workers and in some countries like France and Israel, the trade union is allowed to make nomination for candidates to be elected. The chairman of the council is usually the head of the enterprise. Most of the councils have consultative status on personnel policies, plans to introduce new technology, day to day planning of production work plus methods as well as changes in the organisation of the enterprise (Ross, 1986; Delamotte, 1988; Schregle, 1988). Those in Germany have collective bargaining function on certain issues and do decision in certain personnel matters and administration of welfare facilities (Schregle, 1987) while the ones in France have managerial powers and their own resources in case of social and welfare facilities (Delamotte, 1988). The issues dealt with by the councils are by law separated from those dealt by the trade unions and they normally include social and welfare activities. There is however, a tendency in practise for the councils to encroach on collective bargaining issues as is
sometimes the case in Germany (Schregle, 1987). Most councils are also entitled to information on wages, working conditions, enterprise performance and its prospects of employment and unemployment (Ross, 1986; Kester and Schiporst, 1987; Delamotte, 1988) as well as time off to do council work and protection against victimisation.

Works councils have been able to make substantial improvements in social as well as welfare facilities. Through their representatives workers are more versed about the enterprise and its operation. Management is also obliged to seek the views of workers on a number of issues that affect them before implementation. This to a certain degree does reduce management prerogative on certain issues and increases workers meaningful involvement in running the enterprise. Nevertheless, work councils grant only partial participation to the workers and although there is a slight reduction on management power this does not very much change their relationship at the enterprise level. Workers are only granted information to a limited number of issues, and although they have to be consulted on several issues, management still makes the final decisions. Works council do not also address the problem of equitable distribution of income neither do they lead to redistribution of power at the enterprise level.

The relationship between trade unions and works councils has been very confrontational. Right from their inception, in most countries they were perceived as a weapon meant to undermine the strength of trade unions. As a counter response most trade unions tried to penetrate the councils by ensuring that those elected are either shop stewards or union members. Where unions have succeeded to dominate the council like in Germany and Israel, they have benefitted from gaining access to information and also widening their scope for negotiation.
REPRESENTATION OF WORKERS ON BOARDS OF DIRECTORS - This form has also become a widely used method by both private and public enterprises in developed and developing countries. The number of workers representatives vary from country to country. However, in most of the countries only one or two representatives are allowed and the method of appointing likewise varies. In most developing countries, appointment is done by the Minister responsible, from out of the nominations made by the unions or workers group. In developed countries, it is mainly through appointment or election by either the union or by the workers.

Workers directors have the same rights like all the other directors and with the exception of a few countries they are entitled to participate in all the board meetings and have access to all the information. In India, worker directors who have been instituted on most of the state run banks are excluded from attending meetings of the executive committee of the board (Gosh and Gupta, 1992:415). In Israel, workers directors make up one third of the board membership and workers normally have one representatives on each of the executive management (Bar Haim, 1988).

Where workers directors have been knowledgeable and influential they have been able to make some impact on decisions affecting the entire enterprise. They effectively participate in recruiting management staff, debate and decide on budgets, investment decisions and a host of other policy matters. Workers representatives on Boards have also assisted in enlightening other board members about issues pertaining to workers thus eliminating chances of making blind decision about them. Although performance of some of the worker directors has been remarkable there are a lot of limitations that others face. Being always in the minority it is rather difficult to influence decisions even at board level since at times voting is required and they are always outnumbered (Kester and Schiporst, 1987). Most workers directors have not got the same degree of experience like other directors so they may not participate in the discussions at the same level. There are also cases where the worker
directors may be shy to say anything in the meetings. This is most likely to happen where the worker directors are also employees of the same enterprise. Despite those limitations, workers being represented on boards is a very big step towards their participation in the enterprise. With the exception of few countries, like in India where there are limitations to attending the executive meeting of the board, workers directors have access to all the information. They take part in formulating policies for the enterprise and are party to the decision that the entire board makes\(^1\).

However, worker directors alone will not be able to make work more humane neither will they make it possible for all the workers to be more meaningfully involved in running the enterprise. In order for this form of participation to bring meaningful results it should therefore be combined with other forms like works councils, shop floor schemes or collective bargaining in order to have workers represented at all levels of the enterprise. Implemented on its own it only seems to uplift the status of those who are on the board and who may never be able to make influence on any decisions. The chances of such worker directors to change the relationship between workers and management at enterprise level on their own are quite slim.

Israel is however a unique case where in some enterprises worker directors have succeeded to substantially reduce the decision making power of management (Bar haim, 1968). An explanation to this could be their rather fair number and the fact that they are represented on each of the management committee. The relationship between worker directors and trade unions is generally not very cordial. In fact, in countries like the Britain and the USA and Germany there have been stiff resistance by trade unions to accept workers representation on boards. The

\(^1\) Israel is a unique case where in some enterprises, workers directors have succeeded to substantially reduce the decision making power of the management. The explanation could be their rather fair number and the fact that they are represented on each of the management committee (Bar Haim, 1968).
main argument has been that the role of management is to manage while that of the workers of their representatives was to observe and criticize what the management does. As a result, most of them have been very cautious about accepting board representation. Nevertheless, the ongoing economic situation in most countries has brought about change in tides which have made trade unions stand to benefit by making best use of the opportunity to strengthen their bargaining position. This can best be done by keeping in constant touch with the board workers representatives, organizing for them courses to widen their knowledge on board deliberations, and advising them on the union’s stand on a number of issues.

**CO-DETERMINATION** - it is a unique system whereby workers are being represented on boards of a large enterprises in coal, iron and steel industries in Germany. It was introduced by the government through legislation with a main objective of redistributing power to reduce the influence of some rich families that owned those industries before the second world war. The enterprises have a two tier board which comprise of a supervisory board which is the supreme body of the enterprise and a managing board. Workers are represented on a supervisory board by an equal number of representatives like those of management. Workers representatives consist of two from the works council (one blue and one white collar) and three from the union though they need not be from the union itself. The worker directors have equal rights like other directors and when it comes to appointing the personnel director the consensus of the five has to be obtained. Following pressure from management this consensus has now to be reduced to three. The workers’ directors have access to all the information and maintain a close relationship with the works council and trade union which have the right to recall any director who may not be performing to their satisfaction. Co-determination has been successful in bringing substantial changes within the three industries where it has been in operation. Conflicts between workers and management have been reduced to minimal. For quite a number of years, strikes have
been unheard of. A combination of the three forms namely; works council, collective bargaining and co-determination have made it possible for workers to be involved in running the enterprises. Workers directors may however, at times be in a dilemma in having to participate in decisions that may not be in favour of the workers since the interests of capital still supersede those of labour. Their ability to influence certain policies may also be limited to the experience they have in handling board matters. Co-determination does however, grant equal power to workers and substantially reduces the decision making power of management, it enables workers to be involved in decision making at all levels of the enterprise, gives them access to all the information and does highly contributes to make work humane as well as reducing conflicts. Despite its high potential, it is important to note that ownership still remains in the hands of capital which still retains the upper hand on majority of the issues. The relationship between trade unions have been part of it right from the start. In fact, it greatly contributed to strengthening the union within those enterprises and it is a situation that all unions would aspire to do.

2.3 CONCLUSION:

This chapter has laid the conceptual and theoretical framework through which the analysis of human resource management and workers participation practices the Philippines will be carried out in chapter 4 of this study. The changing Management practices though in itself are not really anti-union, the elements that go with it, challenge and threaten the existence and roles of trade unions and its representatives at the enterprise level. Using the checklist of Storey (1992), the 27 dimensions is evident to be of purely of managerial initiatives. A considerable amount of emulation has evidently been occurring and the scope of these managerial initiatives has also been unusually wide-ranging. They have involved changes to organisational and managerial structures, to beliefs and values and a whole panoply of measures directed at redrawing the employment relationship. Many of them
were devised and driven from outside personnel departments. Viewed as a totality, these initiatives have impacted upon the conventional practice of industrial relations and, in a more subtle fashion, changed the very nature of those relations.
CHAPTER THREE

PHILIPPINE TRADE UNIONISM IN FOCUS

3.0 INTRODUCTION

Just what are trade unions for? What functions do they perform in the macro and micro perspectives? According to Sugeno (1994), the original function of trade unions in the industrial relations context is to improve wages and working conditions through workers concerted action. Due to lack of leverage of individual workers in their relationship with employers, the need for workers coalitions was recognized and legal protection in the form of trade union rights was instituted. Dealings with management and labour were systematized in the form of negotiation procedures known as collective bargaining (Sugeno, 1994).

Trade unions roles vary according to the level of context they represent. At the enterprise level, its social function is to help management carry out business restructuring and employment adjustments while protecting employment for their members; at the industry level, they help the national economy continue its steady growth without being plagued by inflation, through voluntary arrangements concerning incomes and prices policy; at the national level, they assist the government in promoting industrial policies to cope smoothly with international pressures and demographic factors; at a broader perspectives, union functions constitute an important subsystem in a democratic market economy system. Unions undertake to pursue equity and equality for the weaker groups exposed to market forces. Together with other social partners they work to increase productivity and harmonize microeconomic and macroeconomic aspects, thereby contributing to overall growth and stability; from the viewpoint of industrial democracy, unions are advocates of employees interests in decision making within the enterprise and they also represent the workers' position in consultations on government policy making. They even participate in local and national
politics through their own delegates or by supporting political parties; in industrialized market economies, unions make up a subsystem of the democratic market economy, although the weight and content of union functions vary from country to country. Example cited by Sugeno (1994) is the case of Europe and Australia, where neo-corporatist type of industrial relations exist. Unions constitute a major element of the centralized democratic market economy. While in the US where there is a strong free market tradition and grass roots democracy, the functions of unions supplementing the economic and political system are much more fragmented. Problems common to industrialized economy is that unions are struggling to attract and retain their constituencies (Sugeno, 1994).

There is a broad spectrum of opinion about what unions do and what they should do. The terrain is controversial and contested. Martin (1989), distinguishes five viewpoints; as pluralists (as industrial regulators); as syndicalists (as social emancipators); Marxist-leninist (as party instruments); organicists (as moral forces); and authoritarians (as state instruments). The pluralists are the 'odd-one out'. For them the function of unions is primarily to improve the situation of their members through collective bargaining. The main function of other groups is education either to raise workers' consciousness towards the overthrow of capitalism, or to promote well-being within the society or state (Martin, 1989: 95-99 as quoted in Davis, 1992:2).

From the standpoint of trade unions, the following are the issues which constitute their basic mandate; employment; wages; job security; union security; representation; social welfare; education; women, young people and migrant workers; environment and technology. Benefits accorded to members are made through collective agreement variables which range from economic, political and miscellaneous package and the quality of negotiated terms for these variables.
This chapter will discuss the roles and status of trade unions in the Philippines. Emphasis will be provided on how collective bargaining, labour legislations and the state, economic reforms and macro policies, tripartism and the ILO contribute to the growth or decline of influence of the trade union movement in the Philippine society today.

3.1  HISTORICAL PERSPECTIVES:

3.1.1. The Growth of the Trade Union Movement:

The first trade union organisations in the Philippines were formed by workers in the printing industry, journalists and tobacco manufacturing workers. They started as mutual saving societies and later on joined by patriotic and fraternal organizations. It was in the 1900's when the service workers, tailors, mechanics and clerks were slowly drafted into the movement. Led by the father of Philippine Trade Unionism, Isabelo de los Reyes, the first labour federation was formed and the first strike held in this period. The 1913-29 period saw the burgeoning of local trade union organizations, this time with a broader range of membership. Major concern of the organization was political activism against imperialism. These organizations were suppressed and declared illegal by the government. The 1937-41 period marked a considerable growth for industrial unions. With the membership base of the Socialist party consisting of peasant workers, the integration of both rural and industrial workers led to the formation of labour movement. Leaders were arrested by Japanese in 1942 which gave impetus for the formation of a guerrilla organization of labourers, farmers and intellectuals.

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11 Union Obrera Democratica (UOD), was the first labour federation founded by de los Reyes. Later this was renamed Union Obrera Democratica de Filipinas, headed by Gomez and the Kapisanan ng Paggawa sa Pilipinas headed by Santos (Mendoza, 1993:92).

As economic conditions became worst during the post war period, this triggered the labour movement to stage the biggest industrial strikes\textsuperscript{13} in the history of the Philippines. The labour federation\textsuperscript{14} formed by trade union leaders was branded as 'communist front'. This forced the government to put against all its efforts to the organization which eventually led to its dissolution.

It was under the Republic Act No. 875 of 1953 otherwise known as the Magna Carta of Labour that the government started to promote trade unionism. But prior to this period, trade unions were generally considered as subversive by the government. Employers totally refused to negotiate with unions as representatives of workers. Instead their leaders were hunted down and arrested. In the 1960's several labour organizations sprang up while strike activities continued. Other notable developments for the years were the decline of tobacco workers as the mainstream members of the movement, the rise of plantation workers and peasant-based unions as well as harbour-based labour groups. Another labour center\textsuperscript{15} was created whose leaders pushed for the one union-one industry system\textsuperscript{16}.

The Marcos years (1966-85) according to Mendoza's (1993) paper can be described into three parts namely: i) pre-Martial law period (1972-75); ii) the Martial law period (1972-75); and iii)

\textsuperscript{13} Strike means comprising not only of concerted work stoppages but also slowdowns, mass leaves, sit-downs, attempts to damage, destroy or sabotage plant equipment and facilities and similar activities (Atienza, 1987).

\textsuperscript{14} Congress of Labour Organization (CLO) formed in 1945 was considered as the most vigilant labour movement as wage disputes rose significantly (Mendoza, 1993:94).

\textsuperscript{15} Philippine labour Center (PLC) was created and classified as 'nationalist front' composed of seven major federations in the country (Ofreneo, 1993:126).

\textsuperscript{16} One union - one industry was adopted later in the 1974 labour code of the Philippines but was strongly opposed by other major labour federations which suspended its implementation. This was the first provision of the Labour Code that was repealed under the Aquino administration (Schregle, 1993).
the post Martial law period (1976-85). The first phase was initially described as peaceful. Trade unions concentrated on organizing activities and firm-level concerns. While the militant sectors used this period to consolidate their forces, drawing students and youth into a wider movement. By the end of 1969, political action had accelerated in the factories, schools and streets. The economy experienced a slowdown, which by 1972 contributed to the escalated military political action (Mendoza, 1993:96).

The second phase is the Martial law period (1972). This gave impetus for the 'rice and fish unionism' or economic unionism. Radical Labour leaders were arrested and detained. Militant labour organizations were not allowed to stage a strike while other forms of concerted activities were prohibited. Repressive measures were reflected in the dispute settlement procedures. i.e. strikes were not allowed once grievances were related to collective bargaining implementation; while major industrial relations issues were forwarded to the government-dominated tripartite system for solution. To totally thwart off nuisance brought by militant labour unions, the government assisted the formation of the long been recognized labour center, the Trade Union Congress of the Philippines (TUCP) (Ofreneo, 1993:120 and Scipes, 1992: 87). Leaders were appointed to various tripartite bodies such as Social Security System (SSS), the National Labour Relations Commission (NLRC), Overseas Employment Development Board (OEDB), etc (Ofreneo, 1993:111-126). The moved by the government resulted to the much publicized industrial peace and economic growth ever recorded in the history of the country. The TUCP likewise pushed for the restructuring of the labour movement.
based on the concept of 'one union - one industry' unionism\(^{17}\), but did not succeed. Table one below for example indicated that for the years 1973 and 1974, no strikes occurred as a result of government intervention. This did not continue however in 1975. This time the left wing labour unions staged a strike\(^{18}\) and were supported by the nuns and priests which took the government by surprised. This period marked the so-called 'theology of liberation', pushing a number of clergy into social activism on behalf of the poor. This lead to the formation of a quasi-legal association\(^{19}\) and other workers organizations which defied their restrictions of martial law on concerted activities (Ofroneo, 1993:120).

\(^{17}\) One union- one industry a system where under the restructuring provision of the Code, the Bureau of labour Relations upon consultation with workers and employers, likewise with the approval of the Ministry of Labour is called upon to divide the economy into appropriate and viable industry groups, each of which may in turn be divided into appropriate and viable sub-groups. In every industry group a restructuring and unification convention (RUC) may be called in principle where all collective bargaining agents in every industry or sub-group shall be duly represented, one representative for every 100 workers and in all cases one representative for every collective bargaining agent regardless of its size (Noriel, 1979:12).

\(^{18}\) The first strike under the Martial Law regime was launched by workers of the Distilleria la Tondena Company. This historic Act emboldened the rest of genuine trade unions to resort to the ultimate weapon of the workers - the strike (Anonuevo, 1992).

<table>
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<tr>
<th>Year</th>
<th>Total</th>
<th>With Notice</th>
<th>Without Notice</th>
<th>Number of Workers Involved</th>
<th>Mandays lost (ooo)</th>
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<tr>
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<td>1</td>
<td>4</td>
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<tr>
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<td>29</td>
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<td>48</td>
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<td>31</td>
<td>20,902</td>
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<td>1981</td>
<td>260</td>
<td>155</td>
<td>105</td>
<td>98,585</td>
<td>796</td>
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<td>1982</td>
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<td>199</td>
<td>39</td>
<td>53,824</td>
<td>1,670</td>
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<td>15</td>
<td>113</td>
<td>42</td>
<td>33,638</td>
<td>394</td>
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<tr>
<td>1984</td>
<td>282</td>
<td>239</td>
<td>43</td>
<td>65,306</td>
<td>1,908</td>
</tr>
<tr>
<td>1985</td>
<td>371</td>
<td>309</td>
<td>62</td>
<td>111,265</td>
<td>2,458</td>
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<tr>
<td>1986</td>
<td>581</td>
<td>459</td>
<td>22</td>
<td>169,479</td>
<td>3,638</td>
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<tr>
<td>1987</td>
<td>436</td>
<td>365</td>
<td>71</td>
<td>89,574</td>
<td>1,908</td>
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<tr>
<td>1988</td>
<td>267</td>
<td>222</td>
<td>45</td>
<td>75,848</td>
<td>1,525</td>
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<tr>
<td>1989</td>
<td>197</td>
<td>169</td>
<td>28</td>
<td>56,541</td>
<td>955</td>
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</tbody>
</table>

A - Means no data available

Note: Data for 1975-76 excludes reports from MOLE Regional Offices
Source: BLES, Department of Labour and Employment

The year 1980 witnessed the birth of another militant labour Center. The first assembly of the Kilusan Mayu Uno (May First Labour Movement), was attended by more than forty thousand workers, the biggest congregation of trade unionists during the Martial law years (Anunoevo, 1992:123). The organization became the outlet of another political struggle among radical trade union leaders. The KMU and their political activities were described by Scipes (1992) and Ofreneo (1993) as that of a genuine trade union movement (Ofreneo, 1993:121 and Scipes, 1992:88). Scipes (1992) went further and in his recent study...
described KMU as a social movement unionism\textsuperscript{20}. He stresses three reasons for its formation, namely: i) workplace conditions were terrible; ii) the traditional unions had sold out workers and iii) there was a clear need for a workers' organization that would organize against foreign domination. Alarmed with the growing strength and influence of these radical unions, the Marcos regime arrested its leaders.

Economic recession in 1980–83 and depression in the last quarter of 1983 to 1985 fuelled labour unrest and emboldened both radical and moderate unions to openly denounce the Marcos regime. Martial Law was nominally lifted and the banning of union strikes. This was substituted with the new ones moderately regulating the old law in the conduct of strikes. These were denounced by all major labour groups. The repressive provisions of the law were openly ignored by the striking workers especially in 1983–85 (Ofronteo, 1993:120).

The shift into a revolutionary government in 1986, offered a historic opportunity for the labour movement (organized labour, social movement unionism as defined by Lambert and Waltermans is the type of unionism that attempts to link production to wider political issues. It is a form of union organization that facilitates an active engagement in factory-based production politics and in community and state power issues. ****... it does not negate the role of a political party, but rather asserts the need for a co-ordinating political body that is democratic in its practices and therefore able to relate to political unionism in a non-instrumental manner (Lambert and Webster: 21 as quoted in Scipes, 1992:125-126).

Using the concepts of Waltermann and Lambert, Scipes came out with his new concept of social movement unionism. He defined it as .. trade unionism based in the workplace and is democratically controlled by the membership and not by any external organization, and recognizes that the struggle for control over workers' daily worklife, pay and conditions is intimately connected with and cannot be separated from the national situation - combining struggles against the exploitation and oppression in the workplace with those confronting domination both external from and internal to the larger society - as well as any dominating relations within the unions themselves. Therefore, social movement unionism is autonomous from capital, the state, and political parties, setting its own agenda from its own particular perspective, yet willing to consider modifying its perspective on the basis of negotiations with the social movements with which it is allied with and which it has equal relations (Scipes, 1992:133).
radicals and moderates) to unite its leaders and rally behind the politico-socio economic reforms of the new government. This unity was displayed when jointly they hold the May First labour day celebration which was attended by President Aquino herself. Another evidence of labour unity was the formation of the Labour Advisory Consultative Council (LACC) as the umbrella organization of all labour centers in the Philippines. But this did not prove elusive. The moderate group separated itself because of ideological conflict. One reason cited by Villaviza (1988) was that TUCP was unfairly represented in the LACC despite of its claim as the biggest labour center in the country. With more than a million members, the leaders feel that they should be able to fairly represent their members through just proportion in the decision making seats. Today there are two recognized labour centers operating in the Philippines. The TUCP as one major labour center and the LACC composed of four labour centers. However, a big number of independent federations and unions remains outside the influence of the two major labour groupings. The LACC which started as a close ally to Aquino government gradually distanced itself from the government. LACC perceived the Aquino government has failed to deliver its promised reforms. The TUCP, on the other hand, which was the official labour center recognized under the Marcos administration has managed to maintain good relations with the new government, while remaining critical of some of the government’s labour policies (Ofronoe, 1993:122).

Important significant feature of the labour movement under the Aquino administration is the increasing tendency of the major labour groups to combine economic with political demands (Ofronoe, 1993:122). The five major labour centers while remaining independent from each other, likewise operates on an individual guiding ideology. The TUCP has what it calls a ‘working class ideology’, the KMU believes in ‘national democracy and socialism’, Federation of Free Workers (FFW) adheres to the teachings of Vatican, those identified with the World Federation of Trade Unions (WFTU) and Lakas Manggawa Labour Center (LMLC)
also believes in socialism and democracy however have different interpretations than KMU.

Meanwhile, growth in the labour movement became obvious during the Aquino regime and is reflected in the Table Number 2 below. The data showed that labour unrest slowed down in 1988 after a peak was reached in 1986. Total workers affected by strikes in 1986 reached 168,779. These figures were down to 89,574 in 1987 and 75,706 in 1987. Strike involvement levels accelerated since 1985, exceeding the previous average of 48,164. Together with this phenomenon, there has been a sharp increase in the number of collective bargaining agreements in effect. Table 3 showed that while CBA’s were actually declining over the 1979-1984 period, these gained robustly over the last four years. From an average of 1,763 CBA’s yearly, the actual number slightly increased to over 2,000 in 1985 then to over 3,700 in 1988.
## Table 2

### RECORD OF LABOUR UNREST

<table>
<thead>
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<tr>
<td>TOTAL</td>
<td>159</td>
<td>371</td>
<td>581</td>
<td>436</td>
<td>266</td>
</tr>
<tr>
<td>Agri</td>
<td>15</td>
<td>16</td>
<td>20</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Mining</td>
<td>3</td>
<td>2</td>
<td>9</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Mfg.</td>
<td>104</td>
<td>260</td>
<td>366</td>
<td>232</td>
<td>130</td>
</tr>
<tr>
<td>Const.</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Trade</td>
<td>7</td>
<td>13</td>
<td>53</td>
<td>43</td>
<td>24</td>
</tr>
<tr>
<td>Trans/Com</td>
<td>4</td>
<td>28</td>
<td>52</td>
<td>31</td>
<td>22</td>
</tr>
<tr>
<td>Soc/perServ</td>
<td>15</td>
<td>42</td>
<td>59</td>
<td>73</td>
<td>43</td>
</tr>
<tr>
<td>Other Serv.</td>
<td>8</td>
<td>9</td>
<td>16</td>
<td>42</td>
<td>252</td>
</tr>
</tbody>
</table>

| TOTAL             | 48,164            | 111,265 | 168,779 | 89,574 | 75,706 |
| Agri              | 3,002             | 2,390   | 5,241   | 7,086  | 3,536  |
| Mining            | 1,506             | 2,600   | 3,040   | 636    | 1,470  |
| Mfg.              | 35,059            | 86,658  | 87,269  | 52,890 | 42,301 |
| Const.            | 722               | 1,152   | 419     | 1,200  | 172    |
| Trade             | 1,199             | 2,956   | 7,130   | 4,077  | 4,354  |
| Trans/Com         | 3,638             | 7,744   | 32,091  | 11,487 | 9,620  |
| Soc/perServ       | 1,838             | 5,092   | 28,271  | 8,884  | 8,487  |
| Other Serv.       | 1,200             | 2,673   | 5,318   | 3,314  | 5,766  |

Source: Trade Union Congress of the Philippines (TUCP).

The trend toward greater unionism has been dramatized by the over 15% growth yearly in existing unions. Considering the low base from where this proceeds, however much more could be done to prod the process. Barely 23% of all employed persons were affiliated with unions in 1988, while less than 2% were covered by Collective Bargaining Agreements (CBA's).
The 1988 -1992 Development plan specifies certain targets on Industrial relations (Table 4). The target for reducing strikes is an ambitious one, and seeks to return to the level of labour unrest to pre 1981 levels when annual labour strikes did not exceed 100.

Table 4
INDUSTRIAL RELATIONS GROWTH INDICATORS
Annual Average Growth Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>1979-84</th>
<th>1985</th>
<th>1986</th>
<th>1987</th>
<th>1988</th>
<th>Plan</th>
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<tr>
<td>Exis. Unions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Exis.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unions</td>
<td>4.5%</td>
<td>10.6%</td>
<td>17.9%</td>
<td>20.6%</td>
<td>12.9%</td>
<td>20.0</td>
</tr>
<tr>
<td>No.of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strikes</td>
<td>67.0%</td>
<td>31.6%</td>
<td>56.6%</td>
<td>(25.0%)</td>
<td>(39.0%)</td>
<td>(20.0)</td>
</tr>
<tr>
<td>CB Agreement</td>
<td>( 1.3%)</td>
<td>13.7%</td>
<td>15.7%</td>
<td>32.6</td>
<td>19.2</td>
<td>20.00</td>
</tr>
</tbody>
</table>
| Sources of Data: National Economic Development Authority and TUCP

The 1992 presidential election has witnessed again the splintered nature of trade unions movement when it openly announced its support for different candidates. As structural change takes place in the country, an alteration of membership pattern is expected to disturb the labour movement. With the expansion of the manufacturing and industrial sector, it is expected that this would decrease the trade union members in the agricultural sector. The service sector, are expected to keep pace with the industrial sector and it is in this sector where a wider range
of worker types shall be joining the workforce. But this has not been fully saturated by trade unions in their organizing drive.

3.2 THE ROLE OF COLLECTIVE BARGAINING IN STRENGTHENING THE TRADE UNION ORGANIZATIONS:

The Philippine Collective Bargaining system was adopted from the American and British system with an assumption of class struggle and irreconcilable differences between labour and capital. This compelled both to adopt a hardline positions. Given the several circumstances, the labour sector becomes the loser given the inequality in the economic power between labour and capital. Trade unions become the expression of that power and those that were not organized represents the continued inequality between labour and capital (Angara, 1983).

Philippines is a highly example of a decentralized bargaining union structure. Collective bargaining remains to be the chief mandate of employees union and is more than just a creation of union-management negotiation. It defines the protectorate of a labour union. It is the concrete expression of how an organization pledged to its members the concepts of welfare. For the workers, it is a grant of conditions of employment above those provided by labour standards legislation. If administered faithfully, the agreement can guarantee industrial harmony in the enterprise for the period that it is in force. For the employer, it is a document that can shield him from individual demands or claims for improvement of employee benefits during the lifetime of the agreement, thus allowing him to concentrate on improving operations and productivity (Trajano, 1988:31).

Collective Bargaining is also recognized as workers participation mechanism. The management and labour negotiate with regard to various issues which are of importance to each of them and to the organizations. CB is one forum where management and labour try to influence each other stand on organizational matters. However, this is often perceived as insufficient. Its scope is limited and
generally an annual activity. It does little to fulfil the workers desire for participation. In most instance there is only one union per workplace but in the absence of the sole bargaining agent, this would led to large number of industrial disputes and escalating inter-union conflict and rivalry (Kuruvilla and Venkataratnam, 1995).

The standard CBA document contains specific guidelines on key welfare issues: Job Security, Wage Increases, Policies on Hours of Work, Overtime Pay, Holiday, Premium and Night Differential, Vacation Leave and Sick Leaves; Medical, Dental and Hospitalization Benefits; Worker Insurance; Grievance Procedures. Without this document, the individual worker remains a bare employee at best, an object of predatory interest at worst.

Collective Bargaining agreements in many cases include lay-offs and dismissals as the among issues raised through the grievance procedure. This enables the union to propose redeployment and other alternative to termination of employment, but does not give union the power to veto retrenchments. In principle, it also enables the union to call a strike if no agreements is reached.

Aside from those mentioned, the Labour Code has other provisions regarding Collective bargaining implementation, these include:

i) participation in policy making, the central theme of this provision is the creation of the labour-management council whether the company is organized or not. In an organized company, worker representatives need not be union member as long as elected by majority of the rank and file employees;

ii) term of CBA, the actual term of CBA's is now expanded into five year from three years with express reference to 'representational aspect'. Where actual CBA is drafted, automatic renegotiation is mandated after three years. Whether the effect of the CBA benefits is either 2,3 or 5 years all depends on the negotiating parties. Reservations have therefore been expressed that this can challenge industrial peace in two instances: first,
during the initial term negotiations, and second, during the renegotiation process;

iii) Supervisors' Union. The new law allows room for supervisory employees to organize their union and enter into bargaining with the Management. This is a throwback to the 1953 law version. The delicate aspects of this provision concern the fine distinctions between 'supervisory' and 'managerial' positions. But in practice it is only the management that is expected to define these boundaries at the appointment period of the parties concerned;

iv) immediate union membership, while the old law allows an employee to become a union member after a year in employment for purposes of union membership only, under the new law all employee whether employed on a definite period or not can become a union member.

v) provision of financial statements this provide a vested power to the union to ask for an audited financial statements of the employer during CBA negotiations or 60 days before the expiration of an existing CBA. The question however, is how sufficient is the level of transparency that must be displayed by the employer. Confidential managerial salaries and other special contracts are not accessible to union leaders.

vi) representation in organized establishments which involves three issues; verification involves the confirmation that at least 25% of all employees in the bargaining unit support the petition; provision for run-off election (in case total number of votes of contending unions exceeds at least 50% of the total votes cast); if the freedom period expires (60 days prior to expiration of CBA) and the bargaining agent is not challenged, the employer must continue to recognize its status. Other provisions in the Code pertaining to the Collective Bargaining include the Representation in n unorganized establishments; appeal on Certification election Orders and CBA rights for aliens (Damaso, 1989).
Collective bargaining is firmly entrenched in Philippine Industry. It is widely resorted to for resolving industrial disputes. Further, the development of collective bargaining in the current industrial setting is likely to continue as the trade union leaders stand committed to its growth. Similarly some managements also seem committed to it. Because of high organizational level of negotiations collective bargaining ensures resolution of conflict. To this participatory and consultative forums cannot be a substitute for collective bargaining. Instead they become supplementary to collective bargaining, as labour-management relations climate changes from conflictual to cooperative. Collective bargaining is likely to retain its predominance for sometime to come.

3.3 THE ROLE OF LEGISLATIONS AND THE STATE IN PROMOTING THE GROWTH OF THE TRADE UNION MOVEMENT:

During the 1898 to 1935, the Philippine government adopted a laissez faire policy where labour laws were only limited to occupational safety and health mostly to protect women and minor workers. The settlement of wages, hours of work, tenure of employment was left to the employers and workers to settle (Angara, 1983). Act No. 103 was passed by the Commonwealth Government creating the Court of Industrial Relations (CIR) which became a central instrument in settling disputes between employers and the workers. This court had a binding decisions (Schregle, 1993:3) and was empowered to fix wages and rentals to be paid by tenants. It was in the same period when Act No. 213 was created requiring labour organization to register as a condition for their right to bargain collectively (Angara, 1983). The CIR was successful during the 1937-41 period but did not function during the Japanese occupation (1941-45). This created therefore a backlog of cases and dissatisfaction with the court. It also became the reason for the introduction of collective bargaining as a means of settling disputes between workers and employers rather than State intervention.
But while the Court of Industrial Relations (CIR) continued to function, it received too many criticisms such as: it contributed to the weakening of trade unions and collective bargaining; it showed no force on employer to recognize trade unions for purposes of collective bargaining, neither it provided protection against anti-union practices especially on the dismissal of trade union activists; another important criticism is the too strong legalization of industrial relations which led both employers and workers to settle everything in court, while no negotiations are settled directly. This explains the burgeoning of lawyers in the labour movement who do not only represent their clients in court but likewise in collective bargaining negotiation. This was one aspect that was criticised much, but not overcome.

Patterned after the US National Labour Relations Act of 1935, the Industrial Peace Act of 1953 or the Republic Act 875 was created. Otherwise known as the Magna Carta of Labour, it has foreign factors like the ILO convention 87 and 98 which is the freedom to association and organize and the right to collective bargaining respectively. Obviously, it operates on a principle which reflects the strong influence of the United States to the Philippines, mainly on the following aspects: i) exclusive bargaining agent\(^\text{21}\); ii) the certification election\(^\text{22}\) iii) unfair labour practices\(^\text{23}\). The implementation of the act has dramatically improved the number of firms practising collective agreements from a total of 102 when the act was enforced, to

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\(^{21}\) Exclusive Bargaining agent is the acknowledge legitimate labour organization to represent the rank and file either by certification election or voluntary recognition by employer (Schregle, 1993).

\(^{22}\) Certification Election refers to the process of determining through secret ballot the sole and exclusive bargaining agent of the employees in an appropriate bargaining unit for purposes of collective bargaining (Anunoevo, 1992:53).

\(^{23}\) Unfair labour practice can be both applicable to employer and labour which simply means the violation of trade union rights of the workers and / or refusal to bargain on the part of the employer, coercion. For more details of this labour rights violation please see Anunoevo, 1992:84).
1,800 covering approximately 300,000 workers. Confirmed figures of 1989 was 4,089 CBA's covering 375,000 workers (Schregle, 1993).

The Marcos period (1965 to 1985) marked significant experience for the trade union movement. The Martial Law declared in 1972 or the Presidential Decree No. 21 was accompanied with repressive labour law provisions. In 1974, the PD 442 or the Labour Code of the Philippines was created. This was considered as the landmark in the development of labour laws and labour relations in the Philippines. The code contains revision and consolidation of the various labour and social laws of the Philippines. The main purpose of the Code is to 'afford protection to labour, promote employment and human resource development and ensure industrial peace based on social justice'. One significant revision in the Code was on the labour relations framework in the country when it introduced the one union - one industry system. This system was not however implemented. Instead it was rejected and opposed by majority of trade union federations. Sanctioned by the Supreme court, this was the first provision of the 1974 Labour Code that was repealed under the Aquino administration (Schregle, 1993:12).

Another important legislation created in 1974 was the PD no. 21, or the National Labour Relations Commissions (NLRC). It became the highest labour relations court in the land which established compulsory arbitration as the mandatory mode of resolving disputes that were not settled through negotiations and conciliation proceedings and not subject to voluntary arbitration\(^\text{24}\).

The repressive labour laws under the Marcos regime were repealed in 1981. This specifically had effects on strikes and lockouts which resulted to the introduction of Republic Act 130. This act

\(^{24}\) Voluntary arbitration is a mode of dispute settlement wherein after the exhaustion of internal grievance machinery as outlined in the collective bargaining agreement, both the employer and the union submit the issue to voluntary arbitrator named in the contract. (Anunoevo, 1992:86).
authorizes the Minister of Labour to prohibit industrial action and impose compulsory arbitration\textsuperscript{25} on strikes or lockouts on industries affecting national interest. The same is extended to essential services such as banks, hospitals and industries working for export markets.

The Aquino administration (1986-1992) signified its intention to move away from repressive labour policies of the Marcos regime. The government considers labour relations as a relevant issue in the face of the present economic situation and recognizes stable industrial peace as a necessary condition for national economic recovery. The right therefore of employees to self organization is explicitly guaranteed under the 1987 Philippine Constitution, which expressly declares the State policy as follows:

"The State shall affirms labour as primary and social economic force. It shall protect the rights of workers and promote their welfare" (Article 2, Section 18 of the 1987 Philippine Constitution).

The policy is further affirmed in the same constitution which provides of the following:

"The State shall afford protection to labour, promote full employment, ensure equal work opportunities regardless of sex, race and creed, and regulate the relations between workers and employers. The state shall ensure the rights of workers to self-organization, collective bargaining, security of tenure and just and humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as maybe provided by the law" (Article XIII, Section 3, 1987 Philippine constitution)

\textsuperscript{25} Compulsory arbitration is a mode of settling labour disputes wherein the Secretary of labour or his duly authorized representative or through the national Labour Relations Commission (NLRC) assumes arbitration rights to expedite the resolution of the case of conflict. The decision is unappealable and only utilized when the dispute is likely to cause a lockout or a strike in an industry indispensable to national interest (Anunoevo, 1992:56).
In compliance with the constitutional provisions, Executive Order No. 111 was issued in December 1986. This was the most crucial instrument in changing the repressive labour laws of the past administration. It amends several provisions in the labour code. Specifically it promotes and encourages public sector unionism by granting employees of government owned or controlled corporations the right to organize and to bargain collectively. Guidelines were issued to this effect only after eight months of careful study. But these changes actually bring us back to the famous Magna Carta of labour which was enacted in 1953. This act provided for a system where employees employed in governmental functions and whose terms and conditions of employment were governed by law did not have the right to strike, while those in 'proprietary functions' including but not limited to government corporations were governed by provisions applied in the same manner as in the private sector. The main problem surrounding this provision is the fact that since the term public sector includes both public service and state-owned enterprises, the guarantee of collective bargaining should apply to both. Guidelines issued takes no position on the issue of bargaining rights (Schregle, 1993). The issue is complicated by the intention of the government to privatize most of the government’s owned and controlled corporations.

EO 111 likewise ordered the implementation of the policy of automatic certification percentage of union registration issues. From 30% to 20%, while the two thirds strike vote required was reduced to simple majority vote. The law also allows 15 days cooling off period\textsuperscript{26} in case of union busting, and orders the military and police forces to keep out of picket lines in cases of strikes. Moreover the repressive laws that allow management

\textsuperscript{26}Cooling off period means the period between the filing of the notice of strike and the actual intended date of the mass action. It is deemed necessary to give opportunity to the workers and the employer to find an amicable settlement on their dispute. For disputes arising of a bargaining deadlock, the cooling off period is 30 days while for the unfair labour practice, the period is 15 days. If the action is union busting, the workers can strike immediately but in due consideration of the seven day time frame in a strike vote (Anunoevo, 1992).
to replace workers on strike and who defy return to work orders was repealed.

A notable improvement in the labour relations climate was seen after two years of implementation of these laws. See table below as an examination of strikes which shows a sharp increase by 1985-86 at the rate of 44.6% while total new declared strikes rose by 56.6%. Mandays lost during the period likewise increase to a total of 56.6%. This notable increase was due mainly to newly acquired sense of freedom as well as pro-labour stance of the Minister of labour (e.g. decisions on strikes and other labour disputes which were in favour of the unions). In 1987, a very encouraging improvement can be observed as the number of actual strikes decreased by 18.9%. The decline in the incidence of strikes continued in the following year at an even faster rate, 38.8%. The implementation of EO 111 in December 1986 contributed largely to this marked improvement. Collective agreement as a preferred mode of settling labour disputes proved to be an effective tool in achieving industrial harmony and in minimizing losses in productivity and other forms of work stoppages.
### Table 5

**NUMBER AND GROWTH RATES OF ACTUAL STRIKES**

1985 - 1988

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<th></th>
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<td><strong>TOTAL STRIKES</strong></td>
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</tr>
<tr>
<td>pending, Beginning</td>
<td>42</td>
<td>16</td>
<td>48</td>
<td>30</td>
</tr>
<tr>
<td>New Strikes Declared</td>
<td>371</td>
<td>581</td>
<td>436</td>
<td>266</td>
</tr>
<tr>
<td>Cases Disposed</td>
<td>397</td>
<td>549</td>
<td>454</td>
<td>288</td>
</tr>
<tr>
<td>Workers Involved (ooo)</td>
<td>111</td>
<td>169</td>
<td>90</td>
<td>76</td>
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<tr>
<td><strong>Mandays Lost (ooo)</strong></td>
<td>2,458</td>
<td>3,562</td>
<td>1,908</td>
<td>1,497</td>
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<tbody>
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<td>(18.9)</td>
<td>(38.8)</td>
<td>(50.4)</td>
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<td>200.0</td>
<td>(37.5)</td>
<td>(87.5)</td>
</tr>
<tr>
<td>New Strikes Declared</td>
<td>56.6</td>
<td>(25.5)</td>
<td>(39.0)</td>
<td>(54.2)</td>
</tr>
<tr>
<td>Cases Disposed</td>
<td>38.3</td>
<td>(17.3)</td>
<td>(36.6)</td>
<td>(47.5)</td>
</tr>
<tr>
<td>Workers Involved (ooo)</td>
<td>52.3</td>
<td>(46.7)</td>
<td>(15.6)</td>
<td>(55.0)</td>
</tr>
<tr>
<td><strong>Mandays Lost (000)</strong></td>
<td>48.6</td>
<td>(47.8)</td>
<td>(21.5)</td>
<td>(59.0)</td>
</tr>
</tbody>
</table>

Note: Numbers in parenthesis are negative numbers.

Sources: Bureau of Labour and Employment Statistics yearbook of Labour, Department Of Labour Employment (DOLE)

With the government maintaining a non-interventionist stance on union organization and administration as well as its actual encouragement on workers to organize, the last two years saw a rise in the number of existing unions and total union membership. Table 6 below. From a total of 2,353 in 1986, the number of active unions increased to 3,235 in 1988. This is equivalent to a 37.5% rate of increase. Total union membership also increased but at a lower rate of 2.05% during the same period. From 4.08 million in 1986, total membership rose to 4.9 million in 1988. This represents about 50% of the total waged and salaried workers in the country.
Public sector unions also increased at a rate of 172.4% during the 1987-88 period, from 29 to 1987 to 79 in 1988. The rise in the number of public sector unions and its corresponding membership is the result of Executive Order’s 111 and 180 which granted employees of government corporations the right to organize and bargain collectively. The rise in unionism in both the private and the public sectors along with the promotion of the practice of collective bargaining as a principal mode of resolving labour-management conflicts and determining wages and other labour standards influenced the growth of CBA’s. Existing CBA’s rose from 2,347 in 1986 to 3,644 in 1988. There was also an increase in the number of workers covered by the CBA’s during the period.

Table 6
LABOUR ORGANIZATIONS AND COLLECTIVE BARGAINING AGREEMENTS (1985 TO 1988)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unions registered -</td>
<td>192</td>
<td>359</td>
<td>485</td>
<td>399</td>
</tr>
<tr>
<td>Unions Cancelled -</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Active Unions -</td>
<td>1,996</td>
<td>2,353</td>
<td>2,837</td>
<td>3,235</td>
</tr>
<tr>
<td>Total Union Membership</td>
<td>4,789</td>
<td>4,840</td>
<td>4,890</td>
<td>4,939</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COLLECTIVE AGREEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBA’s Newly filed-</td>
</tr>
<tr>
<td>Expired CBA’s-</td>
</tr>
<tr>
<td>Existing CBA’s-</td>
</tr>
<tr>
<td>Workers covered (000)-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PUBLIC SECTOR UNIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unions registered-</td>
</tr>
<tr>
<td>Existing Unions-</td>
</tr>
<tr>
<td>Total Membership-</td>
</tr>
</tbody>
</table>

na - means not available
Sources: Current Labour Statistics, February 1989 (BLES-DOLE)
Yearbook of Labour Statistics, 1986, DOLE

The Aquino years (1986-1992) were generally moderate for the labour sector. Political militancy was primarily confined to the military establishment. Trade unions generally concentrated on legislative lobbying activities, socio economic projects and workers education.
Other than the provision of collective bargaining guaranteed by the State, another scheme which encouraged labour and management cooperation was promoted by the government. Known as the Labour-Management Council approach implemented under LOI No. 688, the machinery focused on matters of common interest to workers and employers with the purpose of broadening the base of labour-management cooperation and make them true partners in the pursuit of justice-based development (Noriel, 1979). This law was originally created under the Marcos regime, however suffered a considerable reluctance on the part of both employers and workers. Both had negative impressions about implementing the scheme. It was re-promoted therefore in the Aquino administration under the supervision of the Department of labour and Employment (DOLE) and the Department of Trade and Industry (DTI). The programme is likewise under the responsibility of the National Conciliation and Mediation Board (NCMB) and encouraged at the regional level. A significant example is the one in the province of Negros Occidental where a five year agreement was entered by the Labour and management group in order to maintain industrial peace and settle disputes through peaceful means. The law stipulates for the mandatory practice of LMC in all firms either non-unionized or unionized. The agency concerned (DTI and DOLE) are obliged to help in the implementation for the non-unionized firms, while for the unionized firms should be jointly planned by both unions and management.

Table No. 7 below indicates the progress of the government in its promotion of the Labour-Management Council scheme. The year 1994 saw a total increase of the scheme to 222 covering 52,039 workers. In line with the objectives of the government to promote the scheme, several seminars and orientation were conducted. A total of 1,503 trainings were conducted as of 1994 covering 60,906 workers. Data includes seminars during the Tripartite Industrial Peace Council (TIPC’s) and seminars conducted or assisted for organized workers.
Table 7

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>1992</th>
<th>1993</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>LABOUR MANAGEMENT COOPERATION SCHEMES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>initiated</td>
<td>214</td>
<td>210</td>
<td>222</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provincial/Municipal level</td>
<td>74</td>
<td>36</td>
<td>70</td>
</tr>
<tr>
<td>Industry level</td>
<td>15</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>Plant level</td>
<td>125</td>
<td>146</td>
<td>141</td>
</tr>
<tr>
<td>WORKERS COVERED (total)</td>
<td>19,043</td>
<td>27,034</td>
<td>52,039</td>
</tr>
<tr>
<td>Provincial/municipal level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry level</td>
<td>12,511</td>
<td>16,771</td>
<td>40,382</td>
</tr>
<tr>
<td>Plant level</td>
<td>2,190</td>
<td>5,799</td>
<td>8,598</td>
</tr>
<tr>
<td>LABOUR EDUCATION</td>
<td>4,342</td>
<td>4,464</td>
<td>3,059</td>
</tr>
<tr>
<td>Seminars/workshops conducted</td>
<td>984</td>
<td>1,219</td>
<td>1,503</td>
</tr>
<tr>
<td>Number of participants</td>
<td>33,725</td>
<td>48,435</td>
<td>60,906</td>
</tr>
</tbody>
</table>

Note: figures presented excludes LMC promoted by the National Conciliation Board (NCMB).

Sources of data: DOLE Regional offices statistical and performance rating system (SPRS) and the Bureau of labour and Employment Statistics (BLES).

3.4 THE CHALLENGES TO PHILIPPINE TRADE UNIONISM:

A. Economic and Structural Changes

The changes in the environment in which worker representation operates have been considerable, and provide a natural starting point for analyzing the present crisis facing unions in many of the industrializing economies such as the Philippines. By economic and structural changes, I mean and focus my argument and analysis on the Structural adjustments programmes (SAP's) and its implication to trade unions. Structural adjustment policies was the result of the agreement signed by the Philippine government with the Bretton Wood Institutions (World Bank (WB) and the International Monetary Fund (IMF)) largely as a condition for the Structural loan used by the government to finance its ambitious industrialization programmes. Funds were spent in the forms of
Export Processing Zones (EPZ's), infrastructures that went with it, as additional funds for education, agriculture, industry and financial system and credit requirements of domestic borrowers participating in the export programmes. The implementation of SAP's likewise witnessed the opening of Philippine economic borders to foreign investors and transnational corporations (TNC's) who demanded for several concessions (tax exemptions, cheap labour, expatriation of profits, no union intervention, etc.) from the government prior to investing or settling in the country.

The implementation of the Structural Adjustment programmes (SAP's) coincided with the recession during the 1980-83 and the depression in 1983-85. The SAP's provided a negative impact on industries catering to the domestic market coupled with the world recession and the collapsed of the world prices which complicated the industry demand, making it pointless to describe how much SAP's benefitted the industries. This forces therefore all industries to make all kinds of adjustments for the sake of market survival, thereby blaming SAP's for the difficulty.

Table below shows the number of firms shutting down operations and retrenching workers for economic reasons. The peak was in the depression year 1984. It is interesting to note that in 1981-83, there were more workers laid off temporarily than those permanently separated in contrast to the situation in 1984 onward. The reason for this is that many firms thought that the difficulties they were experiencing in 1981-83 were of temporary in nature and that somehow they could prevent total or permanent closures. The permanent separations were caused by the contractionary impact of a shrinking domestic market and an interest rate averaging 50% in 1984. One common cost cutting adjustment measure that various firms used was the reduced workweek, job rotation and shorter hours. The table shows that there were at least 34,560 workers affected by the reduced worktime arrangements in 1981. The number of firms resorting to reduced worktime more than doubled in 1984 although the number
of workers affected by this arrangement was less than in 1981. One explanation for this is that the big firms resorting to reduced worktime stopped operations in 1984.

Table 8
No. of Establishments Resorting to Shutdown/Retrenchment and Workers Terminated/Affected
1981-1986

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Perm. shutdown-</td>
<td>831</td>
<td>638</td>
<td>1,267</td>
<td>2,280</td>
<td>1,478</td>
<td>1,013</td>
</tr>
<tr>
<td>Temp. Shutdown/Retrenchment -</td>
<td>55</td>
<td>74</td>
<td>115</td>
<td>226</td>
<td>168</td>
<td>164</td>
</tr>
<tr>
<td>Workers dismissed due to shutdown/retrenchment due to eco.reasons</td>
<td>776</td>
<td>567</td>
<td>1,152</td>
<td>2,054</td>
<td>1,310</td>
<td>849</td>
</tr>
<tr>
<td>Worker dismissed due to shutdown/retrenchment due to eco.reasons</td>
<td>78,466</td>
<td>49,557</td>
<td>75,428</td>
<td>92,167</td>
<td>76,419</td>
<td>46,159</td>
</tr>
<tr>
<td>Perm. separated -</td>
<td>15,023</td>
<td>14,417</td>
<td>18,047</td>
<td>46,862</td>
<td>34,543</td>
<td>22,764</td>
</tr>
<tr>
<td>Temp. laid off -</td>
<td>51,199</td>
<td>24,257</td>
<td>41,244</td>
<td>27,982</td>
<td>30,135</td>
<td>14,767</td>
</tr>
<tr>
<td>Average duration (week) -</td>
<td>10.39%</td>
<td>7.61%</td>
<td>8.96%</td>
<td>11.65%</td>
<td>10.62%</td>
<td>11.92%</td>
</tr>
<tr>
<td>Indefinite -</td>
<td>12,244</td>
<td>10,888</td>
<td>10,519</td>
<td>14,462</td>
<td>6,458</td>
<td>3,904</td>
</tr>
<tr>
<td>Not stated -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 2. Establishment resorting to reduced worktime because of eco. reasons | 138  | 106  | 152  | 307  | 199  | 100  |
|-------------------------------------------------------------------------------|
| Workers Affected by reduce worktime                                            | 34,560| 18,283| 15,057| 28,878| 21,691| 9,728|

Source: Employer’s Monthly Report on workers dismissed submitted to the DOLE.

The SAP's period in 1980-85 brought a tremendous difficulties to the life of the working Filipinos. Real wages went down while cost saving measures by employers are directed to the workers. Retrenchment programs, reduced working time arrangements, and moratorium on wage increases and new benefits provoked a lot of disputes with the unions and their members. Cheap labour became an implicit requirement for a labour-intensive firms which became the main issue of strikes only on individual industries but
within the whole of the EPZ's. At the same time women, particularly married in their aim to augment insufficient income of their husbands have increasingly entered paid employment. In several cases, these new areas and groups have been relatively weakly organized, so the shift in composition of employment had an adverse effect on overall membership density.

The opening of the Philippine borders to international economy created an international competition in the financial markets worldwide and likely to prove important in the future. The important implications of these to industrial relations are likely the increased frequency of management changes even in large companies; in management policies towards such questions as union recognition; and in management acceptance that personnel issues should be handled by an independent representative body rather than through the management structure itself.

Apart from affecting corporate personnel policies, the changes in financial markets lead to a greater fluidity in the financial and ownership structure of companies so that individual division and plants including workforce can be sold to other companies. Company take-overs and restructuring have always posed a problem to worker representation, not least as concerns the transferability of 'acquired rights', but with the liberalisation of financial markets. Such practices increase and involve many more large companies which could previously rely on their size for protection.

B. Increased diversity of workforce

Apparently the growth of the Service sector, non-manufacturing industries and employment in non-standard forms have increased significantly in management and technical area. This created to the diversity of the workforce with their diverse interests and demands as well as union representation, and therefore a challenge to trade unions not in only in terms of organizing activities, but also to keeping in touch with members and keep
them informed. Changes in the social climate, values, the extent of schooling and the kinds of new employer strategies promote exclusivist. Unequivocal enterprised-based identities (cultural rather than hierarchical management control strategies) can thus have a significant impact on the possibilities of union action. The union is constantly obliged to renew individuals sense of belonging to the larger group. It thus depends on the identity mechanism—collective identities which are consistent with those of the persons that it organizes in order to function as a collective organization. Many unions seem to encounter great difficulty in negotiating such cultural transitions, thus frustrating the emergence of such professional identities within their own structures. The challenge for union organizations is of course, how to make structural and strategic adjustments to take account of changes in the nature and location of firms and often identities of their workers (Murray, 1994).

C. The challenge of New Technologies

The introduction of new technology into factories and offices combined with the greater decentralization of organizations have considerable effects upon employment both quantitatively and qualitatively (Kane and Marsden, 1988:115). New technologies enabled several industries to save on labour costs in many assembly and packaging operations and in information processing. New technologies have been adopted by several firms especially in geographically disperse areas dispensing the need for large employment concentrations, leading to the increase in small enterprises. This also contributes to the increased diversity of workforce and its dispersion.

What is clear with the challenge brought by the new technologies is that the structure and demand for skilled labour is changing dramatically. This also poses considerable adaptation problems for unions, more serious perhaps for those representing groups of occupations than for those based on enterprises or industries. The change affects organization as it forces management to
challenge established patterns of workplace custom which pose difficulties to enterprise-level representation built around work group level job control as has been common in the shop steward representation.

D. Political and Legal Changes

The shift in the revolutionary government in the second half of the 1980's did much favour to the expansion of the trade union movement in the Philippines. However, the prevailing mechanism of the state to control cheap wage and preventing work stoppages remains a clear indicator of the government's control of trade unions. As trade unions are the instruments of collective interests of workers and an indispensable organizations for collective bargaining in behalf of the workers, it therefore provide essential machinery for staging strikes, picketing, boycotts and other concerted activities of workers. This therefore subjected the trade unions to unparalleled intervention by the State in both of its external and internal affairs.

Apparently, no union can enjoy the labour laws unless it is registered with the government and as a condition for registration it has to submit requirements while eligibility for trade union membership is determined by the law. Elections, finances, records, books are regulated. While union dues cannot be increased without the conformity with the regulations laid down by the law. Trade unions are likewise off limits to aliens and no organization could make contributions to any trade union without the government approval, and in case approved the organization has to justify activities as to contributions are being used. In case of disputes, the state decides over these disputes and under the visitorial power granted to the Minister of Labour, his office has the right to investigate regarding compliance of all regulations mentioned (Angara, 1983).
E. Challenge at the structural and organizational level

The hierarchical structure of trade unions can too create a challenge. Where power and dispositions are centred on the top leadership of unions, experience tells that while trade union leaders and the employers cooperate with each other at the national level, the same does not hold true at the enterprise level. Often employers refuse to deal with, discriminate against workers who would engage in union activities or may dismiss workers arbitrarily. While employers may demand that national trade union leaders should control and discipline their rank and file members, workers at the shop floor level are not very interested in the economic explanations of the macro situation. What they are worried are their personal jobs, their own personal income and expect unions to defend their interests. This is therefore a difficult tasks for trade union leaders. Either cooperating with governments and employers in the pursuit of national development objectives and at the same time defending their members' interests at the shop floor. These two tasks determine each other. Unionists know that neglecting the second task may make them lose rank and file support. Governments and employers organization quickly lose interest in those union leaders who become too much involved in the national policy making but no longer have the backing of their members (Schregle, 1992:22).

Another important roadblock to the growth of trade union in the Philippines is the too much fragmentation. They are divided into various groupings that are always in competition with each other, sometimes engaging in disputes that in certain cases may lead to industrial disputes involving work stoppages (Schregle, 1992:13). The situation is always aggravated by the existence of close ties between certain trade union federations and political parties, leading to political and ideological splits in certain sectors of the trade union movement. This trade union multiplicity is likewise strong in India, Sri-Lanka, Pakistan and other parts of
the Asian region (Schregle, 1992:13). This explains the lack of industrial stability in these countries.

3.5 INITIATIVES UNDERTAKEN TO ENHANCE GROWTH AND STABILITY OF THE LABOUR MOVEMENT:

A. Tripartism and the Tripartite Body of Labour

Patterned after the structure of the International Labour Organization (ILO), the Philippines adopts similar tripartism system. Philippines has a joint communique of the National Tripartite conference on Wages, Employment and Industrial Relations. But these have restricted success due to firstly, unwillingness of the trade unions or employer organizations to follow the code completely; secondly, the problems connected with inter union or inter federation rivalry; third, problems concerning union recognition and problems with concept of consultation as compared with that of negotiation i.e. the difficulty in drawing clear distinctions between tripartite consultations and bi-partite negotiations (Kuruvilla and Venkata Ratnam 1995). Venkata Ratnam (1992) therefore in his study, suggested that these codes have to be seen in the political contexts, in which they are agreed upon and the quality of the environment and the nature of implementation, both of which leave much to be desired.

Magnaye (1985) on the other hand made a very optimistic assessment of the tripartite Industrial Council in his paper. Created under the Presidential Council for National Recovery, he considered the Tripartite Industry Council (TIC) as the most practical response to labour problems and unrest (Magnaye, 1985:125). The TIC possess a democratic structure consists of the chairman, normally the Deputy Labour Minister, three vice presidents each representing labour, management and government. The TIC provides equitable opportunities for the labour and management to ventilate and resolve industry related labour problems. In dealing with the labour-management consultation at
the industry level, the TIC believes that problems at this level have its own peculiarities and can only be resolved in the light of the peculiar characteristics of each industry. Acting as consultant to the Ministry of Labour and Employment (MOLE) and other government agencies, the TIC is required to identify, analyze, formulate and articulate viable alternatives and solutions to the problems faced by particular industry, especially those affecting employment, productivity and labour relations implications. The TIC is envisioned to crystallize 'social compacts' hence providing for a voluntary code of practice that can guide social partners to seeking avenues to promote harmony, reduce conflict and promote productivity at the plant and eventually the industry level (Magnaye, 1985).

Venkata Ratnam and Kuruvilla (1995) negative assessment of the tripartism system in the Philippines was mainly to the fact that the country is characterized by a highly pluralistic, decentralized and fragmented industrial relation model. This therefore connotes a notion that under such mechanism tripartism will not effectively produce results. Further observation is that Philippine trade unions are easy to form but they have little influence at the national level. Another factor, is the extensive fragmentation of trade unions, the lack of unity of the labour movement and the intense inter-union rivalry which resulted to weak trade unionism (Ofroneo, 1993). Pagsuco (1994), on the other hand stresses another factor to be considered. He argued vaguely that Philippine employers are protected by the State, and this therefore contributed to the inability of the unions to strike freely in the interest of economic development.

B. THE ROLE OF THE INTERNATIONAL LABOUR ORGANIZATION (ILO)

Philippines became a member of the ILO in 1948, and ILO has played an important role to the growth of the Philippine Labour Movement. ILO conventions and principles are embraced in the 1987 Philippine Constitution such as the concepts of Freedom of Association and Right to Organize (Convention No. 87), Tripartite
Consultations (Convention No. 144), Right to Organization by government employees (Convention No. 151) (Anunoevo, 1992). ILO likewise contributed in the drafting of the Labour Code of the Philippines. For many years the tripartite body (Labour, government and employers) represents their constituents in the 56 member governing body of the ILO (Gust, 1993:128).

ILO’s contribution to the growth of Labour Movement varied from recommendations to the improvement of the Philippine economy in the form of labour-intensive export promotion and a balanced rural development which were incorporated in the 1974-77 Development Plan (Ranis report as quoted by Gust, 1993:129). Surveys and technical studies conducted by the ILO were used as critical source of data and information for the national economic recovery programmes of the government emphasizing on employment promotion, alleviation of poverty and rural development programmes, promotion of small and medium enterprises, support activities for the informal sector and self-employed. The issue of child labour as well has been carefully studied in the relevant industries and measures were suggested on improving the conditions of these young workers. Example of this project is the one located in the Smokey Mountain, Manila.

Believing in the notion that economic and social progress depends on the involvement of employers and workers organization in the development process, for over the years ILO carried out tailor-made programmes to broaden the services that these organizations can provide to their members and the wider public. ILO became active in the labour relations field. This included advisory missions to the employers and labour’s groups, and the civil service commission which handles public sector unionism.

In developing the human resource of the country, the ILO continued to be associated with various initiatives of the public and private sectors. Projects to this effect were focused on training policies, upgrading of training institutions and skills i.e. strengthening of the apprenticeship system and a project on
"Women in new Trades". A common feature of the ILO activities is the development of low cost training methods using modular approach to cover diverse fields as entrepreneurship development, vocational training, supervisory development, cooperatives training and workers education.

Another important ILO contribution, was on the fielding of Wage Policy Mission in 1987 and its support to the National Productivity improvement programme in 1991. Efforts were focused on the wider application of the health and safety standards in the manufacturing services and rural sectors. Other contributions consisted a carried out survey on family welfare programmes and contribution to the legislation of equal pay for equal work. ILO for the past decade has witnessed the economic and political constraints and changes in the country and has been supportive in both initiatives.

Consistent with the UN resolution No. 44/211, the ILO is committed to contribute to the realisation of the Philippine development agenda. Together with the other social partners in society, the ILO will continue to provide support to the fundamental objectives of the country which are focused on poverty alleviation, human resource development and sustainable economic growth.

3.6 SUMMARY AND CONCLUSION:

This chapter has described the roles played by the Philippine Trade union movement in their quest for industrial democracy. Influence by Marxist ideologies, trade union activities were mainly political and militant in nature. Since the birth of trade unionism in the Philippines, it has shown disunity which caused their fragmentation up to the present period. The pro-state labour center and the suppressive labour laws were the weapons used by state against militant labour in order to achieve industrial democracy. The 1986 government enabled the labour movement to unite and rallied behind economic reforms. But this
did not last long because of ideological conflict. Collective Bargaining (CB) played its role as the union concrete expression for the welfare of its members, is firmly entrenched in the Philippine industry and is widely used for resolving industrial disputes which ensures resolution of conflict.

The present economic growth are now subjecting trade unions to different challenges. They are in the forms of structural and economic changes, increased diversity in workforce, new technology, political and legal changes and challenges at the structural and organizational structure of the organization. Philippine labour tripartite bodies and the ILO are two factors literally helping for the improvement and the growth of the labour movement and the economy.

The Philippine trade unions clearly presented a very unique character and role under Philippine economy and society in this chapter. But notwithstanding their being fragmented in nature and highly ideologically split, the major challenges to their growth are how trade unions would secure their presence among the new groups of workers in sectors characterized by employment growth; the reorganization of production within and beyond firm which covers a wide range of new managerial models and participative mechanisms as well as outsourcing different forms of basic employment relationship. Faced with the challenge of this nature, Israel and Fisher (1992) warned that unions are in the status of a 'struggle for survival' and their future depends on how the trade unions perceived their role, their ability to influence the approach of the employers and governments and their success in convincing workers to join their ranks.

The next chapter presents a detailed study on the changes of management and industrial relations practices as a result of economic and structural changes in the Philippine industries and its implications to labour relations and trade unions.
CHAPTER FOUR

4.0 HUMAN RESOURCE PRACTICES IN THE PHILIPPINES: A CHANGING SCENE

4.1 INTRODUCTION

Philippines is now entering into an economic global competition and is faced with unyielding socio-economic and political changes. Quality and productivity become the most important factor to Philippine economy and its development goals. The country has pinned its hopes of reducing economic dependence on the industrial nations by producing quality goods itself. And quality goods can only be provided by 'quality' conscious human resources led by quality managers under the situation of industrial peace (Gatchalian and Gatchalian, 1993:149). These are the very reasons why Philippine Industries are embarking on the improvement of quality control programmes and systems. The role of everyone (capital and labour) in the organization is expected to contribute to the end product of manufacture. But this is easier said than done, because in the pursuit of quality products companies have to resort to the full use of available resources within reach, in which labour plays an important role. The new management practices as the ultimate weapon of the firms for competitiveness, although have no apparent agenda (hidden or otherwise) to displace the union, the unambiguous policy tends to de-recognize and generally have more aggressive stance towards the unions.

This chapter will discuss the changing management practices in the Philippine industries under the contemporary market structure, hence answering the following questions: What are the factors that drive Philippine Industries to embark on human resource management practices? What are these practices and how much do they affect the labour relations (role of trade unions and collective bargaining) at the enterprise level? In searching for answers to those questions, the following aspects shall be addressed: Factors causing innovations in managing practices, the
nature of these management practices and its contribution to productivity, the implications of these management practices to labour relations and trade unions. The last part will be my concluding observations.

4.2 FACTORS INSTITUTING CHANGES IN THE MANAGEMENT PRACTICES OF PHILIPPINE INDUSTRIES

4.2.1 Structural Adjustment Policies (SAP’s) and the Changes in Management Trend

Structural adjustment as defined by Ofroneo (1993) is the process of restructuring the industries. This refers to the changes in the production patterns in a given economy, industry or enterprise in response to the challenges posed by transformation in the market situation, national or international and the use of new technology (Ofroneo, 1993:1). The changes that I am trying to accentuate in this chapter are part of the natural and continuing adaptation by individual enterprises in a market-oriented economy. These can be the result of influence by the government on promoting certain policies that would necessitate adjustments by individual enterprises. These can be extraordinary changes in the market that forces firms to adopt radical adjustments in order to survive in the face of a collapsing market or expand in the case of the booming one (Ofroneo, 1993 and Roe, 1993).

I will not discuss why Philippines entered into a SAP agreement, instead I will concentrate on the measures against SAP’s adopted by employers at the enterprise level which resulted to their changing of management practices in the Philippine industries. Otherwise termed as firm flexibility, they are summarized as follows: i) The utilization of Casual labour on temporary workers who serve as buffer for the factory; ii) the implementation of human resource development at the enterprise level which led to multi-skilling of workers so that they can be easily deployed in other nature of job if needed without additional costs; iii) the
widespread use of trainees and apprentice to save employers from paying standard wages and benefits; iv) the practice of subcontracting in the form of hiring private agencies to do certain work like transport, product packaging, maintenance and security which mostly are carried out inside the factory itself; v) adjustments which include plant expansion, business diversification, aggressive marketing programs, deployment of new and more efficient machinery and introduction of new technology; vi) adjustments that are solely focused on the existing pattern of industrial relations in a given company. For instance to reduce losses, aside from retrenching personnel may introduce productivity enhancement work arrangements like quality circles and other team work activities, job redesign, and other non-conventional working arrangements. vii) other employers resort to reduced working time arrangements, work stoppages and moratorium on wage increases and benefits; viii) and affecting the workers most, is the strategy of the employers to reduce influences of external trade union organization by either eliminating unions or establishing a 'controllable or company union' damaging the workers' right to collective bargaining.

Obviously, for the firms to remain competitive majority of these measures mentioned, are seen to be incorporated in their practice of Human Resource management at the enterprise level. These practices as observed emphasized a revolutionary transition from the Tayloristic management and traditional industrial relations system.

4.2.2 The influence of Transnational Corporations (TNC's) to to the new Management Practices in the Philippines:

The theory of the New International division of labour explicitly says that capital would move to a part of the world where labour is cheap. The principal actor to this process is the widely called Transnational Corporations (TNC's). TNC's transfer of resource across border is facilitated by the SAP's which encourage the country to promote export oriented
industrialization (EOI). This process is supposed to result in improved earning, increase in employment and widening of income distribution, multiplication of backwards linkages and the achievement of economies of scale by linking home to external market. Thus allowing the countries to exploit their comparative advantage.

While the TNC’s hold a promise to Philippine economy, they can exert authority in the way they allocate or withhold resource. They are very conscious of the legal conditions, production costs, labour relations issues and financial concessions the country can offer them. The Philippines like any other developing country, is in desperate need of foreign investors to enhance its industrialization program. The investments from MNC’s and TNC’s therefore provides a light to this aspiration. This provides an explanation why government provide TNC’s with concessions in the form of labour cost, special grant (expatriation of profits), taxation policy and tax allowances from home governments to attract them to invest in the country. TNC’s has a unique power to affect the act of the State, they can threaten unions with plant closure and relocation of investment in other countries. In addition this power is supplemented by their ability for direct lobbying and gentlemanly arm twisting.

TNC’s therefore have great influence on the changing management practices in the Philippines. They operate on a standardized stand-alone technologies and world class working patterns and procedures with that of the parent company in their homeland. Moreover, because of TNC’s moving capability they usually embark on the type of management practices that emphasize control rather than commitment. While their entry is facilitated by the Structural Adjustment policies, again we go back to our arguments on the effects of SAP’s to labour. With this we can therefore conclude that aside from the power of capital inherent in TNC’s, their technical collaboration with the State can provide alarming effects not only to the labour market but to trade unions.
Classic example of TNC’s that contributed to the changes in management practices in the Philippines is the presence of more than 200 Japanese firms in the country (Amante, 1993:130). Although their motives are not only to exploit the cheap labour the Philippines can offer and the vital South-South cooperation among Asian countries, but most of all their strategic intentions are linked to factors such as corporate expansion and growth in industrial organization. This lead therefore to the Japanization of the Philippine industries, which according to Amante (1993) consists of management schemes like group orientation or teamwork, efficient use of resources during critical periods and a tireless commitment to improve product quality. Whether the viability, adaptation and transferability of these practices might create tension or might be well accepted by the Filipino managers and labourers, one thing is certain here. Japanese firms are very determined to implement their Japanese Management style in the Philippines.

4.2.3 Professionalized Management Practices  – Another contributing factor to the notable change in the management practices is the presence of professional management. In contrast to family run enterprises, the new emerging firms in the Philippines are handled by handpicked professional managers. These professional managers have their formal education and training from management schools. This is one development of the function of the management with its implication to industrial relations.

Another obvious expectation from a professionally run enterprise is that it will follow a different set of policies, the contours of which they have learnt from management schools. They are expected to behave differently as leaders, follow practices delegation, openness, career development, employee involvement, etc. These policies in return are expected to act in pro-active manner and reorient industrial relations in positive mould.
Evidence however showed that as far as the practice of these professional managers are concerned, they do not support the proactive way in which management policies should be moving in a large number of industrial companies. Survey done by Sodhi and Ahluwalia (1992) confirms that their leadership styles remain authoritarian and at best nurturant. Companies with human resource management practices have totally benevolent practices.

4.3 THE CONTEMPORARY MANAGEMENT PRACTICES IN THE PHILIPPINES:

The innovation in the management practices aims to enhance better productivity. Not much has been written about the new management practices in the Philippines, but notwithstanding my arguments that they possess characteristics different from the traditional personnel management practices and revolutionary transition from traditional industrial relations; together with other authors of Human Resource Management theory, I contend that these changes have severe repercussions to industrial relations and the role of trade unions. I will therefore try to examine them and their advantage to the firms and thereafter my analysis of their consequences to labour relations.

A. Productivity Improvement Circles or the quality control circles. These scheme are not new phenomenon under the Philippine set up. Otherwise known as team work or the barkada system (small group). This type of grouping is very effective especially at the operational level. This is formed by 5-10 persons coming together voluntarily to devise ways of improving their jobs and the work process. The group is encouraged to develop ideas for eliminating job-related strain and waste, reducing cost through rationalisation and achieving a higher quality of job results. Through these activities, the group members improve their capabilities of problem solving and decision-making along with leadership, creativity and motivation, resulting in higher satisfaction in job and in participation. When small group
activities spread over company wide, most of the problems in the workplace can be solve with consensus (Damaso, 1988).

Noted as one of the famous expressions of Japanese work organization, the question lies whether this scheme is culturally bound or not. Quality control circles are thought to benefit employees who have high motivation and job satisfaction. The high degree of consensus, information sharing and the use of recognition and other forms of intangible rewards are some factors which made quality circles contribute to Japan’s economic success. In terms of labour relations, it can only be introduced when there is a high degree of stability and consensus in both labour-management relations (Onglatco, 1985 quoted in Amante, 1993). Support from the unions can only be attained if they can be convince that quality circles is not another attempt on the part of the management to sabotage the presence of unions. And the commitment of management to this notion remains in doubtful status among trade union leaders in the country.

For the Filipino managers, quality control circles operate as an important channel for communication. But as it is voluntary in nature, the enthusiasm to adopt the scheme is not quite spread widely by other firms. On the other hand, the rank and file workers view quality control circles as a job of another nature and see the need to receive extra compensation for exerting extra efforts (Amante, 1993).

B. Job Rotation/ multi-skilling - this is a practice of the firm to allocate staffs to jobs and tasks. Staffs are trained to perform a range of jobs with a willingness to be moved when necessary or according to established roster. In other countries this scheme requires negotiation with unions (De Silva, 1993:41). Under the Philippine set up, this is considered as a management prerogative and therefore unions should wait and see for the

27The same question were raised by many labour specialist in a Labour-Management Conference: Key to Productivity, APO, Tokyo, Japan in their quest for a labour-management relations model (Schregle, 1992).
result of this approach. Employers have estimated the advantages of multi-skilling to the enterprises. In various circumstances, the scheme has been found to produce lower level of absenteeism and reduce staff turnover. Workers become less willing to leave their job if they know that their fellow workers will have to cover for them. This likewise help reduce delays typically associated with production 'log jams' thus leading to the more consistent service peak in demand periods.

Another advantage of the scheme to the employers are the fact that multi-skilling increase the self-management capacities of employees enabling them to better plan, evaluate and manage their own work activities. Increased in personal control often lead to greater work satisfaction, better problem solving and higher quality output by employees (Hackman and Oldham, 1980 as quoted in de Silva, 1993:42). These result to providing employees with the needed skills and knowledge to work effectively in teams and performing their work with minimal supervision. These can be easily achieved under a participative work culture allowing employees to be more self-managing.

C. Bottom up communication - this is a scheme that deals with information sharing among all staffs, especially between labour and management. Other types of communication aside from bottom up are top down and horizontal. Bottom up communication is considered as the most important, as it gives high level of motivation to staff and strengthens their feeling of trust in the management. It is used for transferring various types of information, such as opinions, ideas and explanations, excuses, reports, complaints, request, etc. However, one characteristic of bottom up communication is that it is time consuming since it tends to become narrative and therefore not welcomed by busy managers and executives.
D. Employees Welfare Councils\textsuperscript{28} (EWC) – this scheme represents an important vehicle for the company’s effort to improve workers welfare, increase productivity, reduce costs and maintain stable relationship between management and workers. This body is especially entrusted with the promotion, maintenance and safeguarding the best interests, well being and welfare of the company’s employees. It hopes to attain by fostering unity and cooperation and the adoption of the spirit of ‘Bayanihan’ (cooperation) among officers and employees of the company. This council operates on a philosophy believed by management that no one can best determine the needs of the employees other than themselves’. The council was therefore designed to give employees not only a voice but direct responsibility in planning, organizing and implementing programmes for their own benefit. To ensure that these programmes is effectively pursued, employees are encouraged through the council to look for ways and means to improve productivity (Gatchalian, 1985:72-82). Partly, this scheme has helped many firms during the recession period. It did not resort to retrenchment, instead it was able to maintain previous levels of prices on commodity produced (Magnaye, 1985).

E. Regular and special meetings – This scheme consists of the participation of union officers at company-wide strategy meetings which were traditionally attended only by management and where the company financial status and corporate five year plans, etc. are discussed. Another is the special dialogue between industrial personnel and union officers to thrash out problems, discuss other matters affecting the workers or the company and serving also for information exchange. The company adopts an open door policy where any worker or union officer may at any time meet with industrial relation personnel as the need arises. This is apart from grievance meetings held between the parties. Another is the quarterly dialogues between management executive committee

\textsuperscript{28} For the Companies that adopt this scheme, the council is the best and most meaningful vehicle for better communication, understanding and cooperation between management and rank and file workers compliments the close and harmonious human relationship in the Company (Gatchalian, 1985).
composed of vice presidents, industrial relations personnel and chairman of the board of the Company and President. While the workers' group is composed of union officers, leaders of different organizations in the Company and other workers (Magnaye, 1985:118).

In connection with this scheme, a programme called 'talakayan' or dialogue between labour and management are being placed. The technique has bred a consensual approach to problems. One positive effect of this talakayan reflects the case of Philippine Appliance Corporation (Philacor). The scheme enabled the Company to come up with practical alternative plans instead of retrenching workers due to economic crisis (Magnaye, 1985).

F. Employee and Family Welfare programmes\textsuperscript{29} - This program is known to have enriched the benefit and welfare of the employees and their families. The scheme display the importance the company places on human resource development. This allows the company to institute income generating, recreational, sports, family health, safety and other welfare programmes for its employees, capital based for employees-owned projects (cooperatives), income generating projects for women staffs and housewives of employees, carpentry classes, social welfare counselling, family incentive awards, and other assistance in the form of mass weddings, talent discovery programmes, theatre group, speechmaster's club, search for outstanding employees, employees excursions and christmas party all funded or heavily supported by management (Magnaye, 1985).

F. Other schemes are financial in nature such as Employee stock ownership plans where most of the employees of the company receive a portion of their annual compensation in the form of stock in the firm. In essence, these plans are structured as

\textsuperscript{29}It is important to note that under this family welfare programmes and activities, senior company officers participate in them. The net effect of such involvement is to eliminate 'we/they' thinking and foster a feeling of one big family. In a Japanese concept of Management, this practice is called 'paternalism' (Magnaye, 1985:114).
deferred compensation plan in which the employer deposits stock in a trust fund that holds the stocks for the benefit of the participating employees; the profit sharing schemes where workers own a certain percentage of the shares of the company and received dividends according to type and number of shares subscribed. This type of program is usually initiated by the unions; the productivity incentives scheme where under the Philippine setting is mandatory by law. Workers share the profits as a result of good operation.

G. Other schemes fall below personnel management functions such as hiring, which in the case of TNC's is carried out by foreign investors themselves and according to standards set by foreign companies. Applicants are screened according to their ability to adapt to Company rules and policies, capacity to be trained further, and future contributions to the objectives of the company.; in house seminars and conferences strictly for managers and supervisory personnels only. The seminar provides them with updates on labour and other social policies, legislations and jurisprudence especially in areas of rights and obligations of the parties, dismissal, unfair labour practices. This likewise serves as a venue for managers to have dialogues on company rules and regulations, collective bargaining and personnel policies; the scheme likewise includes above industry wage and salary programmes, promotions from within, a comprehensive employee training and development programme designed to harness the potential of every employee, and management 'listening system' i.e. management walking around and chatting with people. Likewise promotions from within (Japanese style) was best exemplified with the appointments of the lowest personnel to supervisory level (Magnaye, 1985).

H. Another major change in the workplace is the promotion of new technology, and other changes needed for restructuring and modernising enterprises to overcome crisis or withstand competitive pressures. New technologies are usually in the form of micro-electronics, new materials and bio-technologies. The use
of technologies to enhance productivity, coupled with production innovation and managerial innovation were said to have weakened the traditional product cycle i.e. availability of cheap labour, and relatively cheap engineering and scientific talent. This has affected the comparative advantage of the low-cost unskilled labour sector of the country.

I. Another practice of the firm is by putting the disposal of workplace grievances in the hands of the management initiated Labour-Management Council (LMC)\textsuperscript{30}. Likewise in the promotion of the labour-management cooperation through consultations rather than collective bargaining. As observed, very rare management would choose for collective bargaining as a means to negotiate and implement change in the presence of an alternative scheme.

J. Other approaches include pre-arranged agreement prior to collective bargaining negotiations, suggestion boxes, consumers cooperative and This usually happens especially in non-unionized firms. Few companies likewise adopt the workers directors schemes.

K. Another change worth mentioning, is the dramatic switch of the language patterns of managers at all levels. Their perception of industrial relations in 1970’s is different in the 1980’s. Industrial Relations discussion especially in unionized companies were mostly likely to be in ‘terms of rules’, ‘due procedure’, ‘parity’ and other similar concepts. At present, the discussions are typically preface with reference to the ‘needs of the business’. When talking about employee relations, managers usually emphasized the need for creating an ‘organizational culture change’. References to shop stewards were rare and the

\textsuperscript{30}The State instituted Labour –Management Council approach was implemented under LOI No.688 with the aim to encourage labour and management to devise a scheme which would promote systematically and on a sustained basis the establishment of an adequate machinery for positive cooperation between labour and management at the appropriate levels of the enterprise (Noriel, 1979). See chapter three for further details.
concept of 'joint regulation' had all but dropped out of the vocabulary.

4.4 MODERN MANAGEMENT STRATEGIES AND ITS IMPACT TO TRADE UNIONS: (Analysis)
The process of change itself, created a substantial effect in the influence of workplace organization. The picture illustrates increased intensification of labour under flexible working conditions. This condition often generates intense and polarized feelings among union officials. Aside from these, there were cases of changed attitudes towards shop stewards by managements which lead to their reduction of influence over changes in work organizations and adherence to procedures defining their role. This is a challenge to fundamental tradition of labour strategy. It means that union is no longer the sole representative forum for workers. It has to deal with channels of expression that are independent of its structure. This is a central contradiction to 'Donovanism' whereby management support the workplace organization and actively promote the position of 'leadership' stewards as the basis for control over wage drift and output levels. As shop stewards become irrelevant in the 1980's, the traditional role of trade unions as workplace organization is at the heart of brinkmanship.

The policy of the firm to shift focus on new management practices have positive and negative repercussion to labour relations at the enterprise level. While it cannot be denied that both labour and management have opposing interests, employers for profit and labour for higher wages, polarization of interest causes labour to doubt the commitment of management to these schemes. Most of these schemes are employed by non-unionized firms and to some extent this allow the management to tap opinions of its employees nevertheless such devices are established unilaterally by management as they deem it useful for the Company.

I can say too, that although such mechanisms may provide an outlet for the employees to air their sentiments and creativity,
there is no evidence that management voluntarily gives employees information on sensitive topics, or encourages employees to speak freely and broadly along lines not suggested by the Company. These HRM techniques which are highly practised in non union environment contributes to workers aversion of unions at the workplace.

Taking a closer look at the labour-management joint consultation councils, one may perceive a healthy sign at the first glance, but closer investigation reveals that in many cases the scheme remains a one sided relationship in favour of the management (Mendoza, 1993). While the Philippine government in its corporatist role promoted the Labour-management Council approach, the law in itself contains vagueness in its goals and this opportunity is being seized by the employer to weaken the union. As the scheme affords avenues for workers to air their views, the law does not specifically discuss any mechanics on how workers involvement should be concretely done. In fact, guidelines to this effect are not yet released up to this very moment. Trade union leaders perceive this approach as purely suggestive and commentative compared to the Board of Directors set up (Damaso, 1989:102). Moreover, studies conducted of the Joint labour-management council showed that management reluctance to implement the scheme is on the ground that the workers' representation might become an infringement on property rights and could affect the effective operation and manoeuvre ability of the enterprise by for instance causing the delay in decision-making. While Workers with the same doubts as management, believed that gradually they maybe identified with management and thus lose credibility with fellow workers.

The management style of reaching to the individual employees is a clear evidence that management is likely to prefer it own channel of communication, to foster individualized forms of incentive and reward schemes and to control socialization of new recruits very carefully. HRM practices show evidence of a more and frequent communication and contact between workers and
management. This reduces the extent of which union representative act as go-betweens.

Another important observation, is that workplace grievances, incentive schemes, production oriented issues and other pay deals are brought to either Labour-Management Councils for decisions. Hence the need for the union as a protective device against arbitrary management behaviour is likely reduced. While issues on pay deals other than wages are likewise brought to the council for addressal, the situation allows the trade union to wither and die. The fact that workers representative in the Labour-management council may not necessarily be a union officer or member. Any non-member who may represent the workers in the council may lead smaller role for trade unions.

The strategy of quality circles although help the individual to realize his capacity to contribute of company's productivity, under the free market concept has become the extended choice for employers. With this, management believe that they can reduce the production costs more effectively without the trade unions. Still the notion applies, where cost advantage is the goal for employers, unions appeal to carry higher costs. These therefore leave little scope for collective arrangements and therefore trade unions.

While training is regarded as a central to human resource development, unions may regard an educated workforce as a threat. The notion emphasized here is that, empowered workers do not fit in to a traditional trade union, and may consider union u unnecessary in the long run.

While it is true that labour interest maybe integrated into the decision-making level of the firm through the workers board, it is obvious that power positions of directors and executives is stronger than the trade union representatives. This is proven by the executives detailed greater knowledge and the wider role they play in everyday decisions of the enterprise. While workers
directors are only involved in personnel issues, work environment concerns and workers’ welfare. Problem therefore of the worker directors lie in two things: i) the difficulties the worker directors in maintaining communication with worker constituents and; ii) workers directors lack of competence to deal with technical, financial and legal issues considered by the Board (Curral et al, 1977). The problem on the part of the conventional directors is how to create or define a worker director role that does not threaten their power position. While the problem for employees is to create a worker director that can serve as labour’s voice on the board to protect the interest of workers.

Another phenomenon related to implications to trade unions by these changing management trends, is the well-known Japanisation strategy of industries. While Japanese industries in the Philippines experience several setbacks in their attempt to introduce the Japanese management styles, the same claimed to be transforming domestic industrial relations and patterns of work organization by adoption and emulation. The emphasis on employee involvement, commitment and empowerment as a way to overcome adversarial tensions between employer interest and worker solidarity through a reconstruction of work relations has been prominent in much of the recent management strategy. The upgrading of personnel managers status and the integration of HRM function into business strategies appear as major features promoting a more strategic approach towards labour relations.

The stress on individualism, the interest in direct forms of workplace communication, small group activities, individualised appraisal systems and more sophisticated recruitment and selection have been projected in the HRM model to be largely endothelial to collectivism based on strong allegiance towards trade unionism. These are otherwise called as 'managerial concepts' and are being translated into procedural arrangement with single union agreements and strike-free deals identified as the 'institutional crisis of the new industrial relations' (Salmon and Stewart, 1994).
Summarizing the main changes in industrial relations, Firstly, my observation rests on a notion that majority of HRM managers especially those in-charged of implementing the scheme, places very low concerns and priorities on industrial relations and the role of unions; Secondly, these changes have effects on the content of collective bargaining and its form. Regarding content, it appeared that the scope of issues covered by joint regulation had narrowed considerably. Concerning the form of bargaining, there was a tendency for it to become increasingly similar to joint consultation. The shift in power had been such that management were able to bring issues to the table for ‘information’. Although comments from the unions can be invited, the opportunity to exercise a veto had been drastically reduced; Third, in terms of procedure, there has been a notable shift away from industrial relations procedural devices such as job evaluation and negotiated pay categories and towards individualized contracts and performance related pay; Fourth, on the issue of workplace representative, shop stewards had seen their numbers and influence reduced. Facilities for shop stewards had been eroded and so too the amount of training for trade union duties.

Given the general scenario on the changes on industrial relations, I will use Storey (1992) description of what will happen to trade unions at the enterprise level as companies implement HRM strategies. Four main scenarios were mentioned by Storey in his study. They are the following: i) the unions and the joint procedure arrangements might be directly attacked so as to leave an open field for the new approaches; ii) the firms might simply ignore unions in a way which is tantamount to de-recognition; iii) the established and the new approaches might be run in parallel; iv) the joint arrangements might be integrated into the overall new approach.

The first scenario, implies a non-harmonious relations with trade unions. What is notable is the fact that the management has no intention to rectify this state of relations. Rather, their aim
is to keep the pressure and wrest areas of control out of the hands of the stewards committee. Reasons for this hardline position is according to Storey firstly, that IR managers are separate from HRM managers, and in some considerable measure in conflict with each other; second, given the product market circumstances, the aggressive line against stewards would have been adopted irrespective or their existence or non-existence on a set of HRM policies.

The second scenario involves the widespread of the firm for a decentralized collective bargaining. Reasons can be attributed to taking advantage of the labour market conditions and the idea of profit sharing devolving management. Variety of practices in contrast to CB are noted even in unionized companies. While collective meetings are held rarely, in some companies plant representative frequently meets for a relatively formal talk about various grievances, disputes and procedural matters. Also in the new practice there is less emphasis on productivity gain sharing, instead a rather wide span initiatives are extended beyond CB. This move is somewhat a balance between IR and HRM approaches, although this seldom occurs.

The third scenario, implies that trade union leaders at the national and workplace level were left on the sidelines of most of the managerial initiatives in the HRM period. HRM programmes are frequently devised outside the specialist personnel and industrial relations function. In consequence, by the time this branch of management got hold of a change package, its shape is already settled. As personnel were still widely regarded as the chief mediators with the unions, this inevitably meant late involvement by the unions.

The fourth scenario (joint arrangements), according to Storey (1992) seems bleak to happen. He argued in his paper that integration is impossible to exist, because unions are already in a weak position as a result of adverse political and economic conditions, and therefore the initiative to integrate unions in
HRM decisions would be too adverse to unions. Unions will be seen as crowded out by other managerial concerns. Above all, practices under HRM are tended to be viewed suspiciously by trade union representatives. Hence, unions endorsements of HRM schemes would be half-hearted. Storey, insisted with his argument that there is little evidence that unions would abandon 'pluralism' in favour of the wholehearted commitment to an individualistically-based human resource programme. Instead, the most likely thing to happen is that unions would maintain the previous machinery while slowly experimenting with policies and approaches until a signal comes that they will depart towards new priorities. In this case HRM approach would be seen to be running alongside, rather than supplanting the ongoing industrial relations practices.

Storey (1992), made a conclusion based on the evidences he gathered in his survey, that it is likely to be the number 3 (parallel approaches) which will happen among companies with HRM schemes. In other words firms will be operating on a dual arrangements. While I endorse Storey’s observations, on the other hand I strongly argue with Storey (1992), that although the number three scenario (parallel approach) is likely the most possible to happen in firms with both union and HRM existing, the number four approach (Joint arrangements) could be also become a workable strategy in the workplace. Following the integration approach will not only provide solution to the alienation felt by trade unions, but this would also generate support from trade unions. Union members are more motivated to work when they see that their union organization is involve in the process of production and innovation in the Company. This therefore lead to greater productivity. For me this is the most recommendable strategy for both managements and unions better relationship.

My contentions rests on another notion, that while unions may become passive objects, submitting themselves to external changes, the companies or the HRM managers neglect two important crucial elements: i) that with the present crisis the unions are
facing, they have now reach their point of no return. The economic pressures and competitive market structure, forcing firms to be flexible with their management strategies left them no choice but to respond, not to think up of new ideas, but to bring current experiments together with management in a unified vision; and ii) that unions are woven into a wider mesh of relations with employers which also conditions their scope of response. But above all, they can make commitment to change. Unions are very much aware that if they insist on maintaining traditional prerogatives and relations, these can act as effective blockers to their growth. These therefore are only a continuation of the current crisis affecting their status. While there is apparent decline of unions in contrast to the complimentary rise in demands for employee rights, unions cannot afford to stand hostile and passive until the pressure grows too great to withstand.

4.5 CONCLUDING OBSERVATIONS:

In this chapter, attempt is made to discuss the changing management practices scenario in the Philippine Industries as a response to the challenge of the changing market structure, either under the influence of the Structural adjustment policies or indirectly by the transnational corporations. The Philippines portrays several examples of how employers deal the unions with iron hand while firm level adjustments were focused on the labour-management relationship that helped enhance productivity at the enterprise level. Some of these changes are in the forms of workers participation schemes like quality circles, personnel management programmes, employee welfare councils, workers managed corporations, family welfare programmes, improved forms of communication styles and other suggestive and participative strategies.

Attempt is likewise made to show the implications of these management practices to labour relations much more to the role of trade unions at the enterprise level. I have discussed the
complications and contradictions of these practices to trade unions and its representatives in the workplace. In cases where the enterprises are not unionized the nature of HRM policies obviate any felt need for a union.

In a Philippine situation where there is a legacy of mistrust or highly conflictual labour relations tradition, it is necessary and empirical for both management and labour to undertake a careful and objective diagnosis of the existing relationship and to address the causes and find the necessary solutions. And to achieve this, management must take the first step by articulating a general management philosophy for a cooperative relationship based on respect and equitable treatment of workers. In any case, while the half-hearted way in which the distancing of the trade unions handled the HRM schemes has been witnessed by companies, probably the pragmatic reversal to change circumstances such as integrative approach suggests a try.

In the next chapter, I will try to elaborate on the theory of integration which I recommended in this chapter. I will likewise deal with the response of trade unions to micro and macro level challenges, then my findings of the study and then conclusion.
CHAPTER FIVE

5.0 TRADE UNION RESPONSE TO THE CHANGING MANAGEMENT PRACTICES

5.1 THE TRADE UNION RESPONSE

The general impression is that unions have been assaulted by change and that adjustment has been painful and difficult (Pankert, 1992 as quoted in Davis, 1992:6). But this plethora of change as Pankert had described it, had spread in many directions and the trade unions are required to come up with long term responses and strategies needed in the pursuit of development. But how typical should the trade union strategies to these challenges be? Apparently, it is very hard to talk about specific trade union strategies in the sphere of work organization precisely because of their largely reactive, defensive and unfocused character. But given the threat to union irrelevance in the workplace, labour should focus on internal analysis and decide on strategies that would reverse this notion.

In this case, I will try to develop some long-termed strategies based on the problems affecting trade union representation at the workplace. Although trade unions in the Philippines are not yet alarmed with the consequences of the new management practices, nevertheless, I will try to develop a trade union perspectives necessary for their survival for the decades to come. To do this I will use several authors' framework of a modern trade union model agenda to strategically deal with the changing management practices at the enterprise level.

I will group the responses into following subheadings: Professionalism; Pro-active Unionism; Broader Collective Bargaining Concessions; 24 Hour Unionism; Trades and Skills Orientation; Cultivation of Political Will on Both Trade Unions and Managements and; lastly the most important strategy for trade unions at all levels is the one dealing with the Trade Union Introspection. The concluding part of this study will provide the
rationale for the most feasible and reasonable responses chosen which believed will contribute to the long term development, growth and stability of trade unions status for the years to come.

**PROFESSIONALISM**

My first recommended strategy starts with the trade unions reviewing their present situation. They should take time to analyze and should find reasons to reconsider old positions and policies. Changes in society and changes in industry structure and changing preferences among young people are the standard arguments for new policies and practices. Traditionally unions have relied on their own decision-making structure to adjust to new situations. But what is better is to consult and listen to their membership in order to meet new situations and challenges. They should supplement these information with the use of the modern survey and marketing techniques. The old practice that is to rely on activists to give an accurate picture of the labour scenario will not solve the problem anymore. In turn, attention must be focused on researchers or consultants to find out what the members want. It is also essential to supplement the members views with the non-members views.

I call this strategy as **Professionalism**. Unions should wake up and face the reality that their capability as workers representative are being challenged by employers using advisers and information in every field and subject while the expectation of workers have also grown with the rise of their educational level. Responding in a professional manner is the most important way by which union can deal with the challenges of the government, employers and workers. In order to be effective, the unions must become a partner whose power is equal to that of the employers. Unions must foresee the steps the employers and government should make. Hence, it should be ready to take and adopt suitable defensive measures. Like the employers, the unions must have recourse to data, information, research and advice of
experts. They must outline professional plans of action and not limit themselves to reacting to the activities of others. As Lawler (1986) has emphasized in his paper, "it is imperative that unions must be able to employ legal and organisational advisers to help them improve their strategies and tactics" (Lawler, 1986 as quoted in Fisher and Israel, 1992:94).

Obviously, major constraints faced by trade unions especially in the developing country like the Philippines, is the lack of resources necessary to deal with the problem. Moreover, union officials are low paid which does not permit recruitment of higher level staff (Henley, 1989 as quoted in Fisher and Israel, 1992:940). In recognition to this problem, I would recommend for the mergers and restructuring of trade unions. This strategy has been regarded by many unions as necessary ingredient in the restoration of their fortunes. Davis (1992) cited the case of the Australian Confederation of Trade Unions (ACTU) as the most typical example. He described ACTU’s response to the challenge as follows:

ACTU recognized that unions were handicapped in the service of their members. The reason of which is the multiplicity of trade unions. ACTU therefore called for a ‘radical surgery’ using rationalisation and amalgamation to reduce the number of unions to approximately limited number. The rationale adopted was that the newly forged unions could be larger, better resourced and better equipped to deliver improved services. The large reduction in the number of unions would also diminish demarcation tensions. Unions should spend less time engaged in internecine conflict. It also encouraged unions to devote more time to recruitment, to target groups such as women and young workers and to strengthen links between union officials and rank and file membership. The step has made remarkable progress to Australian Unions in the 1990s. While the union goals appear more attainable, leadership has called for workplace bargaining to play a much more important part in wage determination. Unions hope that the return of the bargaining will restore their relevance in the eyes of members and assist in recruitment. Unions have not abandoned their interest in the broad agenda drawn up a decade ago; They have been determined to exercise influence within the workplace as well as the national level" (Davis, 1992:14).
In the same manner, the problem of lack of resources among trade unions has been given attention by the International Confederation of Free Trade Union (ICFTU) who has recognize the importance of training and research and initiated plans to improve the capability of unions to analyze economic data and social trends and facts at the bargaining table. The ICFTU has came up with a plan that calls for the training of union activists and union representatives in the spheres of economics, statistics and analysis of business data and also encourages research within the union framework in developing countries assisting in the development of research departments in the unions of Asia, Africa and Latin America. The overall aim of the plan is to raise the status of the unions in society and to enhance their influence in the joint frameworks of employers and governments which is also directed towards improving their capacity to represent the workers and members (Fisher and israel, 1992:95).

It is also vital and consequential for the Unions to get the support and sympathy of the public. One of the chief tools with which the unions can reach the public is the professional use of the media (Fisher and israel, 1992:94).

PRO-ACTIVE UNIONISM

Being a pro-active union entails too many things. I define pro-active Unionism in this study as those reflecting readiness of the unions to adopt to the challenge of the firms like workplace innovations even before management has announced it. Pro-activism also means awareness of the benefits and disadvantages of working closely with management. It would also mean unions pro-active stance on the basis of trade unions shifting its perception of the changing management practices from a threat to becoming a possible opportunity while developing its own agenda to strengthen its position in the company and its members. With this strategy, unions are expected to become pro-active by championing
the new management practices and be more enthusiastic than the management. In so doing trade unions should start assessing the positive factors of these new practices that may operate in the unions favour. Guest (1995) suggested several areas where unions may give considerations:

i) Unions should approve of realistic job previews;
ii) Of careful and fair selection of extensive training which develop general as well as specific skills and left the workforce better qualified;
iii) Of high basic pay;
iv) Of high trust autonomous groups;
v) Of clear targets;
vi) Of open and extensive two way communication through a range of channels and many more elements.
vii) Unions should welcome the single status and guarantees of job security; and
viii) Unions should find ways to attract new members while retaining their current members

Strengthening union stance in these areas, there is no question that labour-management relations cannot be improved even with the presence of innovative management practices. The main factors contributing to this notion, is that both social parties should begin to find common interests and realize that the negative perceptions they hold to each other are inaccurate; thus both should be ready to accept the principal responsibility for promoting and maintaining sound and stable industrial peace. It is therefore the creation of this 'superordinate goals' that supersedes the 'sectional goals' of opposing parties which cannot be achieved unless they cooperate with each other. Grant (1993) endorses this superordinate goals and suggested a preamble in the following statement:

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31 Single Status refer to the common terms and conditions of work for all employees seek to reduce social barriers at the workplace (Grant, 1993).
'... the company and the union have a common objective in ensuring the efficiency and prosperity of the company in order to promote security of employment and advancement of all employees' (Grant, 1993).

Communication is therefore one area that should be improved among both parties, hence a better employee relationship programme through a series of dialogues conducted from top management to bottom employees and rank and file workers must be maintained (Ambarao, 1994 and Villaviza, 1985). The union can help in this campaign of the mechanisms as a commitment to strengthen their relations through dialogue. The union must police regular dialogues whereby officers and workers conceived and developed their own schemes of consultation based on their particular characteristics and needs. Trade unions should participate as representatives to these department to tackle different problem surfacing from meetings. Participation of union officers is mostly needed at a company-wide strategy meetings which were traditionally attended only by management and where company financial status and corporate plans are discussed (Trajano, 1985).

On the other hand, it cannot be denied that the basic principles of human relations and mutual respect for the basic rights of the parties remain the fundamental key to industrial relations. This applies especially to equitable sharing of benefits, if there is any and of sacrifices. Villaviza (1985), stresses that trade unions and their members generally respond to calls for sacrifice, if they believe they also benefit if progress is achieved. They learn lessons too from costly mistakes like losing a strike where they and their families actually suffer the most. In such cases, unnecessary strikes must be prevented and workers need to be more productive. The situation allows for the replacement of the confrontational approach to grievance procedure, and informal approach where union and management representatives start the dialogue on specific problems until a consensus is reached. This way confrontation is avoided and the
self-image of both union and management is left intact (Villaviza, 1985).

Grant (1993) also suggested for the possibility of altering worker attitudes by changes in behaviour at the workplace. He emphasizes that the use of new participative and cooperative practices, combined with their spirit and intention ought, if put into practice, to conflict with old worker perceptions of the management/worker relationship being adversarial. This conflict which is described as being in a state of dissonance may be resolved by altering attitudes, so that they are aligned with the new behavioral requirements (Grant, 1993).

It is therefore empirical for the unions to persuade management most especially in new establishments that they should be recognized, or (in case of organized companies) convinced management to retain and continue to recognize them (Taylor, 1994).

**WIDER COLLECTIVE BARGAINING CONCESSIONS**

Another strategy suggested by Lucio and Weston, (1994) deals with the ideology of 'a wider collective bargaining concessions' which literally means 'extension of collective bargaining'. Similar to the theory of 'new realism' this term has no specific meaning, but distinctly this is related to a specific set of proactive unionism. This can be related to attitude towards innovative work organization. This kind of approach can be likewise seen in a contemporary context in the 'productionist' orientation of trade unions. This accepts the rationality of current managerial attempts to reorganize production and human resources, influenced in part by the craft nature of their memberships. A classic example is the introduction of new technology in the 1980’s in British Steel Industry which particularly affected the unions. Many activists saw the consequences for jobs and managerial power spelling the end of trade unionism. Collective bargaining concessions was through the
more ambitious attempt in the form of 'new technology agreement'. The issue of new technology was brought which under the old CB has failed to materialize.

While it is true that changes in technology maybe hardly accepted by trade unions it is useful for trade unions to take note and consider possibilities as experience from the west, in welcoming new technologies and influencing proactively, technology policy decisions. Unions in western industrialized economies, have counted managerial policies aimed at labour input reduction, gaining closer managerial control over production process, etc. through building up technical resources within unions and among workers to analyze the effects of future technologies and influence managerial decisions on new technologies with a view to humanise the workplace (Ozaki, 1992 as quoted in VenkataRatnam, 1993: 72). Another unique example in India, is the trade union involvement in the policy formulation and implementation of modernisation decisions at various stages of the programme. This was able to save jobs during the recession.

Aside from technology, the issue of work shift needs concern. Trade unions needs to examine the traditional eight hour work shift pattern. As rapid technology changes put far greater mental and physical strain on engineers, managements and workers alike, experience in the industrialised countries has proved beyond doubt that the 6 and 4 hour shifts with results of getting greater productivity and economically improved utilisation of men and machinery;

Another is on the issue of ecological concern, trade unions and management should jointly work in an environmental protection. Introduction of modern technology in the production processes has led to a large scale use of chemicals and other toxic materials with inherent health and environmental hazards. Both management and unions should not tolerate this industrial disaster. Trade unions and management need to be ever alive to their responsibility to the community. Another related issue is on
occupational hazards, trade unions should cooperate with management in a continuous manner by planning together before a new technology will be installed in the company. The change in work methods, new job designs and bio-technical aspects must be taken into consideration; Another area in which trade unions are not really active on, is that they need to put to good use their organised strength by spearheading the consumer resistance movement. Example is drug addiction which contributes to sharp decline in productivity. Trade unions should play a leading role in the campaign against drug peddling and drug addiction. They should extend all cooperation to de-addiction efforts.

Venkata Ratnam (1993) made his point on a wider context. He stresses for trade unions to come out of their traditional role and take active interest in the formulation of structural policy designed to accelerate the pace of growth of the country’s economy as also to ensure the basic needs of the individual in the rapidly changing society. They have to strive for a dynamic trade union programme that can effectively meet the challenges of the changing technology. They need to ensure that measures for increased efficiency are relevant to employment and working conditions are accompanied by satisfactory work adjustments (Venkata Ratnam, 1993).

Hammarstrom (1992) model, also emphasizes and requires high levels of union competence and strong union organization at the workplace. He concludes that unions must work and bargain with managers over issues such as job design, career planning and training other than wages and benefits. In sum,

'to be relevant to members in the 1990's unions need to engage not only in issues of wages and conditions but also to support members in getting stimulating and challenging jobs in a safe and healthy environment' (Hammarstrom, 1992 as quoted in Davis, 1992:13).
Australian Confederation of Trade Unions (ACTU) shares their own strategy. While Australia is in the midst of economic crisis, the unions managed to take a broader focus of the issue such as:

'The economic circumstances have demanded that unions in pursuit of more jobs, greater job security and the capacity to increase living standards are more closely involved in the processes of production and not simply in the distribution of the receipts of production. This changed emphasis has mean that unions must be interested and involved at company and industry level about training, investment, production methods and industry policy' (ACTU, 1987:5 as quoted in Davis, 1992:14).

At a certain level, different types of union strategy may prove compatible or otherwise with different management strategies as this can affect the degree to which management seeks to work with unions. In Fucini and Fucini, (1990) he emphasized how survival of the union was reinforced by its cooperation and bargained concessions with the management during the organizational restructuring. In so doing, trade unions conceded many of its former methods of job control, engaged in new forms of representation and retain its presence in the company (Fucini and Fucini,1990). Such a shifts of representation strategy are not however new, the shift from adversarial to a more consultative strategy at the enterprise level has been practised and documented in particular with New Zealand Unions (Paykel,1995).

24 HOUR UNIONISM
This strategy is a supplementary to basic unionism. The unions have to do more benefits in order to attract members. It is not enough to relate only to employer. The increasing

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32 By Basic Unionism I mean the traditional services offered by trade unions to their members. Wages, conditions and security of employment. Priority is given to traditional relations with employers and lobbying of government in relation to labour market policies.
complexity of society means that wages and conditions have become more dependent on political decisions and less on union-management relations. There is also among young people a growing interest in non-work life with the famous inquiry with each other all the time - what do you do in your spare time. As a consequence, unions should try to service their members in non-work related matters as well. One type of service that must be extended must be based on a utilisation of the membership as a consumer collective. Agreements can be reached with insurance companies, banks, holiday tour operators and similar organisations in order to offer services to members at a discount (Hammerstrom, 1992:120).

Bradley (1994) on the other hand says that faced with crisis, unions have to acknowledge the need to reconsider their traditional policies and practices if they are to recover their social prestige and rebuild membership. With this he suggested that trade unions must 'embrace spirit of individualism, which is seen as the hallmark of current employment practice and take on a new role as 'private sector service providers' (Bradley, 1994). Described by Lucio and Weston (1992) as 'new realism' this term too is based on the notion of social partnership. While this term too often conflates and confuses general ideology stance, this ideology deals with recognition and industrial action and forms of 'business unionism'. Watson sees this transition of activity from trade unions choosing between business unionism and campaigning unionism. But Hyman rather supported that unions should go for 'business unionism but with a social conscience'. Other labour leaders suggested that unions must 'see the need of the members as the customers', or unions should become a one stop shop for advice and action on the range of issues which impact on the well-being of the worker at work and at home, or unions should offer its members 'free financial advice tailored to its members needs and others focused on personalized packages and discounts such as percent off, mortgages, cut-price insurance and snip holiday deals.
However, Bradley (1994) emphasized an important reminder to unions. He explicitly stated that while this consumer orientation may attract some new members, union must recognize the different groups of members having different needs. It is insufficient to presume that members want more benefits. Unions must learn to identify members needs more accurately and cater for them more effectively, especially when members have been marginalized in part, such as women, ethnic minority members and temporary part-time workers (Bradley, 1994).

What Bradley was referring to, is the apparent changes taking place in the employment scenario created by the so-called problem on 'heterogeneity'. Trade unions should improve its present status and organizing strategies, while initiatives should be focused on how to increasingly take into account the specific expectations of specific groups of workers and this kind of initiative should rank first with the overall adjustment efforts of the union. Tailor made work or recruitment campaigns should be aimed especially to women workers, young workers, the educated white collar groups, middle managers, workers in small enterprises, atypical workers, immigrants and members of the ethnic minorities. Initiatives should include surveys aimed at identifying their particular problems, needs and aspirations, specific representation within the statutory bodies of the union, creation of permanent bodies to study the particular problems of the groups concerned; specific training for the trade union officials who will be in charge of the various groups; better information of the members of the groups about the services offered by the union; and practical measures aimed at directly responding to the particular expectations of the workers concerned. The examples in the case of the FNV, Netherlands of such measures are the publications of distinct newsletters or magazines for the various categories of workers composing a particular union or with regard to women workers - the promotion, through collective bargaining or tripartite measures of 'affirmative action plans' (Pankert, 1992:150-151).
Sugeno (1993), on the other hand stresses on the issue of pluralism in similar manner to the issue of heterogeneity. At a broader level, he contend that division within unions as a constraint to a broader union strategy, must be taken into consideration by trade unions. This division can be caused by individualism, division of the old and new employees, gender factor and ethnic minority groups. While the gender inequalities at work has the potential either to weaken union solidarity or can strengthen support, unions must strike a balance by learning to identify womens' needs and cater for them, without alienating male members or making them feel that their interests are being ignored. While it can be argued by the unions that it is impossible to please everybody, but this is exactly that impossible claim that is the heart of democracy; the need to strike a balance between the interests of all social groups, majorities and minorities alike. One way that this can be met, is by catering to the pluralities of interest through a plurality of organizations (Sugeno, 1993). The essential requirement of trade union strategy is that it should be independent from government and from management (Sugeno, 1993). The issue unions is facing however, is whether there should be a public policy to assist them as subsystems of a free, democratic system and whether this can be done without sacrificing their essential nature. How therefore a society can provide further assistance to unions which have grown into institutions carrying out indispensable social functions. In particular considering the overriding importance for trade unions of human resources and the high level of professional expertise union leaders now need to perform their functions, public systems could be set up to provide effective training to develop such expertise. Also worth examining is the relationship between union density and the extent and nature of benefits unions provide to their members (Sugeno, 1993).
TRADES AND SKILL ORIENTATION:

The word 'trade union' is used for all unions whether they are based on 'trade or craft' or whether they are based on industry or common training or qualification. This has historical reasons as the early unions were trade-based. In the early days, the skills of the trade were an important factor in defining the boundaries of the unions and of strengthening its position in bargaining. Unions focused on control of entry into the trade as a way of countering unlimited market exploitation. But the union also played an important role in establishing and developing skills of the trade. Unions were involved in apprentice and other forms of training, sometimes in collaboration with the employer. Labour organisations (LO, 1989:40) shows that it is not enough for a union to look after wages and working conditions. People demanded more of their job than security of employment and good wages. They wanted a job that is interesting and stimulating, and jobs that offer a chance for the individual to develop, grow and to receive recognition for his organised and in training and skill formation. The dynamic character of the labour market also means that the unions can no longer guarantee security of employment primarily by resisting change and trying to preserve existing structures. It is only through increased competence and training that members can increase their chances on the labour market. It is no longer enough to train for a trade at a young age and rely on that skills until retirement. In a changing environment everybody has to cope with change and everybody needs to widen his or her experience and acquire new skills. In order to help members, the unions have to shift strategy from trying to prevent change to helping the members to cope with change. training and skill development have become key concepts for trade unions (Hammerstrom, 1992:120). On training and retraining, it is very important that trade unions should emphasized that they should be given a greater measure of influence in the design and preparation of the training courses;
However, Hammerstromm 1992 stresses a warning and an important point for trade unions to remember. According to him while the strategies of basic unionism and 24 hour unionism do not normally require any change in the way unions are organised at the workplace level, the skills orientation through training and retraining on the other hand, demands a high level of local union competence and activity. The development of competence must start with an analysis of the company business idea, including products, markets and choice of technology. This should preferably be done jointly by union and management. To engage in this type of joint analysis and to organise the subsequent on the job and off the job training requires a strong local organisation (Hammerstrom, 1992:120).

**CULTIVATION OF POLITICAL WILL BETWEEN MANAGEMENTS AND UNIONS:**

Union professionalism; pro-active unionism; 24 hour unionism; wider collective bargaining concessions; trade and skills orientation; participation in joint representative bodies aim to enhance employee influence over management decisions; no strike procedure whereby management and the union agree to a procedure whereby strikes and lock-out status are forbidden and other Labour-Management integrative strategies are the important components of a stable industrial democracy. But more to these components mentioned, both management and trade unions must accept that they are reliant on a further principle - 'what is known as their spirit and intention'. The spirit and intention clause calls for an emphasis on cooperation and partnership between management and the union rather than their acceptance of a conflict of interest as a matter of course. Another is on the emphasis to seek to move industrial relations from a 'conflictual or adversarial process to one based on co-operation and trust'. This motive fits the Kelly and Kelly's social psychological definition of new Industrial relations (NIR). NIR is seen as the management attempt to attack and reduce certain underlying attitudes among employees. These attitudes -deemed to have a detrimental impact on employee performance at work and are best
encapsulated by the popular expression 'them and us'. To kelly and kelly, 'them and us' stems from a perception that there exists a clear division between management and workers and these two groups have conflicting interests (Kelly and kelly, 1991 as quoted in Grant, 1993).

Focusing on the employers emphasis on workforce flexibility and constant communication with workers, the notion of political will in this context expects unions to play a more active role in introducing innovations in industrial relations at the workplace as well. Taken together these changes call for fundamental redesign of governance structures within corporation, expects a greater political will on the part of management, to allow for greater consultation and participation of workers and their representatives at all levels in the organization and on a broader set of issues than is the case in traditional collective bargaining (Kochan, 1988). Adopting this approach also requires breaking down traditional lines of demarcation between different bargaining units, between blue and white collar workers, and among workers, supervisors and middle managers.

Managements should take into consideration that, also unions do not only want to concentrate on wage increases and benefits. They would also like their members to realize that they can accomplish other things for them, like reducing penalties for alleged infractions of Company rules. If management could make some accommodations to make the unions look good, these could create a lot of goodwill. On the other hand, unions are also not expected to forget that management also needs face saving from time to time. Extreme saber-rattling and personal insults hurled at Company executives create animosities that are not easily forgotten. Hence, they should be avoided.

The last strategy must be dealt by all trade union organizations seriously. Time for introspection – Trade unions should this time take a closer examination and hard look of themselves to see if they are divided against themselves. Considered as the most
crucial threat to trade unions that comes within, both on trade union leadership and trade union membership. They need to incorporate efforts and plan strategies to cope with the challenges of the future.

In determining to pursue this strategy, unions should take into account some evidence why people join or wanted to belong to trade unions (Guest and Dewe, 1988 and Hartley, 1992). The dominant influence apart from the key initial issue of union availability is instrumental but workers believe that the union can help them achieve certain outcomes. These maybe both positive, such as increased in pay, and negative such as protection against arbitrary management action including dismissal. This as a whole acknowledges a pluralist perspective whereby workers perceive that their interest may from time to time diverge from those of the management. Unions can promote those interests and provide form of insurance.

The role of external leadership may not be a significant problem to some trade unions. But the need for stressing the thrust on workers education and cadre development programmes should be given attention in order to deal with the leadership crisis in the trade union movement. Professional trade union leadership should not be based on the concept of permanency, that is leadership responsibilities should rotate to prevent formation of vested interests among those who view leadership positions as positions of authority for personal exaltment.

Trade unions should also consider whether the shift in locus of decisions on industrial relations matters away from bi-partite fora to labour bureaucracy, judiciary and not infrequently even to law and order functionaries. While the increasing new personnel policies is making the trade unions somewhat irrelevant and their roles redundant, the long term implications of such trends upon trade unions and corporate governance must be acknowledged by trade unions.
While it is encouraged that trade unions should increase interest in enterprise competitiveness and would desire for a cooperative industrial relations, Gagnon (1992) warns that union pursuit of cooperation with employers should not be at the expense of identity. Unions must remain at some distance from employers. The risk that she explains is that emerging unionism will lack coordination and ideology. It's role as a mode of challenge will be defunct. If union no longer play the role of articulating the interests of employees as distinct from employers, then their legitimacy may be challenged below separatists movements (Gagnon, 1992 as quoted in Davis, 1992:12).
FINDINGS AND CONCLUSION

FINDINGS AND CONCLUSION OF THE STUDY:

This study has shown the changes in the pattern of work, highlights some specific challenges and new developments in industrial relations particularly those to the sharing of power influence of trade unions. This study has likewise presented the status of Philippine trade unions from the time of their inception to the contemporary environmental structure. My findings will first deal with the assessed trade union status in the Philippines and thereafter on the changing management practices that challenged their role at the workplace. The last part explains the rationale why trade unions should adopt the strategic responses recommended and thereafter my concluding statements.

Philippine Trade Unionism

At the onset, findings revealed that since the colonial period trade unions have been divided by their sharp ideological divisions which was the major reason for its own reluctant growth. Majority of the activities were mainly political and the cause of its demise was political and ideological fissure. As Mendoza (1993) had described it, ' until the 1950's trade union in the Philippines could be considered political associations or adjuncts to political parties'. Their major concern since the time of their inception was on political activism against imperialism (US to be specific). The reason why their existence was suppressed by the government. Trade unions reacted to turbulent economic conditions by staging strikes often led by radical union leaders. Multiplicity of trade union federations was observed to expand rapidly and classified into two categories; communists and democratic. Those that belong to the militant group were chased by the government, its leaders arrested, imprisoned and organizations were ordered to stop operation; while those those representing conservative organizations were assisted by the government, leaders provided
with seats in the government statutory bodies and recognized by the government as official labour federation in the country. I can say therefore that two factions of union organizations existed in the Philippines. One whose responsibilities are centered on organizing and firm-level activities (orthodox unionism) and one whose responsibilities are more economically and politically inclined in nature (social movement unionism).

While nationalism and independence were paramount in the agenda of trade unions prior to 1970's, these were have been surpassed by the 1980's economic issues that hit the unions. They were even more prominent: unemployment, recession, wages, human rights violation and corruption were also focused upon. Structural reforms related to the foreign debt problem were broadly the popular concerns. Findings therefore revealed that challenges faced by trade unions are in relative terms economic in nature. It was observed that the last half of the 1980's witnessed the low economic growth which contributed to the depletion of union ranks through cyclical retrenchment of workers, coupled with a strong emphasis by industries on external employment. During this period, unemployment and underemployment rose that labour market would rather chase jobs (part time, casual jobs) than join organizations. Much more to this, is the economic restructuring that gave signal in terms of lower tariffs and foreign exchange liberalization which means the influx of imported goods and resulted to displacement of domestic workers.

Changes in Management Practices
Focusing on the changes of work practices at the enterprise level. Findings revealed that Taylorism is no longer the positive paradigm to stick to among firms and manufacturing industries in the Philippines. Taking into consideration the process of globalization, the process was significantly shifted to Japanization or the so-called Human resource management strategy. The traditional divide between blue and white collar workers are slowly fading away, while there is an increase in employee participation in the managing of firms. Horizontal channels of
communication were progressively overlapped by hierarchical ones. Also noticed is the increasing role of teamwork.

Findings showed, that these changes in the world of work are met with resistance. This resistance comes from both employees and union side and the employers or managers side as well. On the part of the employees, they fear the risk of losing their jobs due to dramatic improvement in productivity. Likewise employees fear of losing identity due to major change in the work and firm organization. On the other hand, trade unions fear that new demand for flexibility will undermine their power and therefore the possibility for employees to have a successful bargaining process. On the side of employers, they too fear that too much experimentation will undermine the profitability and the competitiveness of their firms - due to an underevaluation of the role of saving costs. Manages fear the risk of losing power and status due to decentralisation process.

Trade Union Agenda
To deal with the problems brought by changing management practices to trade unions which resulted to this study, this paper presented several long termed agenda for the trade unions to adopt. Suggested responses range from addressing the challenge of workplace innovations through professionalism, pro-active unionism, wider collective bargaining concessions, 24 hour unionism, trade and skills orientation and trade union introspection.

Suggested responses started by trade unions embracing the concepts of human resource management by taking a proactive stance. This means that unions should be more enthusiastic than the management by looking into a perspective that HRM may give them purely beneficial advantage. Trade unions therefore must ensure that they participate in all firm level activities in cooperation with management. It is also recommended that both labour and management should be aware that they have only one goal, that is company productivity and that both are as the most
important factors in production. They therefore must be sincerely liable to this commitment. To take these changes, greater consultation and participation must be encouraged by both union and management. This study likewise recommended for the inclusion of broader issues other than wages, benefits and security of employment in the collective bargaining agreement. These included the trade unions open-mindedness on the new technologies, on the issue of workplace safety, heterogeneity, pluralism, training and retraining and other issues affecting productivity. Adopting this approach however, requires breaking the traditional demarcation between blue and white collar workers, between supervisors and rank and file workers, and between high level managers and middle level managers and most of all the barrier between management and union hostility.

Other responses provided focused for unions to come up with concessions with management especially in times of economic crisis. Adversary type of unionism does not survive during this crucial times. It is therefore empirical and practical for unions to think of the economic survival of its members and the firm which provides it. Another agenda that must be provided with utmost concern by trade union is its positive attitude towards innovative work organization. Seen in the context of 'productionist' orientation, trade unions should recognize the attempt of the firm to reorganize the production process.

Another agenda rests on a recommendation that trade unions should strike a balance of addressing heterogeneity and the needs of special groups like women, young workers, informal sector, rural workers. These are the very group of working force that desperately needs help of the unions. Much more the changing patterns of employment are switching to these groups. It would be wise therefore, that rather concentrating on the formal sector, organizing strategies must be focused to special groups.

To be relevant in the members in the 1990's unions need to address not only issues of wages and working conditions but also
to support the members in obtaining stimulating and challenging jobs in a safe and healthy environment. And in order to do this, unions must get involved in analysis of business strategies. From these analysis unions together with management need to draw conclusions regarding work organization, career planning, training and education. This type of work cannot be performed by full time outside union officials. It requires a daily presence of on site and on going relationship with management. And it requires that representative are locally elected and are given a strong bargaining mandate. From a union point of view it is preferable if workplace representation is union affiliation

Concluding remarks:
While many activists saw all these recommendations as that constituting the strategy of a 'management union', for them this as the end of the power of unionism. I would like to emphasize therefore that these recommendations were based on the contentions that trade unions existence is not focused on the expansion of the organization itself, but the welfare of the members. The ultimate objective of labour restructuring should be to foster steady growth with concern for improving human competence and human welfare. Reconciling the sharp differences in the view of points of union and management is not always easy, except perhaps when the crisis reaches the boiling point. There is a need for positive thinking and search for creative alternatives by both the parties with a sense of mutuality and convergence of interests. Would trade unions consider according priority to the employee interests? Perhaps they would, if there is better information sharing and involvement of employees and their unions on various aspects of the functioning of the organization.

The prevailing negative perception for unions and unionism must be challenged. Unions raised social efficiency and often it could linked to increased productivity and promote great economic equality (Freeman and Medoff, 1984 as quoted in Davis, 1992:2). Unions can play a valuable role in encouraging team work within
the workplace and assist in the flexibility and greater productivity, strong unions can make stronger companies and can assist companies in their bid to improve competitiveness. Much more to it, unionised employees enjoyed greater protection at work than their non-union counterparts.

All of these recommendations concern not only of labour productivity but productivity involving capital and managerial inputs. While the Philippines ranked second highest in the Southeast Asian Region in terms of gross national product in the early 1970's, the reason can be traced to the improvement of productivity and industrial democracy the nation has recorded in this period. Today, Philippines has become marginalized while it is at the bottom and rated low in terms of value-added products and productivity output despite presence of well-educated and easily trained workforce. In essence, the productivity in terms of Filipino workers became a dismay. But this cannot be blamed to government for their weak economic policies nor the employers for the oppressive managerial tactics, but rather trade unions should also accept their share of responsibility in the shortcomings. As Ganguly (1989) observed, 'We find ourselves face to face with a possibly unintended but nevertheless unholy alliance of management and labour in building an economy of poor performance and high cost for the benefit of a few at the cost of many...'. There is a need to take a fresh look at out traditional roles.

But much remains to be done as there is much and enormous challenge to come. While their task is often difficult, this requires a balanced response with attention devoted to national, industry and workplace levels. Now is the time for the unions to reconsider their utmost role in society. If trade unions want their presence badly for the decades to come, then now is the time to act. If they chose to continue being hostile and rigid remains their freedom of choice, but the penalty for the trade unions 'indifference and inaction' will be their further decline which definitely lead to a poorer society.
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