

# CHAPTER I

## INTRODUCTION



### 1.1. Statement of the Problems

The modern industrialization process brought about the formation of the working class and its organizations. The trade union is one of the oldest forms of workers' organizations, which still plays an important role in many parts of the world. In Thailand, trade unions and their members are now regarded as a numerically limited force. Nonetheless, trade unions have been the most important voices of wage earners since they were established. We therefore can not ignore the development and survival of these organisations in the future.

The modern trade union movement in Thailand revived in 1972 after it had been stagnant during the authoritarian regime between 1958-1971. The October 14, 1973 student-led uprising ushered in a new era for trade unions to play an active role in defending the common interests of the workers as well as to participated in broad political and social issues. From 1974 to 1976, organised workers became powerful social forces, apart from students. Even after the military coup d' etat in October 1976, when the student movement declined, trade unions could continue their relevant roles in mobilizing collective actions of organised labour for demanding common benefits of workers as well as social interests at large.

However, the broad social objectives of trade unions were no longer found from 1983 to 1991 when trade unions turned to emphasize their demands on particular labour interests. The powerful state enterprise unions were successful in their collective actions to provide common interests for their members but mostly failed to gain public support. The private enterprise unions also concentrated on their own interest issues, a number of labour campaigns were carried out on minimum wage increase, employment contract, and social security law. This period also witnessed fragmentation of the trade union movement by the conflicts and competition among the national labour unions.

A series of debates on the role of trade unions in economic and social development appeared in the early 1990s, when a number of strikes and demonstrations by state-enterprise employees demanding salary increase and protest against government policies on privatization occurred. These movements created much negative image of state enterprise unions

in the eyes of the public. Some academics proposed that trade unions should involve broad social issues in their collective demands rather than limit themselves to defending wage levels or to obtaining immediate benefits for the workers. In other words, the trade union movement should be a social movement with more responsibility for social interests rather than a movement or collective action of the self-serving interest groups (see Sungsidh Piriyarungsan 1995, Lae Dilogvidhayarat 1993, and Somsak Samukkethum 1996).

However, the academics' concern on the roles of trade unions turned to be a doubt about the continuing economic, social and political relevance of trade unions when the weakness of the trade union movement in the past decade, particularly after the economic crisis in the mid- 1997 appeared. The closure of a number of factories increased the unemployment rates in the private enterprise sector while the government involvement in the IMF's structural-reform program stimulated the policies on privatization of state enterprises. These conditions have weakened trade unions' bargaining powers in raising wages and guaranteeing security of jobs for employees. It is thus doubtful whether trade unions would survive in the present economic hardship.

In fact, the decline of the trade union movement is not confined only to Thailand but is a universal phenomenon. In advance capitalist countries, since the 1980s, there has been a considerable decline in trade union movement in terms of unionised rates and the level of militant struggle. The decline of the industrial working class simultaneously with the growth of the middle class has reduced not only the size of this social sector but also its organizational strength, militancy and consciousness in classical working class and labour union movements (Fuentes and Frank 1989:184).

The change in employment structure from manufacturing to service and high technical industries has resulted in a significant decrease of union membership. The falling share of manufacturing industries in the total employment means fewer manual or blue collar workers and more white collar employees who have tended to be less attracted to unions. In addition, the rise of the conservative government in the 1980s, for example: in the USA and the UK, also provided unfavorable conditions in the growth of trade union movement.

In developing countries, the Asian financial crisis since mid-1997 has created a serious negative impact on the situation of the trade union movement in East and Southeast Asian countries. Trade unions have to

confront the new difficult economic situation, i.e. the increasing unemployment problems due to layoffs in private firms; the trends of privatization in the state-enterprise sector; and the government policies on new industrial relations laws that favor businesses rather than to protect employees' security of jobs. This new circumstance led to the weakness of unions' bargaining powers in many countries such as: South Korea; the Philippines and Malaysia.

In addition, the appearance of the so-called "new social movements" since the 1980s, as a universal phenomenon, has been recognized as the movement responsible for the new social problems emerging as the negative consequences of the world rapid industrialization. The forms of these new social movements are ecological; human rights; peace; cultural and indigenous movements. They are increasingly popular and could mobilize more people from various classes than could trade unions that are based only on the working class and narrow benefits of the workers. These "new social movements" thus have gradually replaced the roles of the workers' movement, under the leadership of trade unions, in social transformation.

However, when the trade union movement worldwide is considered to be in crisis and in decline for the reasons outlined above, a number of theorists and labour activists do not agree with this perspective. For instance Richard Hyman, argues that this is not a real crisis of trade unionism but is only a crisis of a specific narrowly based type of trade unionism (Hyman 1994: 113). Similarly, Ronaldo Munck also views that it is a crisis of the purely national oriented male manual manufacturing based type of trade unionism which focus on purely economic objectives of the unions' members. Munck sees that the movement under the leadership of this type of trade union is the "old" labour movement while trade unions worldwide are increasingly moving beyond the factory gates and breaking with a narrow economic conception of trade unionism (Munck 1999: 14). This new type of trade unionism is concretely described by Peter Waterman as "social movement unionism" in which trade unions have articulated with other social movements and take up the new social issues (Waterman 1993:245-78).

Amidst the difficult world situation for the development of the trade union movement and the debate on the new role of trade unions, it is interesting to consider the development of the Thai trade union movement. As the Thai economy has developed more and more towards industrialisation, the workers are an increasingly important force. It is doubtful that trade unions, which are the most important voice of these

social groups, could survive in the future. This dissertation thus intensively investigates the development of the trade union movement in Thailand. For the study on the changes in the characteristics of the trade union movement, it is very important to understand the past, the present and the expected future of these organisations.

## 1.2. Objectives and Research Questions

The Thai trade union movement has not been characterized by a unique feature, but a combination of collective actions of various union groups, which changed significantly from time to time. Some times the trade unions limited their role to collective bargaining for their particular interests, and the other times they aimed at broad social interests. This dissertation **is intended to study the changes in the characteristics of the trade union movement in Thailand from 1972 to 2002**. The central research question is **What are the determinants in shaping the different characteristics of the trade union movement at different periods of time?** In order to answer the central research question, the sub-research questions are as follows:

- 1.2.1 What are the unions' collective demands and the organisations of collective action in certain periods?
- 1.2.2 What are the external and internal factors affecting the objectives of the unions, the successes and failures of their collective action?

## 1.3 Scope of the Study

The period of the study will cover the last thirty years of trade union development in Thailand from 1972 to 2002. The period of the study is started in 1972 because of several reasons. Although Thai labour organizations originated many decades before 1972, it could be claimed that the modern trade union actually began in the early 1970s. Some academics such as Mabry viewed that earlier Thai labour organizations in the period of 1932-1958 were predominately composed of shopkeepers, hawkers, rickshaw pullers, and other workers marginally attached to the labour force. Although these organized workers called themselves labour unions, Mabry questioned whether they could be seen as a true labour movement (Mabry 1977: 931). It was since the early 1970s that the working class had emerged as a significant social force, through the growth of export-industries, since the wage-labour became increasingly vital to the development and structure of the economy. The waged workers in both private and state enterprises had formed their

organizations as labour associations in 1972 and then transformed into trade unions in 1975.

The analysis of trade union collective actions are chronologically divided into three phases, according to the significant changes in the characteristics of the trade union movement:

- 1.3.1 **Phase one** (1972-1976) was the period of the formation of trade unionism as a social movement when national trade unions acted to protect the common benefits of the working class and presented themselves as a mass social movement rather than as trade unions.
- 1.3.2 **Phase two** (1977-1990) was the period when national trade unions turned to emphasize their collective demands on the particular interests of the working class and distanced themselves from the movement on broad political and social issues.
- 1.3.3 **Phase three** (1991-2002) has been the recent period of trade union movement when the wage issues are no longer the most important incentive for mobilizing worker collective action. In addition, the trade union movement becomes the populist campaigns, which are the articulate actions of trade unions, non-union and non- labour organisations.

The criteria for dividing the periods of the study into three phases is based on the changes in the economic and political conditions, which affected the changes in the characteristics of the trade union movement. The first phase was the period when the industrial development of the country began to change from import-substitution to export- promotion. In the political aspect, the most important factor affecting the trade union movement was the October 14, 1973 uprising that brought about the extreme democratic climate. These economic and political conditions facilitated the growth of the trade unions and the development of the union actors' political consciousness and broad social objectives.

In the second phase, the Thai economy grew rapidly as a consequence of the export-promotion strategy. The political situation changed drastically after the coup d' e tat in October 1976. Economic boom and political stability under the semi-democratic system were favorable conditions for the success of the unions' demands on the particular interests of the workers but did not encourage the participation of the trade unions in the other movements for broad social objectives.

In the third phase, the economic boom continued in the early 1990s but has changed to crisis and recession since 1997. The political situation shifted to authoritarian rule during the short period after the coup d' e tat in February 1991 following with the new circumstances of the constitutional reform movement. Trade unions were thus incorporated into the democratic movements and faced more difficulty on their collective actions for the wage demands. These new conditions also determined the changes in the characteristics of the trade union movements.

#### 1.4. Hypothesis

In accordance with the dissertation objectives, some major hypotheses are created. The main hypothesis is that **the trade union in Thailand has not been characterised by a unique model of trade unionism but an articulation of economic unionism and social movement unionism models.** The goals of the trade unions and the strategies used are focused on improvements in wages and working conditions through collective bargaining as well as campaigns beyond the workplace issues for broad social objectives.

#### 1.5. Methodology

This study is a qualitative research, the political economy approach: the interaction of economic, political, and social conditions around trade union movement will be employed as an analytical and critical method of the study.

##### 1.5.1 Method of the Study

The theoretical concepts used in this study are the theories of collective action, which have been discussed in chapter two. The analysis focuses on the important characters of the trade union movement during the past three decades:

- the collective demands of trade unions, which indicated the movement's goals and objectives in certain periods;
- the organisations of collective actors, which inform us of the leadership and mobilising structure of the movement;
- the forms of collective actions, which reflected the militancy and methods of the movement

The above three characters of trade union movement will be investigated precisely in chapters three, four and five. The comprehensive study on the different characters of trade union collective actions is presented in relating to the external factors surrounding trade union movement. These important factors are:

- The economic conditions of industrial development
- The nature of the political system
- The growth of other movements

The interaction between these external factors and the changing of trade union characteristics will be analysed throughout the study. The final conclusion is constructed in chapter six in order to formulate the whole analyses of the trade union movement.

### **1.5.2 Sources of Data**

Data collection methods are composed of documentary research, in-depth interview, and participatory observation.

#### **- Documentary Research**

The primary and secondary data will be collected from various sources of publications (books, journals, newspapers, newsletters, pamphlets, etc.) from, particularly, 1972- 2002. The primary data on economic statistic are based mainly on the records from the Bank of Thailand. The labour statistics are based on data collected by the National Statistic Office, and Department of Labour published in the *Year Book of Labour Statistics*.

The information on labour relations situation are from newspapers and magazines. The other important sources are monthly newsletters, *แรงงานปริทัศน์* (Labour Review), published by the Arom Pongpangan Foundation from August 1987.

Secondary sources are research works and articles produced by academic institutions, government agencies, trade unions, and NGOs, including my own publications.

#### **- In-depth Interviews**

In-depth interviews have been conducted with individuals who have extensive knowledge and experience on the Thai trade union

movement including unionists, specialists, NGOs' staff, and other experts. The interviews were carried out during January 2001- February 2002.

## **- Participatory Observation**

From my personal experience as a researcher and manager of an NGO on labour issue in the period of 1986-91, I was involved in the labour movement situation during that period. I therefore have an experience as a participatory observer in a number of labour strikes, workers' demonstrations, and seminars on labour issues conducted by trade unions and NGOs. In addition, as a vice- secretary of the Arom Pongpangan Foundation since 1996, I have continued my participation and observation of some important collective actions of trade unions and NGOs, which is a useful input in my study.

### **1.6. Dissertation Structure**

The dissertation is composed of six chapters as follows:

#### **Chapter One: Introduction**

This chapter contains the statements of the problems; objectives and research questions; scope of the study; definition of significant terms; hypotheses; methodology; dissertation structure and expected benefits.

#### **Chapter Two: Literature Review and Theoretical Framework**

This chapter reviews and criticizes some related literature and discusses the theoretical framework of this study.

#### **Chapter Three: The Formation of Modern Trade Union Movement as a Social Movement, 1972-1976**

This chapter deals with the historical background of the contemporary trade union movement and the formation of national organisations of trade unions. It examines the main characteristic of trade union movement in relating with the external factors surrounding trade unions.



## **Chapter Four: The Transformation of Social Movement Unionism into Economic Unionism, 1977-1990**

This chapter discusses the institutionalization of trade unions in both private and public sectors to economic interest organisations, which emphasized the particular interests of the workers and distanced themselves from other movements.

## **Chapter Five: The New Characteristics of the Economic Unionism, 1991-2002**

This chapter discusses the changing characteristics of the trade union movement, after the political change in 1991 and the adjustment of trade unions' strategy in order to respond to the economic crisis in 1997.

## **Chapter Six: Conclusion**

This chapter makes the conclusions of the answer for the research questions, which are discussed intensively in chapter three, four and five.

### **1.7. Expected Benefits**

As Thai trade unions are now still the most important voices of a large number of employees in many private and state enterprises, this study is expected to be another important source for those who want to understand the whole development of these organisations. Conventional economics has a bias towards the study of individual action rather than collective action because the free market economists assumed that any collective action would be against the public interests. This study provides a new perspective to analyse the collective actions of trade unions, which helps us to see the positive and negative impacts of the union collective actions on the common interest of the working class as well as on the public interest.

The research findings will be useful to give relevant persons and organisations broader views for evaluation and speculation on the future of Thai trade unions, one type of the most important and oldest organisations of wage- earners whose functions have not yet been replaced by other organisations.

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