

# Trade Unionism in Austria and the Philippines: The Three Significant Points

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## Abstract

*The essence of trade unionism is to secure for the workers the best price (salary and wages) that can be obtained under prevailing market conditions. For the trade union to evolve into an economic, social and political force in the transformation of society, it must act deliberately as organizing centers of the working class in the broad interest of its complete emancipation. Towards this end, there must be a political party that will guide them in the pursuit of such role.*

*Thus, the first point is, the trade union movement should be united and adopt a radical and revolutionary perspective to be more effective as an economic, social and political force.*

*The second point is, in two countries under study: Austria and the Philippines, the political parties played significant roles in the transformation of the trade union movement. The political parties were hopeful in their struggle not only on trade union*

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*issues but also on political issues. The leaders in the trade union movements were also the leaders of the political parties.*

*And the third point is, nationalist industrialization played a historical role in creating adequate employment in Austria. It played an important factor in the successful harmonious IR system in the last four decades. In the Philippines, the attempts to industrialize the economy was derailed by the International Monetary Fund (IMF) -World Bank.*

*Strong political pressure from the trade union movement is urgent and necessary to pressure the Philippine government to veer away from subscribing to the IMF-World Bank prescription of development.*

*The trade union movement in Philippines should learn from and establish contact with the Austrian Trade Union Confederation (OGB), the social partner recognized by the Austrian government and the sole and exclusive bargaining agent in all collective negotiations.*

## **Introduction**

This article was a product of almost 30 years (1974-2002) experience of this author as a trade union activist, including his four years (2000-2004) academic exercise at the University of the Philippines School of Labor and Industrial Relations (UP-SOLAIR). In his opinion, there are three significant points which are crucial in attaining a harmonious relation between and among actors in the industrial relations system. These are: 1) evolution of trade union movement as an economic, social, and political force, 2) expressive role of political parties and its influence in the evolution of trade union movement as an economic, social and political force, and 3) the historic role of nationalist industrialization.

The question might be asked: despite the century-old efforts of trade unions to improve the situation of workers in the Philippines, why are workers' condition in a deplorable state unlike in other countries like Austria, where the workers have relatively better conditions? Is it due to the differences in the trade unions' structure, characteristics, and strategies? Is this a result of globalization? These are some questions that linger in the minds of ordinary trade union activists.

If one looks at the history of trade union movement in the Philippines, trade union leaders have been exerting all efforts to strengthen workers' organizations to gain better benefits for the workers. In the early times, there was the militant Union Obrera Democratica (UOD), the Congress of Labor Organization (CLO) and others. Now, the Kilusang Mayo Uno (KMU), a militant, nationalist and progressive trade union center is spearheading the P125.00/day wage increase as well as the recognition and improvement of other trade union and democratic rights.

The works of Karl Marx and Friedrich Engels have been used in the movement since 1922 and is still influencing the ranks today, although in varying circumstances.

The issue of nationalist industrialization must likewise be probed because the number of regular jobs every year is decreasing and the current industrial firms are not enough to provide jobs to the working class. How the Philippine government can veer away from IMF-World Bank prescriptions that contributed to the devastation of the economy for five decades remains a challenge.

Perhaps it is best that the Philippines emulate the experience of the Austrian OGB that was formed in 1945. It passed the Nationalization Act in 1946, and since then, workers have been provided much needed jobs. This will provide a solid base on trade union organizing work.

The historical background of the two countries' trade union movements were reviewed in order to determine the forces involved in the evolution of the trade union movements in the two countries.

### *The Three Significant Points*

The paper sought to answer following questions:

1. How did the trade union movements in the Philippines and in Austria evolve? What are the economic, social and political characteristics of the trade union movement?
2. What are the roles played by political parties involved in the evolution of the trade union movement?

3. How did nationalist industrialization harmonize actors in the industrial relations system?

### **Significance of the paper**

This discussion is significant to trade unionists, to Industrial Relations (IR) and Human Resources Development (HRD) practitioners, as well as to academic scholars in labor and industrial relations and government agencies. For trade unionists in the Philippines, the lessons drawn from the comparative analysis will be helpful in formulating future programs of action, especially on how to unite the labor front in the Philippines and attain the same level of success of the Austrian trade union, which influenced the transformation of Austria into a welfare state.

Furthermore, this study will help the academe and government agencies understand the role of trade unions in national development. This may be a reference in formulating and drafting bills and resolutions in Congress.

This work will also contribute to the development of the field of industrial relations as it furthers the formulation of industrial relations theories and those related to labor movements. This comparative method will contribute to the discernment of patterns of similarities as well as differences in the two trade union movements. This in turn will provide inputs to the validation and/or reformulation of existing theories.

### **Scope and limitation**

This work covered only the trade union movements in two countries: the Philippines and Austria. In the Philippines, there are several trade union centers covering the spectrum from right to left: Trade Union Congress of the Philippines (TUCP), Kongreso ng Pagkakaisa ng Manggagawa sa Pilipinas (KPMP), Federation of Free Workers (FFW), Bukluran ng Manggagawang Pilipino (BMP), Confederation of Independent Unions in Public Sector (CIU), Alliance of Progressive Labor (APL), Confederation for Unity, Recognition and Advancement of Government Employees (COURAGE) and Kilusang Mayo Uno Labor Center (KMU). While in Austria, there is only one trade union center, the Austrian Trade Union Confederation (ÖGB).

This is a comparison of the trade union movement experience in Austria and the Philippines. The methodology used is limited to secondary and primary data gathered through questionnaire, answered by selected trade union leaders via self-administered email and face-to-face meeting and focus group discussions with key informants.

## **Analytical Framework**

The history of the Philippine trade union movement had passed three stages (Wurfel 1959). The first stage was the period of repression, from the late 1800s up 1907. The second was the recognition stage (1908-1935) through the creation of the Bureau of Labor and was possible because of the untiring organizing efforts of the workers under the first federation the Union Obrera Democratica (UOD) (Sibal 2002). From 1908 to 1935, there was no clear IR process propagated by the colonial government. From 1936 to 1953, the period of regulation and protection, there were several IR processes introduced and implemented by the government. These were: compulsory arbitration, collective bargaining, conciliation, mediation and voluntary arbitration. It was during Martial Law in 1972 that tripartism was introduced.

To appreciate better the history of the trade union movement in our country, it has to be analyzed, and compared with the history of the same movement in another country. The analysis is based on the concept of political economy in industrial relations which, according to Hyman (1975) is ...

*"The continuous relationship of conflict, whether open or concealed, it stems from a conflict of interest in the industry and society which is closely linked with the operation of contradictory tendencies in the capitalist economic system".*

The development of both trade unions in the Philippines and Austria has more or less passed similar stages. Historically, similar occurrences happened in the development of both trade union movements - from the recognition of trade union organization, to the influence of other countries and political parties, and approaches used in consolidating and mobilizing more protest actions. There is a tendency within the movement of

forming bread and butter ("yellow" unionism), which is a splitist tendency. The normal reaction in times of war and fascism was to go underground and for limited time remain silent in the open mass movement.

Hyman defined Industrial Relations (IR) as a study of processes of control over work relations. Among these processes, those involving collective worker organization and actions were of particular concern. Through collective agreements, trade unions were able to share power with management, hence, an unceasing power struggle was a central feature of IR.

Although the Philippine and Austrian histories did not end in the same fate, the Austrians were able to accomplish something they were proud of. They were able to unite the trade unions and established an umbrella organization that existed up to the present. In turn, this umbrella organization influenced the establishment of a welfare state. On the other hand, the Philippine trade union movement is still attempting to unite their ranks. Hyman commented on the structure of trade union. ...

*"Established institutions become a focus of loyalty in their own light, and sustain powerful vested interest in the perpetuation of traditional forms and practices. Thus the structure of trade unionism is in many respects ill-adapted to the realities of contemporary industry or to workers' own consciousness of their problems and interests; yet it constrains the manner of their response to these problems, and to this extent is an important obstacle to the capacity of the labor movement to exert positive control over industrial relations".*

Furthermore, Hyman contended that....

*"Trade unions are organizations which consolidate and mobilize the collective powers of workers and they apply this power largely to influence the programmes and decisions of employers. A power relationship is central to industrial relations: each party pursues strategies*

*which are partly affected by the initiatives and responses of others”.*

In Austria, the trade union center represented by the Austrian Trade Union Confederation, is recognized as their social partner in their corporative industrial relations system and is the sole and exclusive bargaining representative of all workers: a clear manifestation of power relationship.

Trade unionism is primarily reactive because of the right accorded to management in capitalism to direct production and to command the labor force. Unions can win some improvements in workers' condition, protest successfully at individual decisions, and impose certain general limits on managerial prerogative. But as long as they maintain a primary commitment to collective bargaining, they cannot openly attack the predominant right of the employer to exercise control and initiate change (Hyman 1975).

In this light, Marx commented (as cited by Hyman)

*“Trade unions work well as centres of resistance against the encroachments of capital. They fail partially from an injudicious use of power. They fail generally from limiting themselves to a guerilla war against the effects of the existing system, instead of simultaneously trying to change it, instead of using their organized forces as a lever for the final emancipation of the working class, that is to say, the abolition of the wage system (1958:447)”.*

Hyman wrote that trade unionism served as a countervailing structure of control, which restricts and in some respects neutralizes the dominance of employer. Hyman further noted:

*“Thus the historical development of trade unionism has revealed strong and mutually reinforcing obstacles to democratic control. Yet it would be over-simple to conclude that an irresistible and irreversible ‘iron law of oligarchy’ is involved in this process. The variations between organizations in terms of both policy and internal democracy demonstrate that*

*counter-pressures can in some circumstances prove significant. And the most crucial among these is the practice of workers themselves”.*

Foremost, under the political economy framework, the State (government) was but an extension of the political apparatus of the ruling class (bourgeoisie) or, ...*“The executive of the modern state was but a committee for managing the common affairs of the whole bourgeoisie”* (Marx and Engels, 1958:36). Hyman noted that the state consisted not merely in the machinery of government, but also in the relationship of the latter with the ‘civil society’ – the network of social, economic and cultural institutions and relations all of which reflected in different ways the predominance of capital and its agents. He quoted this famous arguments of Marx and Engels in *The German Ideology*:

*“The ideas of the ruling class are in every epoch the ruling ideas, i.e. the class which is the ruling material force of society, is at the same time its ruling intellectual force. The class which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental relationships are subject to it. The ruling ideas are nothing more than the ideal expression of the dominant material relationships, the dominant material relationships grasped as ideas; hence of the relationship which make the one class the ruling one, therefore, the ideas of its dominance”*(1970:64).

Hence, any action or assistance from the government are all, in the final analysis, against the trade union. Finally, under the present dispensation, the trade union movement may have become strong and unified, or centralized under one umbrella organization; still, they are under control by the representative of the other class, the bourgeoisie, and the conflict in industrial relations would just be an area of regulation and accommodation between the two actors, the workers and the employers.



## Discussion of the Three Significant Points

### 1. Evolution of the Trade Union Movement as an Economic, Social and Political Force

The contribution of the trade union movement in influencing society had been noted as early as 1900. David North (1998) in his paper, "Marxism and the Trade Unions," described the characteristics of workers' organization as follows:....

*"The trade unions represent the working class in a very distinct socio-economic role: as the seller of a commodity, labor power. Arising on the basis of the productive relations and property forms of capitalism, the essential purpose of the trade union is to secure for this commodity the best price that can be obtained under prevailing market conditions".*

However, North noted that there are oppositions to this description and said....

*"That opposition, moreover, is focused on the socialist movement, which represents the working class, not in its limited role as a seller of labor-power, but in its historic capacity as the revolutionary antithesis of the production relations of capitalism".*

In relation to the preceding discussion, Marx suggested that....

*"Apart from their original purposes, they must now learn to act deliberately as organizing centers of the working class in the broad interest of its complete emancipation. They must aid every social and political movement tending in that direction. Considering themselves and acting as champions and representatives of the whole working class, they cannot*

*fail to enlist the non-society men into their ranks. They must look carefully after the interests of the worst paid trades, such as the agricultural laborers, rendered powerless by exceptional circumstances. They must convince the world at large that their efforts, far from being narrow and selfish, aim at the emancipation of the downtrodden millions".*

Furthermore, Marx sought to impart to the trade unions a socialist orientation. He warned the workers...

*"not to exaggerate to themselves' the significance of the struggles engaged in by the trade unions. At most, the unions were 'fighting with effects, but not with the causes of those effects; that they are retarding the downward movement; that they are applying palliatives, not curing the malady.' It was necessary for the unions to undertake a struggle against the system that was the cause of the workers' miseries; and, therefore, Marx proposed to the trade unions that they abandon their conservative slogan, 'A fair day's wage for a fair day's work' and replace it with the revolutionary demand, 'Abolition of the wages system'".*

North's paper evaluated the history of the trade union movement in two countries, England and Germany, and it yielded important lessons and insights. He summed up his paper as follows:

*"The proletariat is the active historical subject of the socialist project. But socialism did not, and could not, arise directly out of the working class. It has, so to speak, its own intellectual history. Marx never pretended that his conception of the historical tasks of the proletariat conformed to whatever might be the general 'public opinion' of the vast majority of workers at any given moment in their*

*development." And finally ... "that the destiny of mankind is inescapably intertwined with the struggle for the development of socialist consciousness and culture within the international working class".*

## **The Philippine Experience**

The strike in 1989 in the Philippines proved that only through concerted actions, economic and political gains are possible. Scipes' account in this regard is as follows:

*"The strike that began on May 23, was totally unleashed on May 26, and it maintained that level of power until May 30. In some factories, workers continued their strike until May 31, and 16 companies in Cebu struck on June 1, after a mix up in their timing: this included the 10,000 workers at Atlas Mines, the largest copper mine in Asia.*

*Forty percent of the striking unions - 208 in Metro Manila and 54 in Central Luzon - maintained their picket lines for five days. And more than 80% of all striking unions stopped work for at least two consecutive days.*

*Altogether, these activities - which ranged from full-blown strikes to brief walkouts, attendance at rallies and marches, work slowdowns or partial stoppages- cost over 5 million worker-hours as over 500,000 workers in over 700 firms in industry, transportation and service companies made their positions known. Over 60% of all active unions in the country joined the strike, including unions affiliated with labor centers that are competitors to the KMU. Companies in industries like garments and textiles, food, metals and metal products,*

*drugs, chemicals and steel were hit hardest. Workers' actions also affected bus and shipping lines, export crop plantations, mining and electronics firms, department stores and hospitals" (Scipes 1996).*

Because of the above, the government was forced to raise the national minimum daily wage by P25.00. The final settlement gave raises to all workers currently earning less than P100.00 a day:

- workers in industrial firms and large plantations received an additional P25.00 per day;
- those in medium-sized plantations received P20.00 per day, and
- agricultural workers and workers in small-scale industries received an additional P15.00 per day

Workers earning over P100.00 a day, a category generally limited to workers employed in multinational corporations, were excluded from the raises as the government was unwilling to penalize foreign investors who play a central role in the Aquino government's economic policy. Still, it was the largest single increase in the national minimum wage in the history of the country (Scipes 1996).

In exchange, the government was allowed to establish the Regional Tripartite Boards of government, management and labor representatives that would set minimum wage rate levels for each region.

Apart from the economic gains, strikers won extensive political gains: workers forced the Aquino government to violate its own declared wage policy; workers rejected policies imposed on the government by the International Monetary Fund and the World Bank; and workers repudiated the repressive labor laws signed by President Aquino in March 1989. Most importantly, these activities demonstrated that only through large-scale mass struggles could workers and peasants improve their standard of living and democratic freedom (Scipes 1996).

Also noted is the K MU's relative success in developing into a center of radical unionism may also be attributed to the novelty and drive with which its organizers pursue the goal of organizational

expansion and on its emphasis on progressive workers' education. This is easily demonstrated by its success in introducing the concept of worker's alliances which shows workers' flexibility as well as creativity in overcoming disunity as a real obstacle to organizing and consolidating industrial workers. With this breakthrough KMU was able to launch a series of *welgang bayan*, or general strikes, indicating further the level of organizational sophistication it has achieved through the years (Torres-Yu 2003).

The workers at Nestle Philippines were also aware of the need to consolidate, thus they formed the Nestle Philippines Workers' Council (NPWC) in December 1982. The NPWC was an alliance of workers belonging to the labor unions in Alabang and Cabuyao and the employees union in Makati, Cebu, Davao and Cagayan de Oro. As part of its program, it gave union members a massive and intensive labor education and training to make them better understand genuine trade unionism. In 1984, the unions in these bargaining units were able to conclude collective agreements. The agreement was considered one of the best in the history of collective bargaining. It became a model for progressive labor groups, particularly those working for TNCs. The workers later acknowledged that their economic gains through collective negotiation was a result of the rapid progress of genuine trade unionism in the country.

The above points could be summarized as follows:

- The working class, should not limit its role as a seller of labor-power, but should act as revolutionary antithesis of the production relations of capitalism.
- It should act deliberately as organizing centers in the broad interest of its complete emancipation.
- Trade unions should abandon their conservative slogan, 'A fair day's wage for a fair day's work'.
- Replace it with the revolutionary demand, 'Abolition of the wages system'.
- The destiny of mankind is inescapably intertwined with the struggle for the development of socialist consciousness and culture within the international working class.

- Economic and extensive political gains are only possible through large-scale mass struggles.
- The breakthrough of KMU's series of *welgang bayan*, an organizational sophistication.
- Economic gains through the rapid progress of genuine trade unionism.

## The Austrian Experience

Tracing the history of the trade union movement in Austria pointed out the importance of having a unified trade union organization that influenced the transformation of Austrian society. The corporative industrial relations system, as well as the industry sector collective bargaining in Austria is only possible when the trade union movement is strong and unified, recognized as the social partner and as sole and exclusive bargaining agent of trade union movement by the employer and the government. The unification of the trade union movement into a strong, unified and centralized umbrella organization that is able to influence the government is attainable as what had happened in Austria and the trade union movement is represented by the Austrian Trade Union Confederation or ÖGB.

Asbjorn Wahl (2001) in "European Labor: The Ideological Legacy of the Social Pact" made clear that the current situation in Europe, in this case in Austria, was a product of the previous conflict. It categorically concluded:

*"that the great achievements in terms of welfare and working conditions, during the period of class compromise after the second World War, were the fruits of previous conflicts. Progress was made only because the working class had shifted the balance of power between labor and capital through confrontations and hard class struggle during the first part of the twentieth century (including the Russian revolution). In other words, it was the confrontational struggles of the previous period which made possible the gains later realized through peaceful negotiation".*

Therefore, the trade union movement has to adopt a radical revolutionary perspective to evolve as an economic, social and political force.

## **2. Expressive role of Political Parties and their influence in the evolution of the Trade Union Movement as an Economic, Social and Political Force**

In Austria, the Social Democratic Party had already influenced the trade union movement in 1889 and a large number of workers joined its founding congress. The Party was very helpful to the movement in their struggle not only on trade union issues but also on political issues. Today, within the ÖGB, there were several political groupings which reflected the political-ideological spectrum of the trade union members as well as the ÖGB political impartiality. Each of them had their own attached political party.

The two major political groupings are: the social democratic trade union grouping (FSG) of the Socialist Democratic Party (SPÖ) and the political dominant power in the ÖGB; and the Christian trade union grouping (FCG) of People's Party, which has the majority in public sector unions. Other political groups are represented in the panel of the trade federation and the trade unions. These included the communist trade union (GLB) or the trade union left block, independent trade unionists (UG), non-partisan trade unionists (PFG) and freedom party partnership (FA). According to the ÖGB Paper on Political Factions and Groups in the ÖGB,

*"The great advantage of a unified and non-partisan organisation lies in the fact that the position between the parties ensures a general freedom of movement. It gives supporters of different political tendencies the possibility of a common position in economic and social issues and thus also exerts an indirect influence upon the parties themselves".*

The united labor movement in Austria under the OGB contributed to the strengthening of the Social Democratic Party (SPÖ). As a result, SPÖ became a dominant political force in the Austrian government. In this light, several of the OGB's major

(SPÖ). As a result, SPÖ became a dominant political force in the Austrian government. In this light, several of the OGB's major achievements in the Parliament were as follows: a) The introduction of the 45-hour-work-week in 1959, reduced to 40-hour-work-week in 1975 and later to 38-hour-work-week in 1990; b) The 1973 Labour Constitution Act, which introduced the principle of more co-determination at enterprise level; and c) The Act of Equal Treatment for Men and Women at the workplace in 1979. Last year, (2003) they were not able to stop the legislation of the pension cut, but the voting in the Parliament was very intense, (95:86 vote) they lost by just nine (9) votes.

The influence of political parties in the Philippines started in 1922 through the literatures of Marx and Engels that led to the formation of the Workers' Party and eventually the founding of the Partido Komunista ng Pilipinas on August 25, 1930 and the formal launching on November 7, 1930. Another one was the formation of the Workers' Party (Lapiang Manggagawa) in 1963 as the first real attempt of organized labor to engage in political action. Also, in 1967, the Socialist Party of the Philippines (SPP) was founded and in December of 1968 the new Communist Party of the Philippines (CPP) was established. Later, in March 1969, its military arm, the New People's Army, was formed.

All of the above parties had direct influence on the trade union movement. For example, the 1922 Workers' Party and the eventual founding of the Partido Komunista ng Pilipinas was identified with Crisanto Evangelista of the Union Impresores Filipinas (UIF) and the 1963 formation of Lapiang Manggagawa were identified with :Felixberto Olalia, the founding Chairman of the Kilusang Mayo Uno (KMU) in 1980, Ignacio Lacsina of the National Association Trade Unions (NATU), Cipriano Cid of the Philippine Association of Free Labor Unions (PAFLU) and Jose Maria Sison, the alleged founding Chairman of the new Communist Party of the Philippines (CPP) in 1968.

In the Philippines however, the fragmented trade union movement has made ineffective the various labor parties that attempted to participate in the electoral processes- from the Lapiang Manggagawa (Workers' Party) to the Democratic Alliance to the Partido ng Bayan (PnB).

However at present, Bayan Muna, Anakpawis, Partido ng Manggagawa and Akbayan have made breakthroughs in the



electoral struggle in the Philippine Congress. Today, trade unions are engaged in the party-list election. For example, KMU Chairman Emeritus Crispin Beltran is the representative of Anakpawis party list in Congress. On the other hand, the Alliance of Progressive Labor (APL) is instrumental to the Akbayan's three party-list members in the House of Representatives. The Partido ng Manggagawa (PM) party-list is an expression of the Bukluran ng Manggagawang Pilipino (BMP) Labor Center. They were able to muster the required number of votes in the last party-list election, with Renato Magtubo, a local union president from Fortune Tobacco, Inc as the number one nominee. The Trade Union Congress of the Philippines (TUCP) and other trade union centers also participated in the party-list election but were not able to gather the required number of votes. Other trade union centers just supported big political parties and were not keen on whatever was the result of the party-list exercise. The preceding development reflects the influence of the trade union movement in raising the political awareness of the Filipino masses which later on became a key actor/mover in the Philippine political system.

Furthermore, there is now a good chance of influencing Congress with the presence of party-list members in the House of Representatives. The discussion will be limited to an overview of the clout exercised by the Party List Bayan Muna in the House of Representatives.

To begin with, under the Bayan Muna Party-List, one of its former representatives is the KMU Chairman Emeritus Crispin B. Beltran, a seasoned trade union activist. From August 2001 to January 2004, Bayan Muna submitted to the 13th Congress the following:

| <b>Submitted by</b> | <b>Bills</b> | <b>Resolutions</b> | <b>Total</b> |
|---------------------|--------------|--------------------|--------------|
| Rep. Ocampo         | 20           | 118                | <b>138</b>   |
| Rep. Beltran        | 9            | 66                 | <b>75</b>    |
| Rep. Maza           | 18           | 24                 | <b>42</b>    |
| Rep. Virador        | -            | 2                  | <b>2</b>     |
| Rep. Deduro         | 1            | 3                  | <b>4</b>     |
|                     |              |                    |              |
| <b>Total</b>        | <b>48</b>    | <b>213</b>         | <b>261</b>   |

According to Nathaniel Santiago, Secretary-General of Bayan Muna, only two of the submitted and supported bills were passed and approved by the 13<sup>th</sup> Congress. These were the "Absentee Voting Act for Overseas Filipinos" and the "Anti-Trafficking in Persons Act". Of the resolutions presented and submitted, the following were adopted and approved: a) House Resolution (HR) 146, adopting the use of a "gender fair" language in all of the official documents of the House of the Representatives; b) HR 679, recognizing the 100th year (Century) of existence of the Philippine Independent Church; and c) the House Resolution recognizing the Golden (50<sup>th</sup>) Anniversary of the National Press Club. Also, Bayan Muna was able to establish and complete 673 projects amounting to P480 million nationwide in a span of three years, 467 projects worth P352 million were "hard" projects while 206 projects worth P127.5 million were "soft" projects.

Included in the 261 recommended and submitted bills and resolutions proposed by Bayan Muna was about the bill to increase the minimum wages of the private sector workers and employees by P125.00 per day and /or P3000.00 per month for the government sector employees, under House Bill 4188. The bill was passed by the Labor Committee and deliberated in the Plenary Session. Unfortunately, it was not approved as recommended.

Other House Bills that were given priority by three Bayan Muna representatives were: a) House Bill 4535, the aim of which is to give recognition to the right and just compensation of those victims of human rights violation during Marcos dictatorial regime; b) House Bill 5095, demanding that the workers in the International Rice Research Institute (IRRI) be given the right to organize into union and be recognized as a bargaining agent in collective agreement; and c) House Bills 3380, giving recognition and rights of private lawyers to assist in the proceeding at the Ombudsman.

Nathaniel Santiago summed up the accomplishments of Bayan Muna, as follows:

- Bayan Muna was a key political force in the EDSA People Power II that toppled down the corrupt Government of Estrada.
- The victory of Bayan Muna in 2001 party-list election was overwhelming. It garnered 1.7 million votes, the highest from among the vying party-lists and giving them three representatives in the House of Representatives.

- They were able to register their strong, active and militant stand against the anti-people government policies, like the national budget favoring more military budget than for social services.
- They have raised the issue against the US wars of aggression in Afghanistan and Iraq and the armed intervention of US Military troops in the Philippines.
- They have raised issues against graft and corruption within the Arroyo Administration.
- Bayan Muna became the voice of the masses in the House of Representatives, acted for and in behalf of the interest of the marginalized sectors of the Philippine society.
- All of the above were concretized only with the full and active support of other party-list representatives and progressive congressmen in the House of Representatives and in the Senate.

In all of the above Bayan Muna activities, labor representative Crispin Beltran was in the forefront. Because of his untiring involvement in all political actions, inside and outside of the House of Representatives in 2002, he was given a Free Press Award as one of the "Filipinos of the Year," particularly citing his involvement in the fight against Meralco's demand for power rate unjust increase. Towards the end of his term in 2003, Crispin Beltran resigned from Bayan Muna and helped establish Anakpawis to give particular focus on the plight of the working class i.e., workers, peasant and other oppressed sectors of the Philippine society. In the last party-list election, Anakpawis was able to muster sufficient votes and garnered two representatives, Crispin Beltran of the KMU and Rafael Mariano of the KMP.

Based on the assessment of Bayan Muna, Anakpawis, Gabriela, Akbayan, Partido Manggagawa, and other party-lists and progressive members of the Congress, the influence of the trade union movement as well as the movement for national freedom and democracy in Congress is now gaining ground and becoming a significant force to reckon with.

### 3. The historic role of Nationalist Industrialization

In Austria, nationalization played an important role in creating and providing needed jobs and employment.

The Austrian experience was explained by the ILO in 1986:

*"The nationalization in Austria also had causes of a purely economic and social nature. The leaders of the country who decided on nationalization were convinced that most sectors of the economy needed thorough overhaul and reorganization in order to avoid the crises of the past. In their opinion, vital objective, namely full employment, could not be achieved within the framework of a purely private economy. These arguments reappeared in the preamble of the first Nationalization Act adopted in 1946".*

The Nationalization Act of 1946 was vital to full employment and induced *harmonious IR system in Austria*. The ILO paper devoted one chapter to nationalized enterprises in Austria. According to the ILO, nationalized enterprises caused cooperation between social partners. The Austrian Government implemented large scale nationalizations immediately after the war. The Socialist Party and the trade union movement have advocated such measures as early as 1918 at the beginning of the First Republic.

The reasons why the Austrian government implemented large-scale nationalization were as follows:

*Firstly*, nationalization was the only means available to the Austrian authorities to regain possession of most basic industries (iron and steel and heavy industry, metal construction) and the major banks, since these enterprises were in German hands during the years preceding and following 1938. Hence, *"nationalization was regarded as an act of national interest."*

*Secondly*, the nationalizations decided on in 1946 and 1947 were not limited to enterprises taken by the Germans but also included Austrian enterprises-

*"it was thus considered essential in the interest of national reconstruction for the political authorities to exert direct influence on the orientation of the Austrian economy by means of nationalization, particularly during the early post-war years".*

*Thirdly, the Austrian authorities wanted to maintain political control in directing the national economy (or economic independence). This was "in line with the commitment to neutrality made by Austria in signing the State Treaty of 1955".*

*And finally, the Socialist Party and the trade union movement demanded "the nationalization in Austria were also based on ideological consideration".*

The Austrian economy today is described as follows:

*"Austria has a well-developed social market economy with a high standard of living in which the government has played an important role. Many of the country's largest firms were nationalized in the early post-war period to protect them from Soviet take-over as war reparations. For many years, the government and its state-owned industries conglomerate played a very important role in the Austrian economy. However, starting in the early 1990s, the group was broken apart, state-owned firms started to operate largely as private businesses, and a great number of these firms were wholly or partially privatized.*

*Although the government's privatization work in the past years has been very successful, it still operate some firms, state monopolies, utilities, and services. The new government has presented an ambitious privatization program, which, if implemented, will considerably reduce government participation in the economy.*

*Austria enjoys well-developed industry in banking, transportation, services, and commercial facilities. Although some industries, such as several iron and steel works and chemical plants, are large industrial enterprises employing thousands of people, most industrial and commercial enterprises in Austria are relatively small on an international scale". ([http://en.wikipedia.org/wiki/Economy\\_of\\_Austria](http://en.wikipedia.org/wiki/Economy_of_Austria))*

*"The unemployment rate stands at 3.5%, the third-lowest in the European Union. And Austria continues to report the lowest unemployment rate—4.5% for the age group under 25—for young people".(<http://www.austria.org/press/207.html>)*

*"There are many small businesses, particularly in retail trade: 22% of all trading firms are one-person businesses, 70% employ up to 10 people, 7% up to 50, and only 1% have more than 50 employees". (<http://www.austria.org.tr/economy>)*

In the Philippines, there were several attempts of industrializing the economy in different ways. For a time, it was a success story, but when the International Monetary Fund (IMF) and the World Bank came in 1962, the success story was gone. The intended progressive development was stunted. The industrialization of the Philippine economy needed a more serious reconsideration (Scipes 1998).

Below is an account of the government effort regarding the type of industrialization it has been trying to attain. Since 1962, the Philippine government has carried out a neo-liberal program promoted by the IMF and the World Bank. Before 1962, the Philippine ruling elite tried industrialization as a way of restoring the economy after the war in the late 1940s, less a genuine land reform program. This industrialization program was called import substitution industrialization (ISI):

*"A moderate industrial base had been established: the country had food, wood, pharmaceutical, cement, flour, textile, paint, pulp, paper, glass, chemical, fertilizer, telecommunications, appliance, electronic, plastic, refined fuel, intermediate steel, shipbuilding, motor vehicle, machine parts, engineering, and other industries. From 3 percent in 1949, almost 18 percent of the total national income was derived from manufacturing in 1960... The Philippines was then considered to be the next Japan of Asia" (Scipes 1998).*

This was also the time that the peso was very strong because of the foreign exchange and import control that was supposed to end in 1964. However, when Diosdado Macapagal was elected president, his first act in 1962 was the lifting of all controls. In exchange, the Philippine government received three million US dollars from the IMF to cover the repatriation of three million US dollars of US corporate profit. This was the start of Philippine debt dependence. The lifting of import controls and deregulation were the two major components of the neo-liberal program that devastated the Philippine economy. The devastation worsened during Martial Law when President Marcos forcefully implemented the export oriented industrialization (EOI) strategy. Philippine external debt grew rapidly from 275 million US dollars in 1962 to 27.3 billion US dollars in 1986. The same neo-liberal program arrangement was observed and followed by Marcos' successors, Corazon C. Aquino, Fidel V. Ramos, Joseph Estrada and Gloria-Macapagal-Arroyo.

Kim Scipes summarized his findings:

*"In every case, the result has been the same: each economy that followed IMF prescriptions have seen widespread social dislocation. Hundreds of thousands of jobs have been lost, and standards of living have plunged drastically, even for those who still have jobs".*

*"A neo-liberal approach to development, as advocated by the World Bank and the*

*IMF, has only benefited the global capitalist political-economic networks (including certain Filipino partners), and the Philippine state; and these benefits all come at the direct cost of the large majority of Filipinos. This program has failed on its own terms and has been a social disaster as well".*

*"Neo-liberalism has led to a social situation where approximately 75% of the population lived below the poverty line in the early 1990s and somewhat reduced since then, but by how much is not known. Urban workers had lost almost 75 % of their 1962 wages by 1986, and things have only gotten worse since then".*

*"Accordingly, this type of development, when viewed from the perspective of the large majority of the population, deserves to be called 'detrimental development'".*

It is probably about time that our country be liberated from the control of US and other foreign monopoly capitalists.

## **Summary, Conclusions and Recommendations**

Listed below is a summary of findings in this paper:

1. The trade union movement should be united and adopt a radical and revolutionary perspective to be more effective as an economic, social and political force. Radical and progressive leaders are necessary to aggressively exercise their union function and ensure workers' participation for structural change.
2. In both countries, political parties played a significant role in the transformation of the trade union movement. The political parties were helpful in their struggle not only on trade union issues but also on political issues. The leaders in the trade union movement were also the leaders of the political parties. Furthermore:



- a. In Austria, the Social Democratic Party (SPO) and People's Party (OVP) are the two dominant political parties. They are present in all of the 13 trade unions under OGB. There are several political groupings with their respective political parties within the OGB. Despite the wide political-ideological spectrum of the trade union members, they remained united because the ÖGB has observed political impartiality.
  - b. In the Philippines, based on the assessment of Bayan Muna, Anakpawis, Gabriela, and other party-lists representatives and progressive members of Congress, the influence of the trade union movement in law-making is becoming a significant force to reckon with. Moreover, the trade unions are much involved in the party-lists election. There is a need to have a stronger bind among the trade union-based or influenced party-list groups and progressive political parties.
3. Nationalist industrialization played an important role in creating and providing adequate employment in Austria. The Nationalisation Act of 1946 was vital to attain full employment and played an important factor in the successful harmonious IR system in Austria for the last four decades. In the Philippines, there were several attempts to industrialize the economy in different ways. For a time, it was a success story, but when the International Monetary Fund (IMF) and the World Bank came in, the success story was gone.

## Conclusions

The essential purpose of the trade union is to secure for the workers the best price (salary and wages) that can be obtained under prevailing market conditions. For the trade union movement to evolve into a social, economic and political force in the transformation of society, its role must not be limited to a seller of labor-power. It has to perform its historic role as the revolutionary antithesis of the production relations of capitalism. Unions must act as organizing centers of the working class in the broad interest of its complete emancipation. They must assist and support every social, economic and political movement tending in that direction. For them to evolve as an economic, social and

political force, there must be a political party that will guide them in the pursuit of such role.

## Recommendations

The recommendation for the Philippine government to get away from the devastation caused by just following and subscribing to the IMF-World prescription of development would be very hard to achieve because it will require a very strong political will of the political leaders in government. A strong political pressure from the trade union movement fighting for national freedom and democracy is urgent and necessary.

Studying the Austrian Trade Union Confederation (ÖGB) experience for possible replication in the Philippines is suggested. The trade union movement in Philippines should establish contact with the OGB, the social partner recognized by the Austrian government and the sole and exclusive bargaining agent in all collective negotiations. This would necessitate a longer period of time and more expenses.

The following are put forward:

1. In the light of the historical role played by political parties, it is recommended that the trade union movement further involve its members in the politicalization of its ranks on the role of party-list, pressure groups and other progressive political parties in influencing Congress in particular and the Philippine society in general.
2. The Philippine trade union movement should:
  - a. Try to establish direct linkages with the OGB for mutual cooperation in terms of labor education, research and sharing of experiences and other solidarity activities.
  - b. Conduct a more in-depth study on ÖGB's basic characteristic of co-operation between the social partners. The progress and gains of the trade union movement in Austria was a product of the hard class struggle and confrontations during the early part of the twentieth century, including the Russian revolution,

which made possible the gains realized through peaceful negotiation.

- c. Conduct an in-depth study of the national and political situation to strengthen the strategies of progressive, militant and nationalist unionism in pressuring the Philippine government to take the path of genuine nationalist industrialization that will harness cooperation of the trade union movement with the other IR actors to help create adequate jobs to minimize the unemployment problem. This must be supported by a research study to give flesh to the meaning of this approach, and to uplift the standard of living and eventually to harmonize the industrial relations system in the country. There is a need to fully understand and internalize the meaning of genuine nationalist industrialization as experienced by the Austrians in 1945.

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