

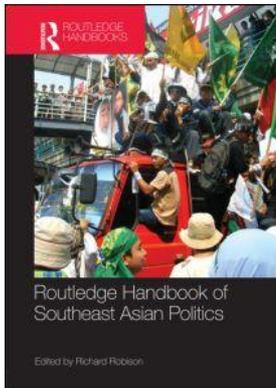
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Richard Robison

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### 3

## LABOUR POLITICS IN SOUTHEAST ASIA

### The Philippines in comparative perspective

*Jane Hutchison*

A feature of Southeast Asian politics is the comparative weakness of organised labour. Activist trade unions are present in all but the most tightly controlled countries; however, they are fragmented, have very low worker-coverage and lack links to major political parties. This matters for studies of politics because labour's capacity for disruptive collective action makes it a key social actor, and therefore a target of mobilisation or control by others. In Southeast Asia, organised labour is comparatively weak because economic and political elites have successfully contained labour's collective activism as a part of broader projects to limit social representation and dissent. When and where alliances with other social classes and sectors have formed, they have contributed to political disruption and even regime change without strengthening labour significantly as a result. There are structural reasons for this: conditions associated with the timing and forms of capitalist industrialisation and globalisation have inhibited labour's collective activism, leaving it relatively marginalised during important political and economic transformations (Deyo 2006). However, structural factors are not independent of political projects as often their impacts are amplified by the nature of the political spaces for legitimate labour organising.

At one level, the political spaces for labour union organising are set by the laws and institutions which govern industrial relations, since these formally establish the organising forms which are state-sanctioned. Collier and Collier (2002) argue that the initial shift from state repression of labour to state control by legal and institutional means constitutes a 'critical juncture' in the development of national polities. The shift need not be total for it to shape the course of state-labour relations thereafter, by institutionalising certain patterns of accommodation and conflict during the early phases of modern-state formation. In this regard, this chapter focuses on the Philippines, with some additional commentary on Indonesia, Thailand and Singapore. However, notwithstanding the significance of the spaces for labour organising which are formally constituted, at no point is it argued that labour's weakness in the Philippines is in fact reducible to these. There are three main reasons for this – each of which highlight the overriding impact of the nature of struggles for state power and recognition more broadly.

First, for workers' legal rights and protections to be effective, they depend on state enforcement vis-à-vis employers. When enforcement is weak or absent, these formal rights and protections become sites of struggle and are constituted in fact as much by power balances involved as by the law itself (Woodiwiss 1998; Chang 2009). Second, state controls over labour are not limited to those which are specifically prescribed by industrial relations law, as for example

when mayors and provincial governors impose their own forms of control over workers and their organisations as a part of local development strategies to attract investment (Kelly 2001). Conversely, labour activism can also assume forms that are not prescribed within industrial law, as for example when NGOs and religious are involved directly in worker advocacy and organising (McKay 2006; Ford 2009). Third and finally, the political spaces for labour organising are also shaped by the ideologies of state–labour relations and the attendant social and political alliances and perceptions of the legitimacy of workers’ grievances and tactics. Because the Philippine labour movement is deeply divided on ideological grounds, within shared structural and legal constraints, the constituent federations operate very differently in relation to the state.<sup>1</sup> Whereas the conservative federations tend to be incorporated politically via patronage and tripartite channels, others are more independent, with some of these belonging to leftist movements with radical change agendas. Thus, in so far as they impact directly on the power and legitimacy of the state, the political spaces for labour organising are at their most variable.

The chapter begins with an account of the initial controls over labour organising in the Philippines in the early decades of modern–state formation and independence, prior to the Pacific War. Thereafter, the chapter covers further major turning points in state–labour relations, against the background of broader political and socioeconomic continuities and transformations. There are sections on the Cold War, export-oriented industrialisation and authoritarian rule, democratisation and globalisation. Throughout we will see that nowhere in the region have there emerged the social democratic modes of accommodation that have featured in Europe. By the same token, nor do we see the kind of pluralist politics that liberal modernisation theorists predict will emerge with capitalist industrialisation.

### Initial controls

Southeast Asian trade unions generally trace their origins to early capitalist development and the rise of wage labour in the late nineteenth century, principally in export agriculture and related processing, manufacturing, transportation and printing. Whilst the first unions had limited worker coverage, the political milieu of their emergence meant that all experienced state repression of different intensities and duration. In the Philippines, repression by the colonial authorities came earlier and had less lasting consequences than in the Dutch East Indies, now Indonesia, for example (see Hadiz 1997). This is because the United States had quickly promised Filipinos independence and so circumvented the formation of a nationalist movement that might have otherwise brought the interests of the masses closer to those of the elite. In the early 1900s, prominent labour leaders were arrested and jailed for ‘subversion’; but within a few years they were drawn into election campaigns by the independence process having moved to the formal political arena (Kerkvliet 1992). However, because property and literacy requirements had denied most workers the vote, it did not follow from the leaders’ political involvement that links were established between unions and new political parties.<sup>2</sup> In the critical early stages of modern–state formation in the Philippines, political participation was thus the preserve of an economic elite with established social control within their local bailiwicks (Simbulan 2005).

Hutchcroft argues that the United States colonial authority’s twin policies of sequencing initial elections ‘upwards’ (from local to provincial and then national levels) and giving ‘greater attention to elections and legislative institutions than to the creation of a modern bureaucratic apparatus’ (Hutchcroft 2010: 426) had major long-term consequences because it established the conditions for an *elected* elite to control and wield state power in their own interests, essentially unchecked. In other words, the American period set in train a number of state features that

survive to the present. More immediately, it paved the way for greater state control over labour organising following independence.

During the American period, trade unions were officially tolerated industrially, but as they were also 'not specifically protected or encouraged' (Carroll 1961: 227–8), their growth was contained by employer opposition and the small size of the wage labour force. Communism had some influence in the movement in the 1920s, but a state crackdown on leftists in the early 1930s meant this was at an end by independence (Wurfel 1959; Carroll 1961; Kerkvliet 1992). When cuts to wages in industry and agriculture and growing unemployment increased worker militancy, it was mostly unorganised and so not an indicator of growing movement strength (Kunihara 1945: 65).

Nevertheless, at the founding of the Philippine Commonwealth in 1935, labour was 'obstreperous enough to elicit a reaction from the political elite' (Wurfel 1959: 586). This reaction was centred on the intensification of state power to control union formation and industrial unrest. Unions were now able to apply for legal recognition; however, the application process was so rigorous that only a minority of unions were successful (Carroll 1961). Meanwhile, a new industrial relations court was established with wide powers to compulsorily arbitrate all major industrial disputes. A 'social justice' programme was also passed, enacting worker protections that included an eight-hour working day and minimum wage. But without attendant state enforcement – and with workers simultaneously allowed very limited political space to demand this – the formal protections were intended to be little more than 'palliative' (Kunihara 1945: 28). The nomenclature of social justice was itself a fiction as it was applied to capital and labour as if equals in fact – in other words, as if there did not exist inequalities between them that required just interventions to correct (Kunihara 1945: 27).

In summary, before the Pacific War labour unions in the Philippines were established but industrially weak and politically marginalised. The same was true across Southeast Asia (Thompson 1945). In Dutch East India (Indonesia) in the early 1920s, the colonial authorities used repression to control labour activism. The harshness of their actions caused labour to be effectively eliminated from the anti-colonial struggle: thus, whilst 'unions continued to exist into the 1930s, their political role in the nationalist movement was largely negligible' (Hadiz 1997: 45). In Thailand in the same period, labour unions became aligned with other social forces 'intent on challenging the [then absolute] monarchy' (Brown 2004: 35). With regime change in the early 1930s there was consequently a brief period during which workers' legal rights and protections were increased; however, within a short time this favourable political space was again contracted, now by the rise of the military and anti-labour social forces (Brown 2004). There were many structural – and in some cases ethnic – factors limiting labour's emergence as a social force in capitalist Southeast Asia up to the 1940s. Nevertheless, as already indicated, critically, there were additional, political dynamics involved.

### **Post-war, Cold War**

The Philippine political elite survived the period of Japanese occupation between 1942 and 1945. Spared the consequences of collaboration by the United States, they also benefited greatly from the aid, trade and military assistance that the United States soon provided (Simbulan 2005). The military assistance was needed to help to crush the peasant army that won favour by resisting the Japanese, but in peacetime looked to threaten the socioeconomic order that the political elite wanted restored. Rather than immediately make some reform concessions, both the elite and United States officials set about stressing the threat posed by the peasant movement, labelling it both 'dangerous and communistic' (Kerkvliet 1979: 117–18). In fact, the Partido Komunista ng

Pilipinas (PKP) – formed in 1930 – ‘did not inspire or control the peasant movement’ (Kerkvliet 1979: 264). In the late 1940s, the PKP moved in and out of alliance with the movement as the goals of each were ‘frequently out of phase and sometimes in conflict with each other’ (Kerkvliet 1979: 265). By the early 1950s the peasant rebellion was defeated.

The PKP had stronger roots in the urban labour movement yet was far from controlling that either. The Congress of Labor Organizations (CLO) – formed in 1945 – included communist officials, ‘but they were by no means alone’ (Kerkvliet 1992: 112). The CLO fractured internally over ideological differences in 1950, the government then dealing ‘the fatal blow’ by closing the organisation down as a ‘communist front’ a year later (Kerkvliet 1992). In the CLO’s place, the secretary of labour sponsored a rival federation under his direct control (Wurfel 1959). This was heralded as a high point of state intervention in the Philippine labour movement. Whilst the government’s powers were not formally greater than they had been before the Pacific War, the same powers were now used more often and discriminately, for example to deregister the unions considered subversive (Wurfel 1959).

Significantly, after leftist forces in the movement had been appreciably defeated, the political space for labour organising was formally transformed with the introduction of enterprise-based, employer–employee bargaining under the Industrial Peace Act of 1953. Earlier, a United States crisis mission to the Philippines had recommended there be greater ‘freedom’ from state intervention in industrial relations. The change originated from this, but there was also no domestic political opposition strong enough to scuttle it. Elite interests generally did not consider it a threat, given the weakened state of labour organising. Some of the stronger, conservative unions also ‘thought they could do better with bargaining’ (Shalom 1986: 134) – and the whole labour movement wanted to limit the powers of the secretary of labour.

Under the new Industrial Peace Act, the role of the old industrial relations court changed from dispute resolution to law enforcement (Ramos 1990). Union registration requirements were retained but made less onerous and less discretionary. The number of authorised unions increased thereafter, directly as a result of these procedural changes rather than a substantive improvement in labour’s organising capacities (Wurfel 1959). But, without proper state enforcement of workers’ rights and protections, matters of union recognition and harassment were effectively shifted from the state to employers. Consequently, the actual political space for labour organising in the Philippines in the 1950s and 1960s was ‘not changed as sharply as a reading of the Industrial Peace Act alone would indicate’ (Wurfel 1959: 605). In the lead-up to martial law, most unions ‘did not in fact conform to a model of labor relations based on collective bargaining’ (Snyder and Nowak 1982: 48–53). Only a minority of unions had successfully negotiated collective bargaining agreements and the majority of these agreements delivered no more than was already the legal minimum (Snyder and Nowak 1982). At the same time, most of the cases before the industrial relations court involved employers’ breaches of the law with respect to recognition of workers’ rights of association (Wurfel 1959). Thus, enterprise unionism was – and continues to be – as much an achievement of labour organising as a space for organising that is simply guaranteed by law.

Liberal modernisation theorists expect and prefer that labour organising will unfold in accordance with the growing social pluralism of industrialising societies. Thus they consider this organising will take the form of trade unions whose reason for existence is the collective interests of their members, strictly as workers (Martin 1989). In line with this thinking, industrial relations theorists in the post-war period often compared the goals and strategies of ‘economic unionism’ with the aberrant broader, social change goals of ‘political unionism’. In the 1950s and 1960s, the relative prevalence of political unionism in developing countries was variously explained by: colonisation and labour’s involvement in attendant nationalist struggles;

industrialisation and modern-state formation being in their early stages; and structural conditions weakening labour industrially (Sharma 1985). However, during the Cold War, modernisation theory conceptions of the legitimate form of labour organising were also ideological justifications for the favoured treatment of 'economic' modes of organising that were perceived as not threatening the established order. There was extensive US funding of labour education in the 1950s and 1960s to explicitly promote economic unionism over other forms (Shalom 1986). Notably, in the 1970s, during martial law, this extended to assistance to the government-sponsored Trade Union Congress of the Philippines (TUCP).

Nevertheless, in the 1950s and 1960s the political space for labour organising in the Philippines was also shaped by ideological and leadership divisions within the movement itself. To the extent that there was in fact a movement, it was beleaguered by 'constantly shifting alignments, affiliations and disaffiliations' (Carroll 1961: 244–5). Under law, unions formed at the enterprise level but were able to federate and/or directly join a peak labour centre. Historically, this happened haphazardly, mostly around the career interests of particular leaders as against the logic of trade or industry organising (Kimura 1990). Heavy reliance on the old industrial relations court had meant that, following independence, many of the labour leaders were not originally workers who had advanced through the ranks of their organisations, but rather 'outside' lawyers who took up their positions as the legal advocate of groups of workers. Accordingly, the federations they established were run to all intents and purposes as their own firms, with all the resulting concerns not to lose fee-paying clients to competitors.

In a patronage-based polity, it was also good for business for the labour lawyer leaders to participate politically via their own personal links with a range of state officials and politicians (Snyder and Nowak 1982). In elections they would thus commonly endorse a number of different party candidates to be sure to increase the likelihood of ending up on the winning side (Kimura 1990). Sometimes individual leaders also ran as independents or 'guest candidates' of major parties; however, very few were ever successful in provincial and national contests (Snyder and Nowak 1982; Kimura 1990). This shows that, whilst there were labour leaders with links into the political mainstream, none were in fact able to mobilise a significant labour vote. As such, prior to the declaration of martial law in 1972, Snyder and Nowak argue that 'political unionism with broad and long-range ideological goals was simply not in evidence' (Snyder and Nowak 1982: 46) in the Philippines. As we will soon see, from the late 1960s there was renewed communist activism: however, this did not have a significant labour presence until the 1980s.

In Indonesia after the Pacific War, there was a resurgence of labour organising in the context of heightened nationalist struggles. Even given these radical tendencies, Hadiz maintains that 'the political environment was highly favourable for organised labour' (Hadiz 1997: 46) in the early post-colonial period. However, in the course of the 1950s 'the tide distinctly turned' (Hadiz 1997: 39) as state power was consolidated behind social forces opposing radical labour and through the military. In the mid 1960s, the suppression of communism was more lasting than in the Philippines, clearing the way for the shift to 'exclusionary corporatist' modes of control under President Suharto (Hadiz 1997). In Singapore, the political marginalisation of communist forces was not as bloody but still no less complete. Communist trade unionists were members of the People's Action Party (PAP) when it took power in an election in 1959; but within two years they had split from it, leaving the Lee Kuan Yew faction to establish a 'one-party state' (Rodan 1989: 53–72). State powers were then used against independent labour activism, such that by the mid 1960s 'militant trade unionism was finished in Singapore' (Rodan 1989: 93) – the political space for organising being thereafter limited to corporative structures of the state.

In the Philippines in the late 1960s, communist forces were expanding via the recruitment of a new generation of nationalist, often young student, activists. In 1968 when some of these activists broke from the PKP to form the new Communist Party of the Philippines (CPP), they were particularly condemnatory of the parliamentary struggle (Weekley 2001). In the same period Catholic and Protestant religious leaders were also stepping up community organising among the rural and urban poor. On the industrial front, strikes were more frequent, but were again more reflective of mounting economic grievances than an indicator of growing labour movement strength (Snyder and Nowak 1982). Under these circumstances – and approaching the end of his constitutional time-limit in office – President Marcos declared martial law in 1972.

### **Authoritarianism and export-oriented industrialisation**

In line with the spread of authoritarian rule, in capitalist Southeast Asia over the 1960s and 1970s there emerged a group of state-sponsored labour centres with a monopoly on political access through corporatist and tripartite channels. Compared to pluralist modes of representation, in which a range of interest groups act autonomously to pressure the state, corporatism institutionalises the incorporation of privileged groups into policy-making processes. In short, it is deliberately ‘geared to facilitate the control and demobilisation of society-based organisations and movements’ (Hadiz 1997: 27).

In the Philippines, following the declaration of martial law, there was direct control of labour’s collective activism by the state. For example, the right to strike was initially withdrawn completely. Although subsequently the ban applied only to ‘vital industries’, in other areas there were additions to the process of applying for the right to lawfully strike, making it more onerous, leaving workers unprotected from employer harassment for a longer period. Compulsory arbitration of industrial disputes was re-introduced through the establishment of a new National Labor Relations Commission (NLRC) with powers exceeding those of the old industrial relations court that existed prior to the Industrial Peace Act of 1953. Enterprise unionism was retained, yet significant sectors of the waged labour force – including all those employed in the public sector – were barred from union membership. What is more, unfair labour practices (union busting) were downgraded from a criminal to an administrative offence (Villegas 1988).

Significantly, however, sections of the existing, anti-communist labour leadership were politically incorporated through tripartite decision-making in the public agencies that covered industrial disputes, wage setting, employment and training, and social security. After the Employer Confederation of the Philippines (ECOP) was formed, officials from the more conservative federations were generally keen to establish a counterpart labour body – the Trade Union Congress of the Philippines (TUCP). In the end, not all these labour leaders brought their federations into the TUCP – and some withdrew shortly thereafter – so the body did not in fact unite the non-leftist blocs in the labour movement. Nevertheless, whilst the federations remaining independent were still allowed to operate, the TUCP ‘enjoyed privileges not available to other federations’ (Institute for Labor Studies 1989: 11). The mode of incorporation of anti-communist labour leaders was consistent with Marcos’s more general concern to strengthen his political control through centralising patronage resources (Hutchcroft 2010). The spoils for labour were relatively minor but they did ensure a period of loyalty that bolstered his regime’s legitimacy internationally.

Dependency theorists explain the imposition of tighter, often corporatist-style state controls over labour as an effort to secure a cheap and compliant workforce for foreign investment

and export competitiveness (Crowther 1986; Villegas 1988). As such, they see a direct, causal connection between the export-oriented industrialisation (EOI) and state repression of labour organising. Yet, in countries like the Philippines, Indonesia and Singapore, we have seen that state formation followed the path of labour containment before EOI strategies were introduced. Moreover, the motivation was political and not tied to a particular national development strategy. That, in the Singapore case most particularly, the earlier political controls came 'to fuse nicely' (Rodan 1989: 84) with the later requirements of EOI does not alter this fact. We have seen that, in the Philippines, despite some growing activism in the late 1960s, the labour movement remained weak and incapable of making the sort of wage demands that would seriously threaten employers and investors (Snyder and Nowak 1982). Indeed, the Marcos regime was not unambiguously behind an EOI strategy anyway: the presidential cronies had interests in virtually all sectors of the economy except export manufacturing – the sector the regime was supposed to favour (Snow 1983: 33). On the other hand, EOI expanded manufacturing and brought new entrants into the urban workforce. Dependency theorists widely portray women workers in export factories as the hapless victims of EOI, but through the 1980s and 1990s they were often an important source of independent labour organising in the Philippines and Indonesia (Hadiz 1997; Hutchison 2001). Nevertheless, the perception of foreign dominance of the economy was a strong element in leftist organising.

In 1980, a new national labour centre, the Kilusang Mayo Uno (May First Movement, K MU), was formed. It was a part of the legal movement that was nevertheless linked to the CPP and National Democratic Front (NDF).<sup>3</sup> In addition to organising within the formal arena of enterprise bargaining, the K MU sought to overcome the strictures of this by building *alyansas* (alliances) to connect unionised workers with non-unionised workers and community supporters around specific actions. Legally, these *alyansas* could not act as a bargaining unit; they nevertheless often *de facto* performed this function by intensifying the pressure on employers in a particular location, industry or firm (King 1985). However, militancy is never a guarantee of industrial strength. The K MU also raided rival unions for members and their disposition towards strike action did not mean that the outcomes were necessarily good for the workers concerned – if employers retaliated by relocating, striking workers could simply lose their jobs (King 1985; Hutchison 2001). The structural conditions for collective organising were prohibitive, no matter what the ideological orientation of leaders. Half the workforce was not in wage labour and many who were worked in small and micro enterprises and/or had only temporary or seasonal employment contracts. Further, from the mid 1970s there was a surge in the number of male and female Filipino workers finding contract employment overseas, in Asia, the Middle East, the United States and Europe.

Nevertheless, the K MU's militancy was an important spearhead in the political opposition to Marcos during the 1980s. Its radicalism achieved greater social legitimacy in the midst of the broader challenges to authoritarianism than it did after the restoration of democracy (West 1997). When the K MU did not abate its social and political disruption objectives, it became significantly marginalised and eventually split acrimoniously in the early 1990s.

### Democratisation

Transitions to democracy generally entail greater labour activism, in association with broader social mobilisations (Valenzuela 1989). However, as Valenzuela further explains, labour's future political position relies in part on the leaders' own preparedness and capacity to show restraint to avoid additional disruption. This is not only further contingent upon labour's unity and strength; it also depends upon the political inclinations of other leading social forces behind the transition

(Valenzuela 1989). For a brief period before and after the fall of Marcos, the Philippine labour movement was relatively more politically unified as, on the one hand, the radical left was drawn closer into the mainstream and, on the other hand, its opponents in the TUCP were able to remain in the mainstream by adroitly switching their political allegiances.

Without a doubt, martial law grew the political influence of the CPP and NDF. This was 'the biggest, best-organized, and most militant force within the broad anti-Marcos movement' (Quimpo 2008: 58–9). As we have seen, on the labour front the KMU was an important part of this. However, by the mid 1980s, most of the TUCP affiliate federations had also joined the social opposition to the Marcos regime. When the regime fell in early 1986, the TUCP leaders were thus ready, despite regime change, to position themselves to retain their privileges through state incorporation, especially as the KMU remained committed to further radical change.

The new Aquino administration initially established a forum through which labour broadly could be consulted. Within months, however, the political space for radical socioeconomic agendas was narrowing significantly. In May 1987, leftist candidates were 'badly thrashed' in the first national elections post-Marcos as much of the traditional political elite were returned to their dominant position in Congress (Quimpo 2008: 59). In the same year, the KMU held several successful 'people's strikes' and there was an increase granted in the official minimum wage. However, by October President Aquino was committing publicly to a further crackdown on labour militancy. In 1989, a second official minimum wage rise was achieved, but immediately the national political space for labour activism over wages was effectively closed by the process of wage setting being devolved to regional boards. Notably, amendments to the Marcos Labor Code – sponsored by a former TUCP leader, now Senator – were directed mainly at containing labour militancy. There were extensions of the right to freedom of association to groups of workers previously excluded – for example in the public sector. However, no easing of the procedures for union registration and undertaking protected strike action has left workers still very vulnerable to employer harassment.

National democrats had 'played a critical role in the restoration of democracy in 1986' (Quimpo 2008: 75). Paradoxically, this achievement came to expose the 'undemocratic features' of the CPP movement (Quimpo 2008: 75–8). Whilst the party leadership was still focused on the seizure of state power, other progressive groups were prepared to go down the path of policy and legal reform, in and through the spaces denoted as 'civil society'. This produced internal divisions in the CPP that were also reflected in the KMU splitting in 1992. To this day, the CPP cadres retain a capacity for organising that generally exceeds that of other progressive groups; however, its vanguardist stance is a barrier to the formation of a Philippine broad left (Quimpo 2009: 350).<sup>4</sup> Within the labour movement, the CPP-aligned elements are still estranged from their social democratic counterparts. In other words, in the post-Marcos era the political space for labour organising has remained tightly contained. On the one hand, this is because polity has retained critical features from the American period which are an obstacle to reform (Hutchcroft 2010). On the other hand, however, this is also because divisions on the left have contributed to the continued 'segmented collectivism' of progressive organising which act as a barrier to interest aggregation politically (Roberts 1998: 54). This has been amplified by the party-list mode of political participation. Since 1998, under this system, 20 per cent of House of Representatives seats are allocated to the representatives of marginalised social sectors on a proportional voting basis. Party candidates must secure a certain portion of the total vote to be successful, but also a concomitant limit on the number of winnable seats has encouraged the proliferation of parties from the same bloc. Indeed, the very principle of sectoral party representation is a barrier to the development of progressive mass parties. The major labour

groupings have their own party-list party (or two); however, the conservative ones are yet to win a seat.

The TUCP has survived as the peak labour confederation. Caraway (2008) argues that, in addition to the inherited advantages that such a body possesses – in terms of membership, resources and institutional openings – the officials' capacity to forge political links with the new regime and 'the quality of competing unions' are important survival factors. On the TUCP leadership's part, they have always tended to favour political incorporation through established channels. This is shown in the pragmatism of their adaptation to political regimes of different types. However, it needs to be stressed that labour's political incorporation in the post-Marcos era has been limited essentially to individual leaders' participation as labour representatives in a large number of tripartite and multi-sectoral bodies. Not only have TUCP officials continued to have a stranglehold on these positions, their selection and appointment have lacked transparency as there are very few stipulated rules and procedures around nomination and selection, divestment requirements, salaries and other benefits, term limits and so on (Institute for Labor Studies 2004). What is more, there is little or no accountability to the individual's organisation: no reporting back requirements are in existence and there are no set standards by which performance in the position can be assessed (Institute for Labor Studies 2004).

Post-Marcos, the mode of labour's state incorporation is selective in fostering the monopoly position of one labour grouping. It is also overtly demobilising. The tripartite structure of the channels of participation mean the state is only committed to acting on the decisions on which both labour *and employer* participants are in agreement. It is significant that the TUCP is not able to exert any influence over congressional debates and legislative reform. This again reveals that the leadership is not able to mobilise a labour vote.

In Indonesia, the 1998 fall of Suharto saw the dissolution of state corporatism. New labour laws allowed for independent unionism, but at the enterprise level, thus encouraging persistent fragmentation (Caraway 2006). There was a resultant 'explosion' in the number of independent trade unions, yet their actual worker coverage 'remains negligible' (Ford 2009: 161–4). The coincidence of regime change and a major economic crisis increased labour's organising difficulties due to rises in unemployment and informal employment. The government-sponsored peak body split and was reorganised, but remains the largest and 'most widely recognised confederation internationally' (Ford 2009: 165–6). The leftist grouping is more marginalised. Labour's collective activism has 'not threatened to become the basis of stronger coalitions with more than a limited section of the middle class opposition' (Robison and Hadiz 2004: 135). This has diminished the political space for progressive and 'more radical' political projects of reform (Robison and Hadiz 2004). As a result, Indonesian workers 'have continued to organize under difficult conditions – ... without much recourse to broader political alliances' (Robison and Hadiz 2004: 138).

Democratisation in Thailand has similarly seen labour politically marginalised and in a weakened position industrially. From 2001 to 2006, the government of Prime Minister Thaksin Shinawatra worked to maintain 'the political subordination of labour, while also mobilizing workers and their organisations behind the restructuring of Thailand's economic and political regime of accumulation' (Brown and Hewison 2005: 354). A new social contract was developed that addressed employment and training matters and unemployment benefits to ameliorate some of labour's concerns. Reforms to the labour ministry also aimed to improve services to workers, both locally and overseas. However, critically, these new political openings are designed to rule out collective activism (Brown 2007). Since Thaksin's ousting, royalist, business and middle-class forces have sought to marginalise the rural poor and urban working classes further (Hewison 2007).

## Globalisation

Globalisation has produced significant economic restructuring across Southeast Asia for some time. For labour, a current key concern is an associated increase in the contractualisation of employment leading to larger numbers of temporary, casual and self-employed workers who are not covered by rights of association laws or otherwise are difficult to organise (Sibal *et al.* 2008; Chang 2009). The growth in contracting out, for example, means that many of the ‘functions and services previously handled directly by corporations have been transferred to the self-employed’ (Chang 2009: 172) causing labour controls to shift from industrial law to commercial agreements. Otherwise, changes to global trade rules have affected industrial and employment structures, most obviously in the garment and textile industry with the end of preferential market access under the Multi-Fibre Agreement (MFA) (Ofreneo 2009). As well, since the late 1990s, regional and global financial crises have in general pushed labour onto the industrial back foot, in an attempt to preserve jobs and or legal entitlements (Brown and Hewison 2005).

We have seen that dependency theorists see a direct causal connection between export-oriented growth and foreign investment and a national regime of tight labour controls. I have already noted that this overlooks the political history of state–labour relations in Southeast Asia. However, it is also worth noting that control regimes linked to globalisation and contemporary restructuring in fact exist ‘at multiple scales’ and involve various public and private actors (Kelly 2001: 2). In the Philippines, these include: ‘village, municipal, provincial, and national governments; the families of workers; industrial estate managers; and recruitment agencies’ (Kelly 2001: 2; also McKay 2006). This reflects the enduring territorial dispersal of state power as much as the processes of formal administrative decentralisation since the early 1990s (Hutchcroft 2010).<sup>5</sup>

Globalisation has nevertheless also further opened up some possible transnational political spaces for labour organising and advocacy. Since the 1990s, this has been facilitated particularly by links and alliances with labour NGOs, both domestic and international. A number of related campaigns have invoked media scrutiny and new trade rules to force governments to adopt and/or properly enforce the International Labour Organisation (ILO) conventions in particular. In Thailand in the early 2000s, for example, there were ‘concerns expressed by some politicians, people and officials [that] Thailand’s poor record on labour standards could negatively impact on foreign investment and access to developed country markets’ (Brown and Hewison 2005: 368). However, the resultant reforms paid more attention to child labour than to freedom of association and collective bargaining rights for workers in general (Brown and Hewison 2005). In Indonesia, ILO pressure was also brought to bear in influencing the direction of post-Suharto era labour laws (Caraway 2006). In the Philippines as well, labour federations have lobbied the ILO over government violations of freedom of association and collective bargaining conventions and related human rights abuses. In all those cases, the carrot of securing trade preferences into the US market was an important influence on government decision-making.

However, in the last twenty years, transnational campaigns have also moved from ‘regulation by ILO convention’ – targeting national governments – to governance via codes of conduct targeting the reputation risks from adverse publicity for firms and industries (Hassel 2008). These private governance regimes are generally developed, monitored and enforced by NGOs and businesses for the purpose of influencing consumer and investment behaviours directly, as a part of wider corporate social responsibility (CSR) agendas (Hassel 2008).<sup>6</sup> The debate centres then on the quality of monitoring and enforcement. Berik and van der Meulen Rodgers (2010) argue that, in Cambodia, trade incentives produced better monitoring and ‘modest’ improvements in working conditions in the garments industry but also undermined union organisation and ignored political violence against union leaders. They maintain that this link was crucial and

superior to alternative systems, which lacked a link to preferential trade. However, in the shrinking Philippine garments and textile industry, there is little evidence that similar corporate social responsibility campaigns have had any impact; most particularly failing to shift anti-union strategies of firms in the industry (Ofreneo 2009). There is also no impact on the non-tradable sectors.

Responding to their own parlous state, a number of labour federations and centres in the Philippines have turned to 'social movement unionism' as a strategy to organise the unorganised in the workforce – informal, contract and domestic workers who sit outside the formal definition of employer–employee relationship in industrial relations law (Aganon *et al.* 2008). However, based on different ideological orientations, there is significant variance in the ways in which the strategy is actually conceptualised and applied. For conservative groupings this has involved a focus on the provision of alternative livelihoods, through cooperatives, micro-credit and small enterprise development. Social democratic unions, on the other hand, tend to have a clearer view of social movement unionism as a vehicle of mass mobilisation for achieving broader 'social transformation' (Aganon *et al.* 2008: 33). In short, in different ways across the labour movement, there are attempts to forge new spaces for organising beyond the industrial relations system. This is simply because, by the formal standards of this system, labour organising is at historical lows. There is some growth in the number of registered unions, but worker coverage is declining. By the measure of having negotiated a collective bargaining agreement, only 2 per cent of the workforce is effectively organised – and then most of these agreements deliver little more than is already the legal minimum (DOLE 2009).

## Conclusion

As this chapter shows, in the case of the Philippines, during the course of early modern-state formation, certain patterns of political accommodation and conflict were established which, despite significant capitalist development and regime change since, have contributed strongly to labour's relative weakness as a key social actor to the present day. Rather than attempt to mobilise labour support, in different ways, emerging elites moved to contain the disruptive potential of workers' collective activism. As this occurred in association with wider limitations on social representation and dissent, parliamentary oppositions did not emerge to reflect socioeconomic cleavages more broadly within the polity. In short, although I have acknowledged the often adverse structural conditions for labour organising, the focus of the chapter has been on labour politics in relation to struggles for state power and recognition. The formal political spaces for labour organising have been especially covered, but from the perspective of how they in fact operate: to sanction and protect – or to frustrate and proscribe – particular expressions of worker discontent. Accordingly, attention has also been paid to ideological and career leadership divisions within the movement, and how these have in turn shaped the political spaces for state incorporation on the one hand and independent militancy on the other. The point has been to argue that state formation processes are integral to the issue of labour's comparative weakness in Southeast Asia.

## Notes

- 1 Structural constraints are very much shared at the enterprise level. Thus, the differences in the outcomes from local organising by rival federations are often not as great as their rhetoric suggests (see Hutchison 2001: 77–8). Note, there are currently about ten competing national labour centres and 130 federations covering 70 per cent of local unions in the Philippines (DOLE 2009).

- 2 Property, literacy and sex limitations on the franchise kept the electorate to less than 3 per cent of the population. 'Even three years after the elimination of the property qualification in 1916, the electorate was less than seven per cent of the population' (Simbulan 2005: 42). The politically active labour leaders were not from the rank-and-file; some were indeed factory owners and employers (Kerkvliet 1992).
- 3 The NDF is the revolutionary grouping within the broader national democratic movement. It consists of the CPP and its allied organisations, both in the underground and in legal arenas (Quimpo 2008: 58).
- 4 This is demonstrated in the party-list election results for National Democratic parties such as Bayan Muna.
- 5 See also Sidel (1999) on 'bossism' in the Philippines.
- 6 Private governance is 'market based, based on incentives and information rather than prohibitions, largely voluntary, carried out in a number of partially overlapping networks that consist of public policies and civil society organizations (CSOs), and in cooperation with business' (Hassel 2008: 233).

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