

Labor Unions in a Changing World of Work: The Philippine Experience

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Labor unions in the Philippines as it is today is a product of its political, social, and economic history. Their continuous struggle towards better and just labor conditions in the face of a changing world of work is a testament of their aspiration towards fully attaining decent work.

A union is “any labor organization or association of employees which exist in whole or in part for the purpose of collective bargaining agreements or dealing with employers concerning terms and conditions of employment.” A collective bargaining agreement is “any negotiated contract between a legitimate labor organization and the employer concerning wages, hours of work, and all other terms and conditions of employment in a bargaining unit, including mandatory provisions for grievance and arbitration machinery” (Philippine Statistics Authority, LABSTAT Updates 2017).

I. The struggle for basic rights

The Spanish colonization of the Philippines from 1565–1898 subjected Filipinos to harsh working conditions, exploitation, and cultural oppression. The native Filipinos or the ‘Indios’ as they were called by the Spaniards were considered at the bottom of the social order. They were left with no choice but to serve those who were at the upper rung of the social hierarchy, specifically the ‘peninsulares,’ the ‘insulares,’ and the ‘mestizos.’ The ‘peninsulares’ were Spaniards born in Spain and were regarded at the top of the social order, followed by the ‘insulares’ or Spaniards born in the Philippines, and the ‘mestizos’ or those with mixed Filipino and Spanish ancestry (Agoncillo 2012).

One notable proof on the exploitation and harsh working conditions of Filipinos at that time was the practice of ‘polo y servicios’ or forced labor to Filipino males between 16 to 60 years old. For 40 days every year, they were assigned to various places locally where they build bridges, roads, churches, construct buildings, work in shipyards, cut timber, and serve during Spanish military expeditions. Abuses and injustices were rampant, injuries and death were common because of their hazardous working conditions, pay was low or worst, they were not being paid at all. As for Filipino women, they served as domestic workers to those who belong to the higher social order (Ibid.).

As an agricultural country, it is common for most Filipinos to engage in farming. The exploitation and abuses to Filipinos then extended to farm workers. They were forced to work in ‘haciendas or large plantations owned by Spanish settlers or religious institutions where they had to endure excessive labor

demands, physical and verbal abuse, and economic oppression. It is no surprise therefore that the first strike ever recorded was staged by farm workers in Cebu who in 1565 stopped work by not tilling their fields (Scott 1992). Various forms of resistance were staged by Filipinos. Albo (n.d.) identified the Philippine revolts that took place against the Spanish colonizers. Among the notable mentions related to labor problems were: a) Sumuroy Revolt which lasted from 1649 to 1650, led by Juan Ponce Sumuroy from Samar in opposition to the sending of men from the Visayas for forced labor in the Cavite shipyards; b) Agrarian Revolt which started in Lian and Nasugbu in Batangas between 1745–1746 because of land-grabbing by the Spaniards; and c) Maniago Revolt led by Don Francisco Maniago to protest the ‘polo’ system and ‘bandala’ system where Filipinos were required to sell their products to the government who buy them way below the market prices.

As exploitation and abuses remain unabated, intense nationalism among Filipinos grew. Hence, revolts in various parts of the country continued. In addition to their aspiration to reclaim the land that was theirs in the first place and improve the plight of the poor peasants, comes the realization of their right to the fruits of their labor. Albo (n.d.) classified the revolt movements as related to land, politics, and culture. Workers already organized themselves through associations or groups called ‘gremios.’ However, Scott (1992) described trade unions at that time as “a tame fraternity of craftsmen in a particular shop or neighborhood formed primarily to provide aid in times of sickness and death.” Nonetheless, the power of worker strike was tested in 1872, when workers in a printing shop in San Fernando, Pampanga staged a strike due to abuses committed by the Spanish foreman of the printing shop. Workers demanded for the suspension of the foreman, better working conditions, and higher wages (Ibid.).

With the emergence of the ‘ilustrados,’ they reinforced the sense of nationalism of Filipinos towards national identity and self-governance. The ‘ilustrados’ are sons of well-off Filipino families who were sent to Europe for further studies. Exposed to the liberal ideas in Europe, they sought reform in the country, advocated for democracy, human rights, and individual freedoms which contributed to a significant awakening of a national consciousness.

II. Laying the foundation for worker’s rights and union activities

The defeat of the Spaniards against the American forces in 1898, led Spain to sell the Philippine archipelago for US\$20 million to the United States. However, Filipino revolutionaries already declared Philippine Independence in Kawit, Cavite on June 12, 1898. That same year, on September 15, the Malolos Congress was held which paved the way for the first Philippine Constitution or the Malolos Constitution. It was approved on January 20, 1899, and gave birth to the First Philippine Republic (Agoncillo 2012).

February 2, 1902, is a very significant date for labor unions as the first Filipino labor union, the Union Obrera Democratica [UOD] (Democratic Workers Union) was founded under the leadership of Isabelo de los Reyes who is considered the Father of Philippine labor movement. The first set of officers of UOD were either printers, typesetters or lithographers except for de los Reyes, who served as its President. Its primary objective is the improvement of working conditions, salaries, treatment of workers, provision of work to those unemployed, support to their families, and free education to children of workers among others (Scott 1992).

With the growing nationalism among Filipinos, the colonization of the Americans of the country was naturally met with resistance. Notably, Emilio Aguinaldo led a conventional war against the Americans which lasted for ten months in 1899. Defeated, Filipinos then changed their warfare strategy to guerilla-style. However, because of lack of military resources and training among others, they were once again defeated (Office of the Historian n.d.).

With the Americans at the helm of governance in the Philippines, Filipinos were once more faced with social and economic issues. Labor movements during the American colonization in the country can be characterized as a period of struggle for Filipinos as they relentlessly fought for their rights at work, social justice, and better working conditions. For example, in July 1902, 70,000 Filipinos marched to demand the independence of the Philippines from the United States, and the following month, a national general strike was held because of the refusal of the American-led government to increase wages (Suralta 2023). Another strike which lasted for several months in 1926 was staged by 4,000 cigar workers from four big factories of La Flor de la Isabela, La Insular, Alhambra, and La Flor de Intal due to wage cuts (Chiba 2005). Labor unrests also broke in sugar and rice plantations in Pampanga, Iloilo, Panay, Bulacan and Tarlac who according to Dennison (1938) were basically due to demand for higher pay, decrease in work hours, and better working conditions.

Several strikes were staged by Filipino workers during the American colonization in the Philippines from 1898–1946. Hence, in an effort to balance the interest between labor and capital as well as address issues on unfair labor practices, legal reforms for both public and private sector workers and establishment of institutions were introduced by the Americans. Some of these were:

- a) Public Law No. 5 or “An Act for the Establishment and Maintenance of an Efficient and Honest Civil Service in the Philippine Island” in 1900 by the Second Philippine Commission thereby establishing the civil service system in the country;
- b) Formalization of the merit system for employment in the public sector through the Philippine Constitution of 1935;
- c) Creation of the Bureau of Labor (BOL) on June 18, 1908, through Act No. 1868, which is tasked to study and address labor issues, collect data on wages, working conditions, and labor relations, and settle labor-employer disputes;
- d) Eight Hour Labor Law or the Commonwealth Act No. 444 on June 3, 1939, setting the standard working hours in both government institutions and industrial establishments excluding farm laborers, workers paid on piece work basis, domestic workers, and members of the family of the employer who work for their family business;
- e) Act No. 3428 that prescribes compensation to be received by employees for personal injuries, death or illness contracted in the performance of their duties which took effect on December 10, 1927;
- f) Act No. 3071 approved on March 15, 1923, which is an act to regulate the employment of women and children in shops, factories, industrial, agricultural, and mercantile establishment, and other places of labor in the Philippine islands; to provide penalties for violations hereof, and for other purposes; and
- g) Commonwealth Act No. 103 that took effect on October 29, 1936, which created the Court of Industrial Relations to determine the minimum wage for laborers, and maximum rental fees paid by tenants and the compulsory arbitration between employees or landlords, and employees or tenants, and prescribing penalties for violating the said Act.

The U.S. tolerated unionism among Filipino workers for as long as they do not engage or interfere in political activities (Bankoff 2005). Nonetheless, as Filipino workers pushed for their right to organize and collectively bargain, there was also the realization that social justice at work is intricately connected with politics. Hence, political militancy was inevitable.

III. Towards consolidation and growth

In solidarity with fellow Filipinos, strikes and demonstrations became a platform for labor unions to likewise express their desire for self-determination and national sovereignty. Being organized, they were a force to reckon with as they contributed to the widespread and unified movement. Together with political leaders and nationalists, labor unions steadfastly worked and supported the cry towards Philippine independence. It came after the Americans successfully liberated the Philippines from the Japanese occupation between 1942–1945. July 4, 1946, is a significant milestone in Philippine history as it was on this day where the country gained its independence from the United States (Agoncillo 2012).

Nonetheless, still driven by problems not only at the labor front but at the social, economic, and political spheres as well, labor unions became more active participants in social and political movements and continued on their struggle against exploitative employers, and unfair labor practices. One type of unionism which emerged after 1946 is what Dejillas (1994) described as revolutionary unionism. Examples of these are: a) Philippine Association of Free Labor Unions (PAFLU) organized by Cipriano Cid in June 1953, which was against the U.S. imperialism and advocated for socialism; b) National Association of Trade Unions (NATU) organized by Ignacio Lacsina whose ultimate goal is to free workers from the systemic oppression and exploitation; c) National Federation of Labor Unions (NAFLU) led by Felixberto S. Olalia Sr. whose organization is not just for social reform but for a total demolition of the capitalist system prevailing in the country; d) *Malayang Samahang Magsasaka* (MASAKA) or Free Peasants Organization formed in 1964 again by Olalia Sr. which aims for the dismantling of feudalism and capitalism, and the promotion of nationalist industrialization; and e) *Pagkakaisa ng mga Magbubukid sa Pilipinas* (PMP) born on March 20, 1969, who pushed for the total implementation of the Agricultural Land Reform Code and elimination of the practice of tenancy. In 1970, the Progressive Workers' Council was founded, bringing together the revolutionary labor leaders in the country (Ibid.). Today, it is the *Kilusang Mayo Uno* (KMU) who staunchly promote for the radical and revolutionary approach in labor unionism. It submitted to the International Trade Union Confederation (ITUC) an official membership of 115,000 in 2018 (Raymundo 2022).

The threat of the growing militancy of labor unions prompted the government of the Philippines in 1950 to establish the National Confederation of Trade Unions (NACTU). In the same year, Father Walter Hogan founded the Federation of Free Workers (FFW) who fought for freedom of trade unions from government control and companies. It became an alternative to revolutionary unionism, specifically, communism and is described by Dejillas (1994) as democratic and political type of unionism.

Unions which are primarily concerned with collective bargaining, grievance handling, and arbitration are categorized by Dejillas (1994) as economic unionism. These are exemplified by: a) National Labor Union (NLU) which reemerged on April 4, 1954; b) Associated Labor Union (ALU) formed on July 2, 1954; c) Philippine Labor Alliance Council (PLAC) established on August 9, 1967; and d) *Pambansang Kilusan ng Paggawa* (PKP) or National Movement of Workers created on June 12, 1969.

The Catholic church inspired the formation of sectoral groups with the use of Church teachings to labor problems. Moralism unionism as Dejillas (1994) described it are represented by: a) Federation of Free Farmers in 1953; b) Christian Social Movement; c) Young Christian Workers (YCW); d) *Khi Ro* composed of Catholic students and youth activists; e) National Union of Students of the Philippines (NUSP); f) Student Catholic Action (SCA); g) *Lakasdiwa* (Strength-Spirit); and h) *Kapulungan ng mga Sandigang Pilipino* (KASAPI) among others.

On December 14, 1975, under the leadership of labor leader Democrito Mendoza, 23 labor federations formed the Trade Union Congress of the Philippines (TUCP) with the purpose of becoming a strong and

dynamic labor center. At present, it has 480,000 members consisting of 42 labor federations and organizations which is considered as the largest labor coalition in the country.

Based on the foregoing, it is clear that there was a diversification of labor movements in the country in terms of their character, advocacies, and stand on issues. Through the years, they have become in the process inevitable key players in changing not only the plight of workers but also the political, social, and economic landscape of the country.

The combined efforts of labor unions and various stakeholders ultimately led to some of these landmark legislations:

- a) Republic Act No. 875 is an act to promote industrial peace and for other purposes which was approved on June 17, 1953. It primarily recognizes the right of workers to self-organization for collective bargaining and promote their moral, social, and economic well-being;
- b) Republic Act No. 1052, also known as the Termination Pay Law was approved on June 12, 1954; it is an act to provide for the manner of terminating employment without definite period in commercial, industrial, or agricultural establishment or enterprise; on June 21, 1957, Sections 1 and 2 of this Act were amended;
- c) Republic Act No. 3844 is an act to ordain the Agricultural Land Reform Code and to institute land reforms in the Philippines, including the abolition of tenancy and the channeling of capital into industry, provide for the necessary implementing agencies, appropriate funds therefor and for other purposes, was approved on August 8, 1963;
- d) Presidential Decree No. 442, as amended on May 1, 1974; it is a decree instituting a Labor Code thereby revising and consolidating labor and social laws to afford protection to labor, promote employment and human resources development and ensure industrial peace based on social justice;
- e) Presidential Decree No. 851 was approved on December 16, 1976, requiring all employers to pay their employees a 13th-month pay;
- f) Executive Order No. 180 was approved on June 1, 1987, providing guidelines for the exercise of the right to organize of government employees, creating a Public Sector Labor-Management Council, and for other purposes;
- g) Republic Act No. 6715 approved on March 2, 1989, is an act to extend protection to labor, strengthen the constitutional rights of workers to self-organization, collective bargaining and peaceful concerted activities, foster industrial peace and harmony, promote the preferential use of voluntary modes of settling labor disputes, and reorganize the National Labor Relations Commission, amending for these purposes certain provisions of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, appropriating funds therefor and for other purposes;
- h) Republic Act No. 6727 approved on June 9, 1989, is an act to rationalize wage policy determination by establishing the mechanism and proper standards therefor, amending for the purpose Article 99 of, and incorporating Articles 120, 121, 122, 123, 124, 126, and 127 into, Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, fixing new wage rates, providing wage incentives for industrial dispersal to the countryside, and for other purposes;
- i) Republic Act No. 9710 approved on August 14, 2009, is an act providing for the Magna Carta of Women;

- j) Republic Act No. 10361 or the Domestic Workers Act or the *Kasambahay Law* was approved on January 18, 2013; it is an act for the protection and welfare of domestic workers;
- k) Republic Act No. 10395 approved on March 14, 2013, is an act strengthening tripartism, amending for the purpose Article 275 of Presidential Decree No. 442, as amended, otherwise known as the “Labor Code of the Philippines;”
- l) Republic Act No. 11058 approved on August 17, 2018, is an act strengthening compliance with occupational safety and health standards and providing penalties for violations thereof; and
- m) Republic Act No. 9231 approved on December 19, 2003, is an act providing for the elimination of the worst forms of child labor and affording stronger protection for the working child, amending for this purpose Republic Act No. 7610, as amended, otherwise known as the “Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act.”

It should be noted that no less than the 1987 Philippine Constitution, considered the highest law of the land, recognizes the right of its people to form unions, associations, or societies as enshrined in Article III Bill of Rights Section 8. Further, Article XIII Section 3 stipulates that:

The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

The State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.

The State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth.

Reforms however were not just limited to the promulgation of laws but also institutions were established to specifically restore and maintain industrial peace. For example, the creation of the National Labor Relations Commission (NLRC) on November 1, 1974, under Article 213 of Presidential Decree No. 442 or the Labor Code of the Philippines and the establishment of the National Conciliation and Mediation Board (NCMB) on January 31, 1987, through Executive Order No. 126.

The NLRC is “a quasi-judicial body tasked to promote and maintain industrial peace by resolving labor and management disputes involving both local and overseas workers through compulsory arbitration and alternative modes of dispute resolution.” While the NCMB is mandated to, “formulate policies, develop plans

and programs and set standards and procedures relative to the promotion of conciliation and mediation of labor disputes through the preventive mediation, conciliation and voluntary arbitration; facilitation of labor-management cooperation through joint mechanisms for information sharing, effective communication and consultation and group-problem solving.”

Outside of labor unions, there is the Tripartite Industrial Peace Council (TIPC) for private sector workers and employers. They are also encouraged to engage in activities that will help prevent and settle labor disputes and work towards peace and harmony at work. In the government sector, there is the Public Sector Labor-Management Council which likewise function as a venue to prevent and adjudicate employee-management disputes among others.

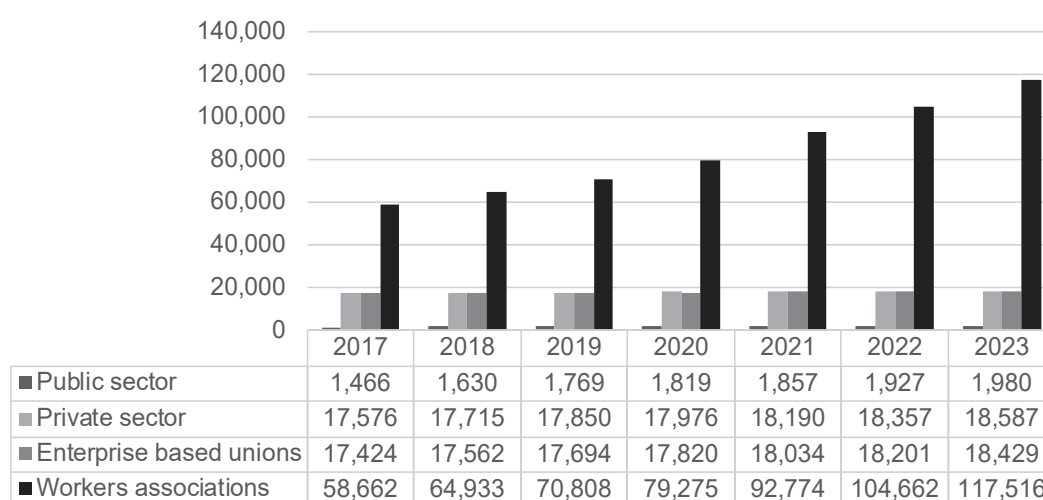
IV. Labor unions in the Philippines today

It is safe to say that labor unions in the Philippines have already made significant achievements not only at the labor front but also at the political, economic, and social aspects. Labor unions in the Philippines today exist both in public and private sectors with members coming from various industries and occupations.

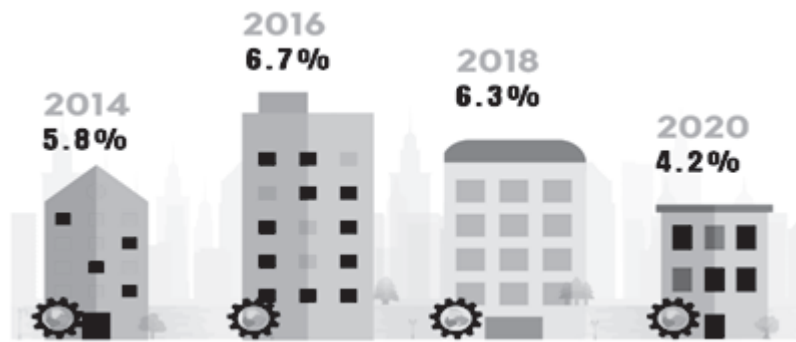
The Bureau of Labor Relations reported that between the fourth quarter of 2017–2023, there is a steady increase in the number of registered labor organizations from all sectors as Figure 1 shows. It is comprised of:

- a) national government agencies, local government units, state universities and colleges, and government owned and controlled corporations for the public sector;
- b) labor centers, federations, and industry unions for the private sector;
- c) affiliates, chartered locals, and independent unions for enterprise based unions; and
- d) those operating in one region or in more than one region for workers’ associations.

Figure 1. Registered labor organizations in the Philippines, fourth quarter 2017–2023



Source: Bureau of Labor Relations, Department of Labor and Employment (DOLE).



Source: Philippine Statistics Authority, 2013/2014, 2015/2016, 2017/2018, 2019/2020 *Integrated Survey on Labor and Employment*.

Figure 2. Percent share of registered unions in establishments employing 20 or more workers in the Philippines, 2014–2020

However, from 2014–2020, it is interesting to note as shown in Figure 2 that there is an obvious decline in terms of percent share of establishments with unions who employ 20 or more workers. According to the Philippine Statistics Authority (PSA), 4.2% or equivalent to 1,464 out of the 34,543 total number of establishments with 20 or more workers had registered unions in 2020, lower by 2.1 percentage points from 6.3% in 2018, and much lower compared with the 2014 percentage of 5.8%. Taken together, Figures 1 and 2 then suggest that there is a large gap in terms of the rate of increase of establishments versus the increase of registered unions.

The top three industry groups with the highest percentage of unionized establishments comes from electricity, gas, steam and air conditioning supply sector at 26.9% followed by water supply; sewerage, waste management and remediation activities at 14.9%, and manufacturing at 11.2%. Table 1 likewise reveals that large establishments with 200 or more workers are most likely unionized at 12.6%, have highest negotiated Collective Bargaining Agreement (CBA) at 12.6% and have highest percentage of Labor Management Cooperation. Taken as a whole though, out of the 1,464 unionized establishments in 2020, only 4.2% of establishments had CBAs.

Figure 3 shows a notable decline in 2020 in terms of union density rate. From 7.0% in 2018, it went down to 6.0% in 2020. According to the PSA, union density rate is the proportion of union membership to total paid employees. In terms of sex, male workers have a higher union density rate at 3.3% while it is 2.7% for female workers. This means that there are 33 unionized male workers for every 1,000 paid employees as the PSA describes. Further, the PSA reported that the top four industries with a union density rate of more than 20% are electricity, gas, steam and air conditioning supply at 24.9%; mining and quarrying at 24.4%; water supply; sewerage, waste management and remediation activities at 22.0%; and arts, entertainment and recreation at 20.1%.

A 0.8 percentage points decrease in the CBA coverage rate was likewise noted in 2020 at 6.3% compared to 7.1% in 2018. This means that in 2020, only 333,776 were covered by the CBA out of the 5.29 million paid employees that year. In terms of sex, male workers have a higher percent share of CBA coverage at 3.4% or 34 in every 1,000 paid employees while it was 2.9% for female workers in 2020. However, even workers who are not members of a union also received CBA benefits as the PSA reported a total of 105.5% CBA coverage. Based on the same reference year, mining and quarrying industry posted the highest CBA coverage at 27.2%, followed by electricity, gas, steam and air conditioning supply at 26.2%, and water supply, sewerage, waste management and remediation activities at 24.3%.

Table 1. Number and percent share of establishments employing 20 or more workers with union, Collective Bargaining Agreement (CBA) and Labor Management Cooperation (LMC) by major industry group, and employment size in the Philippines as of June 2020

2009 PSIC	Major industry group and employment size	Total establishments	Establishments with union		Establishments with CBA		Establishments with LMC	
			Number	Percent share	Number	Percent share	Number	Percent share
	ALL INDUSTRIES	34,543	1,464	4.2	1,451	4.2	2,437	7.1
A	Agriculture, Forestry and Fishing	951	51	5.4	44	4.6	66	7.0
B	Mining and Quarrying	150	15	10.1	15	10.1	17	11.2
C	Manufacturing	5,923	664	11.2	663	11.2	628	10.6
D	Electricity, Gas, Steam and Air Conditioning Supply	263	71	26.9	71	26.9	71	26.9
E	Water Supply; Sewerage, Waste Management and Remediation Activities	331	49	14.9	49	14.9	42	12.8
F	Construction	1,193	3	0.2	3	0.2	15	1.2
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	8,681	162	1.9	162	1.9	407	4.7
H	Transportation and Storage	1,043	53	5.1	53	5.1	42	4.0
I	Accommodation and Food Service Activities	4,070	194	4.8	194	4.8	296	7.3
J	Information and Communication	788	19	2.4	15	1.9	86	10.9
K	Financial and Insurance Activities	1,455	42	2.9	42	2.9	226	15.6
L	Real Estate Activities	613	5	0.8	5	0.8	11	1.9
M	Professional, Scientific and Technical Activities	846	4	0.5	4	0.5	8	1.0
N	Administrative and Support Service Activities	2,445	3	0.1	3	0.1	48	2.0
P	Education Except Public Education	3,894	69	1.8	69	1.8	380	9.8
Q	Human Health and Social Work Activities Except Public Health Activities	1,378	38	2.7	38	2.7	66	4.8
R	Arts, Entertainment and Recreation	202	21	10.5	21	10.5	11	5.3
S95/ S96	Repair of Computers and Personal and Household Goods; Other Personal Service Activities	317	-	-	-	-	16	5.1
	EMPLOYMENT SIZE							
	20 - 99	25,693	537	2.1	526	2.0	1,399	5.4
	100 - 199	4,303	354	8.2	353	8.2	419	9.7
	200 and over	4,546	572	12.6	572	12.6	619	13.6

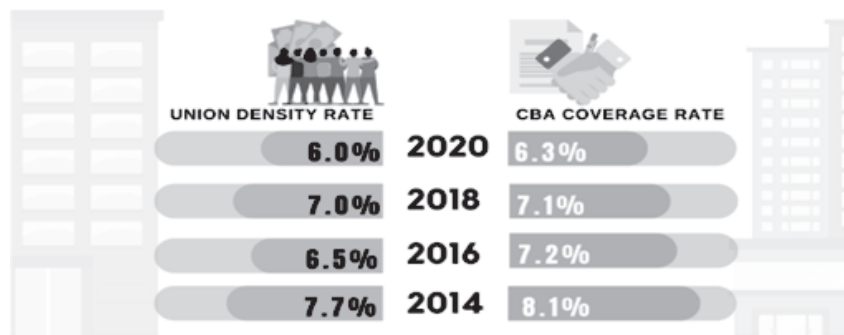
Source: Philippine Statistics Authority, 2019–2020 *Integrated Survey on Labor and Employment*.

Note: Details may not add up to totals due to rounding.

Studies on the historical low trend in union density in the Philippines had been done by labor scholars. Aganon et al. (2009) reported a huge decrease of 63% in unionization rate in both private and public sectors from 1995 to 2007. According to them, this accounts for only 8.89% union membership in both sectors out of 21,583,111 employees who work for at least 40 hours in 2007. Lumactud (2019) likewise noted the low trend in trade union density with an average of 6.61% within a ten-year period from 2007 to 2017. She also voiced alarm on the 1.04% average CBA for the same period.

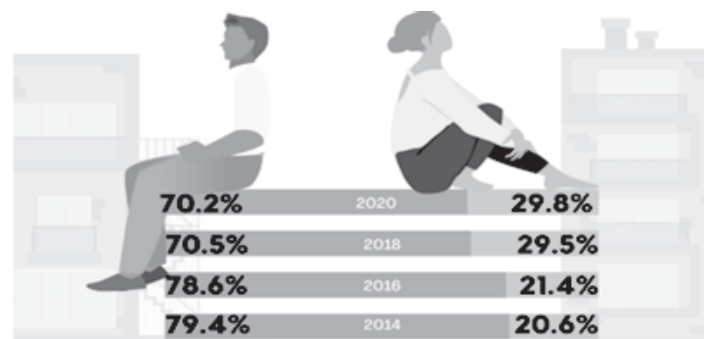
Figure 4 shows an increasing percent share of women as union officers. From 2014 to 2020, a 9.2 percentage points increase can be seen and the average increase for the same period is just 3.1 percentage points. Hence, there is still a large gap on the percent share of union officers between men and women with an average gap of 49.35 percentage points for the survey periods covered. Of the unionized establishments, 29.1% had a female president and union officers. This under representation of women in union leadership, may be due to their lack of confidence in their abilities (Delerio et al. 2019). However, in wholesale and retail trade; repair of motor vehicles and motorcycles there were more female union officers at 60.3% while the male union officers only account for 39.7%. This may be attributed to the number of female workers in this sector, as there is a concentration of women workers in the wholesale and retail trade, and food and accommodation sectors (Ibid.).

As a tool to foster harmonious relationship between workers and employees, establishments can form a Labor Management Cooperation (LMC). Through the LMC, management and workers can hold dialogues to



Source: Same as Figure 2.

Figure 3. Union density and CBA coverage rates in establishments employing 20 or more workers in the Philippines, 2014–2020



Source: Same as Figure 2.

Figure 4. Percent share of union officers by sex in establishments employing 20 or more workers in the Philippines, 2014–2020

discuss, consult, and negotiate so that concerns, issues, and problems at work can be addressed in a peaceful manner instead of being militant and adversarial. In 2020, of the 34,543 total number of establishments employing at least 20 workers or more, only 7.1% created an LMC (Table 1). Most of them come from establishments with more than 200 workers at 13.6% followed by those with 100–199 workers at 9.7% and 5.4% for those establishments with 20–99 workers. The electricity, gas, steam and air conditioning supply industry registered to have the highest share of LMC created in 2020.

V. Labor unions' challenges

The decline in the number of labor unions is not just unique in the country as it is considered a global phenomenon. There are many factors that come into play why is this happening.

Based on the study by Aganon et al. (2009), they identified the following factors or reasons: a) *increasing global economic competition and capital mobility*; b) *rapid pace of technological innovations in production*; c) *restructuring of national economies from manufacturing to services*; d) *privatization of public services*; e) *rise of contingent employment arrangements*; and f) *mounting resistance of employers to unionization* (pp. 1–2).

They further explained the difficulties in organizing unions in the 90s than in the 80s because of workers apathy for fear of reprisal from management if they will be identified as union sympathizers or leaders, and the importance given by workers to job security. This attitude of workers towards unions they said is a result of the employers' avoidance to union organizing which can be manifested from union registration to petition for election certification. In addition, they pointed out that management would resort to other means like hiring of outside consultants to help strategize on how unions can be avoided or busted; bribing, promoting or increasing wages, perks and benefits of union leaders or punishing them with preventive suspension, dismissals or worse, death threats.

Lumactud (2019) attributed the low trade union density rate and collective bargaining coverage rate to the: a) socio-economic situation of the country where majority of establishments are in micro, small and medium enterprises (MSMEs) with less than ten workers; b) increase of non-standard forms of employment which makes the employer-employee relationship unclear; c) changing employment relationships and hiring practices; and d) strategies made by employers themselves to stop or crush union organizing.

Referring to the statements made by various labor leaders, Medenilla (2018) reported the difficulty in organizing workers who have no security of tenure such as those who are non-regular, under probationary, and contractual. Management will not regularize them, or they will be fired from work or worse, face harassment, blacklisted, demoted or charged with a criminal case. Quoting Corporate Secretary Alberto R. Quimpo of the Employers' Confederation of the Philippines (ECOP), Medenilla (2018) stated that the reasons employers discourage unionizing is for fear of workers' challenging the authority of management and the unreasonable demands made by workers. To protect the welfare of workers, Article 248 of the Labor Code of the Philippines, identified the following acts by employers as unfair labor practices:

- a) *to interfere with, restrain or coerce employees in the exercise of their right to self-organization;*
- b) *to require as a condition of employment that a person or an employee shall not join a labor organization or shall withdraw from one to which he belongs;*
- c) *to contract out services or functions being performed by union members when such will interfere with, restrain or coerce employees in the exercise of their right to self-organization;*

- d) *to initiate, dominate, assist or otherwise interfere with the formation or administration of any labor organization, including the giving of financial or other support to it or its organizers or supporters; and*
- e) *to discriminate in regard to wages, hours of work and other terms and conditions of employment in order to encourage or discourage membership in any labor organization.*

It further stipulates that, “*nothing in this Code or in any other law shall stop the parties from requiring membership in a recognized collective bargaining agent as a condition for employment, except those employees who are already members of another union at the time of the signing of the collective bargaining agreement.*”

With more Filipinos in informal work, organizing them can be a major challenge. Faced with a high 15.4% underemployment and 8.9% unemployment in September 2021, Filipinos are driven to engage in informal work. As of March 2022, informal workers are estimated to be more than 17 million (PSA).

Gig work is another challenge labor unions need to contend with. Developments in information and communication technology have enabled people to engage in gig work whose nature is described as short-term, flexible in terms of jobs and work schedule. Gig workers are often freelancers or independent contractors (Gigworker.com n.d.). According to Payoneer’s 2019 Global Gig Economy Index, at 35% growth, the country is the sixth fastest-growing market in freelance earnings. These workers belong to Gen Zs, millennials, and Gen X or boomers at 33%, 22%, and 28% respectively. As it is now, there is an increasing number of Filipino Gen X-ers and millennials who would rather be an entrepreneur or work in companies that offer flexible work hours than be in a traditional work set up of 9 a.m. to 5 p.m. (Inquirer.net 2024).

VI. The labor unions’ paradigm shift in a changing world of work

Labor unions in the Philippines have made significant successes. Drawing from the work of Perlman (1958) and Dejillas (1994) who characterized labor unions in the Philippines as belonging to five categories based on their ideological orientation. These are:

1. *revolutionary unions who are against capital domination and push for socialism;*
2. *economist or business unions whose objective is focused on economic issues;*
3. *ethical and moralist unions who advocate for changing the social structure anchored on religious and ethical norms;*
4. *democratic and political unions who promote increasing the political power as well as participation of workers in factory, industry, and society settings; and*
5. *protective or defensive unions who safeguard the interests of workers against abuses of employers and negative impacts of the economic system.*

The history of labor unions in the country points to their continuous struggle from repression in 1901–1907, recognition in 1908–1935 to regulation and protection in 1936–1953 (Wurfel 1959). However, the struggle is not yet over. Their survival depends on their ability to adapt and address the challenges brought about by the changing world of work as well as the conditions in political, social, economic, legal, and technological factors with which they operate. Establishments by their very nature are subject to internal and external forces. Hence, change is imperative, change is inevitable, and a paradigm shift is indispensable.

Aganon et al. (2009) saw the need for union revitalization anchored on strategic leverage and

organizational capacity. They explained that strategic leverage means that unions should expand its scope of influence or bargaining power outside of their structure such as structure of industries, employers' attitude towards unions, labor markets, nature of technology and work organization, labor law and social legislations, the state of regulation of labor policy, and availability of networks, etc. Organizational capacity they further explained refers to the internal structure of unions such as their organizational structure, elected people, staff, volunteer positions, and human resource system. It is the ability of unions to put into action its organizational goals. Further, they advocated for social movement unionism as a means to: a) strengthen positions of unions on certain issues; b) collaborate with other groups towards meeting mutual goals; c) being able to better protect and advance the rights and welfare of those in medium and small establishments, irregular workers and informal sector workers; and d) internationalize labor movements as boundaries of establishments extend local and national boundaries. Considering that issues on job outsourcing, global supply chains, and economic globalization are matters which impact on labor conditions, sharing of best practices, experiences, and strategies with unions worldwide can enhance their effectiveness in addressing global challenges associated with globalization.

Focusing on collective bargaining agreement, Lumactud (2019) suggested strengthening bipartism by increasing the awareness on the various interests of workers, as well as the need to innovate representation models for a more inclusive representation. With regard to increasing the participation of women in enterprise based unions (EBUs), Delerio et al. (2019) made the following suggestions to unions, government, and social partners: a) incorporate gender equality in the Union constitution; b) increase women participation in recruitment, membership, and organizing activities; c) implement gender quota for leadership; d) designate a gender equality officer to help enhance women's participation in union activities; e) formulate policy framework/guidelines to improve role of women in unions and integrate gender issues across union structures and processes; and f) implement targeted training programs to promote gender sensitivity and leadership skills.

Labor unions should then continue its alliance building with various groups such as the civil society, strengthen its informal sector organizing, and adopt community-based organizing not just working within workplaces. To make unionism inclusive, labor unions should maximize the use of social media to increase awareness of people on labor issues as well as coordinate campaigns. Online platforms are a venue to organize gig workers towards collective actions. With Industry 4.0 in our midst, where establishments integrate new technologies at work such as the Internet of Things, (IoT), cloud computing and analytics, and AI and machine learning in their operations, labor unions should ensure that workers' competencies are still relevant in the changing world of work. Their advocacy for comprehensive skills development program and lifelong learning opportunities should be strengthened and given priority.

Labor unions have indeed evolved outside of the framework of traditional unions. With changes at work come opportunities and challenges. In short, the struggle towards social justice and decent work is not yet over. Adaptation, advocacy, and collaboration are therefore crucial for labor unions to survive and navigate the dynamic landscape of work.

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