

Trade unions and labour federations in employee relations in thailand



**ASSIGN
BUSTER**

Trade Unions and Labour Federations in Employee Relations in Thailand

Employee relations entail the body of work tasked with ensuring a healthy employer-employee is maintained. The term was introduced to replace the term Industrial relations. On the other hand, Labor Unions are the bodies whose main purposes are to fight for the rights and interests of employees. This is with regards to securing sustainable wages, issues to deal with hours of operations and favorable working conditions among others. In addition to that, they also play a key role in the development of the nation and the society in general.

According to Piriyarangasan (1999), labor unions are considered as one of the most crucial institutes in the industrial universe. Additionally, the labor relations networks and systems is a subsidiary of a general social system. Labor unions consist of three key parties. The parties involved include the governments of the day, in this scenario, we will focus on the Thailand government, the employees (Thailand Workforce) and employers (Thailand employers whether local or foreign entity). The Thailand labor unions play major roles in ensuring that employers provide their workforce with fair and favorable working conditions. Similarly, they use the Thailand government as an avenue to reach and sanction employers who go contrary to their demands as stipulated by the international labor laws and the countries Labor laws as stipulated in the Act. Employers are advised to strictly follow the positive labor relation philosophies and support the labor unions instead of undermining its operations. This will help the labor unions manage benefits and welfare, compensations and favorable working conditions. Both parties must strive to cooperate because that creates a win-win situation and

<https://assignbuster.com/trade-unions-and-labour-federations-in-employee-relations-in-thailand/>

that is the ultimate objective as far as employer-employee relationships are concerned. However, when the labor unions or workers go contrary to the labor relations philosophy, employers are prone to capitalize on such situations and in turn exploit the workers. Henceforth, the strength of labor unions influences its ability to protect the welfare of the workers it represents. Additionally, positive labor relations encourage employees to recognize the existence and importance of labor unions within their factories, enterprises, and industries. When both parties co-exist, the work environment tends to move to a win win situations where the labor unions function effectively and the employers are at peace with their employees.

This essay will focus on the rise, developments and role of labor unions with regards to maintaining efficient and favorable employer-employee relationship in Thailand. Thailand is an Asian country in the Pacific Ocean that has a population of 67. 01 million persons according to a 2013 population statistics. Of the 67. 01 million individuals, 39. 16 million were actively in the labor force or accessible for work. 38. 87 million were employed, 40, 000 were seasonally inactive in the labor force, and 0. 25 million were unemployed. Of the employed, 13. 63 million were in the agricultural sector whereas 25. 24 million were in the industry and other sectors of the economy apart from agriculture.

According to the National Statistics Office labor force survey of December 2015, the Thailand workforce is divided into three categories. There are the private sector, the public sector, and the informal sector economy. Public enterprise sector employees are the employees believed to be earning high wages and have favorable working conditions. They are characterized by the <https://assignbuster.com/trade-unions-and-labour-federations-in-employee-relations-in-thailand/>

capability of negotiating and organizing themselves in solid labor unions to improve their working and living conditions. Since they boast of having strong labor organizations, their modes of demanding favorable working conditions and higher wages have become a representation for the private sector to imitate. The private sector has an estimate 9 million workers in various factories, companies, and businesses. Employees from the private sector receive protection under the Labor Protection Act, Labor Relations Act, and several social security legislations. Only a paltry 3.73% of the workforce in the private sector belongs to trade unions in Thailand. The remaining 96% are not members of any trade unions. This is contrary to as provided in Labor Relations Act, which provides that all employees are it private, or public sector has the right to assembly and engagement in collective bargaining. Generally speaking, private sector employees are vulnerable and even though labor infringement takes place quite often; the laid down legislations are not pursued to the latter. This does not take into account the fact that they are covered by the minimum wage legislation passed in Thailand's parliament. Finally, there is the informal sector which boasts of having the largest chunk of Thailand's workforce (Thanachaisethavut, 2011). With a workforce of an estimated 23 million individuals, this sector is divided into two broad groups. The first group consists of those who work from the comfort of their homes and those who work without having an employer. The other group consists of major farmers, with leased or self-owned land, stall vendors, taxi drivers, and hawkers. Employees in this sector lack definite protection by the Thai government and for that reason, they are entitled to receive unjust or below the minimum wages. They also lack social security and health insurance as compared to their formal sector counterparts

<https://assignbuster.com/trade-unions-and-labour-federations-in-employee-relations-in-thailand/>

(Kukhit, 2016). Similarly, this group of persons has no solid trade organizations to help them demand their rights. Therefore, they have little if not none collective bargaining power. Then there are the migrant workers in Thailand. According to Thailand Customs Department, an estimated 500, 000 migrant workers are registered with the Thailand Customs and Immigration department. However, the majority of immigrant workers enter Thailand through illegal ways. Citizens from the neighboring Malaysia, Cambodia, Vietnam, Burma, Laos and as far as from Sri Lanka enter the country illegal in search of jobs or through trafficking. According to various Thai research institutes, there are approximately well over 2, 000, 000 illegal migrants living in Thailand who engage in The 3D jobs that many Thai people avoid. 3D jobs are jobs that are considered dirty, risky and hard yet there pay is way below Thailand's minimum wage. These migrants work under poor and substandard conditions. A majority if not all are prone to exploitation from their employers who take advantage of their illegal status to exploit them. Migrant workers illegally in Thailand are deprived labor rights in turn. The last group of the workforce is the Thailand citizens working in the diaspora. The majority of these persons in abroad countries with the exception of Hong Kong are always not organized. Hence they are fall prey to recruitment agencies or employment brokers that collect high levies from them in the name of securing employment for them. Since these specific groups of person work in foreign lands, they have little or no voice with regards to labor laws and what they are entitled to as far as favorable working conditions are concerned. Therefore, they are forced to accept conditions an employer imposes unto them, however, harsh they may be. All the above

problems are well taken care of by several trade unions put in place to maintain a healthy employer-employee relationship.

When the capitalist system was introduced in Thailand in the mid-19th century, some Thailand's workforce were either working under the Government's Labor recruitment agencies or state corvee. The systems limited the opportunities of its citizens being employees at industries that were being founded in massive numbers at the time. This prompted the importation of Chinese migrant workers in order to meet Thailand's economic demands for its industries. Fearing competition from the Chinese migrant workers, the Thai government limited Chinese workers' rights rather than supporting them. Even after joining the International Labor Organization (ILO), the government in Thailand refused to recognize the rights of workers by statutory policies that governed the aforementioned organization. The reason being that the government was afraid of recognizing organized labor in the case that majority of the labor force was of Chinese descent. Then the breakthrough came. In 1932 when the Thai system of governance changed from absolute to constitutional monarchy. The rights of workers were recognized from then. Over the years, due to the recurring military coups in the country, labor laws have constantly been revoked and altered with. The years 1957-1972 were rather dark periods for the labor movement in Thailand. Workers were forbidden from organizing trade unions or to collectively bargain for their rights. Fortunately after the political uprising of October 1973 led by the student movement allowed for the restoration of workers to collectively bargain. The year 1975, the Labor Legislation Act allowed for the formation of trade unions (Berkovitch, 1985).

The labor relations Act, B. E, 2518 (LRA), precisely controls associations in the form of employers associations, trade unions and a merger of the employers associations and those of trade unions, as the case may opt to be. The LRA looks into the representation of employees as a whole and governs the idea of Works Councils and provision for employee committees as another way of a trade union (Vause and Chandravithin, 1992).

Trade unions in Thailand represent employees in the collective bargaining of their rights with their employers. They are also mandated, although to some extent, in facilitating the decision-making the process of employers with regards to the workers under them covered with a specific trade union. The Thai law allows for employees to establish either a trade union or a Works Council and the employer is forbidden from interfering in any of formation and operations of this organizations. Similarly, in Thailand a trade union, often referred to as a labor union, is a solid organization formed under the Labor Relations Act. Feasible trade unions in Thailand are the Industrial and House Unions. General or occupational unions are not recognized by Thai law and are forbidden. Trade unions require 10 or more promoters of whom are working in the same business or are employed by the same employer. This is regardless of the number of employees who participate in the formation of these trade unions. Trade Unions are established to champion for the rights of workers. Collective bargaining launched by trade unions account for unified regulation. Henceforth, the terms and conditions of work are not formulated unilaterally by employers. The unified regulations stretch to the terms and conditions of sole employment contracts to regulation of jobs and the working atmosphere for example grievance and disciplinary procedures.

This provides an avenue whereby employees, to some extent, are involved in the operations of an enterprise they are associated with.

Concerning the Labor Relations Act 1975, a Labor Federation can be formed when two or more trade unions are registered as one entity. The Labor Federations in Thailand tend to focus more on educating and advising trade unions rather than focus on their key goal of playing an unambiguous and active role in collective bargaining. As of present, there are 18 Labor Federations in Thailand. These federations are affiliated with the Ministry of Labor. Similarly, out of 1258 trade unions in Thailand, only 212 of these are members of these labor federations. Most of these Labor Federations in Thailand are not agile enough negotiate efficiently with the employers and the government concerning collective bargaining (Chatrakul, 2010).

According to the Thai Labor Campaign website, there are ten labor federations and nine Labor congresses organized in the Thailand. The labor federations are The Thailand Metal Workers Federation, Petroleum and Chemical Workers Federation in Thailand, Paper and Printing Federation of Thailand, Petroleum of Thailand Federation, Thai Automobile Workers Federation, Thailand Electrical Appliances Workers Federation, Textile, Garment and Leather Federation Workers of Thailand, Federation of Bank and Financial Workers Unions of Thailand and Federation of Thailand Siam Motors Automobile Industry Workers Union. The Labor Congresses to be discussed in this essay to include The Thai Trade Union Congress, National Congress of Thai Labor, National Free Labor Union Congress, National Labor Congress, Confederation of Thai Labor, Labor Congress of Thailand, National

Congress of Private Employees in Thailand, Thailand Council of Industrial Labor and the Labor Congress Center for Labor Unions in Thailand.

The 2008 economic crisis was a major blow to the Thai economy. Thailand had become a state largely dependent on exports and foreign investments. This situation caused a number of firm closures and workers dismissal. Many employers used this crisis as an avenue to dismiss committee members of Thailand trade unions and labor leaders. Their sole aim was to undermine trade unions in their industries. In this crisis, trade and labor unions were faced with a daunting task of carrying out their duties of protecting workers interests. The Thai society condemned labor and trade unions that were raising demands for their workers. The former's argument was that Thai people who had jobs were lucky enough to have one hence unnecessary movement, and demands were not in their best of interests. The Thai labor movement, using both the Thai Labor Solidarity Committee (TLSC) and the labor congress submitted various demands to the Thai government during the economic crisis (Chatrakul, 2010).

The demands included setting up of a risk insurance fund for workers and setting up of an independent committee to look into the issue of unfair laying down of workers. Other demands tabled included the Thai government to set up a national committee that would be responsible for the general economic crisis that had hit not only Thailand but also its foreign partners. In addition to that, they demanded the government to guarantee that workers and employees would receive compensations from their employers as specified by the Thai laws. This was if these employees lost their jobs at the hands of their employers. Finally, it demanded the government to extend social

<https://assignbuster.com/trade-unions-and-labour-federations-in-employee-relations-in-thailand/>

security services to the informal sector employees who had suffered a big blow from the economic crisis but had not received any assistance from the Thai government.

In conclusion workers in Thailand still find it hard in planning and bargaining with their employers. There is lack of effective, efficient and sound policies to protect, promote and provide legal options for these mandatory workers rights. Even though the present Thailand constitution passed in 2007 contains a clause that guarantees the organization of labor groups, no laws have been put in place to implement those above. The only solid law with regards to Labour rights is the Labour Relations Act of 1975. To add more insults to injury, this Act is only applicable to the private sector workers. Since the 1991 military coup, no clauses in Labor law have routed for state workers and civil servants rights to plan and bargain. Similarly, there is no law that supports the right for the agricultural sector and informal sector to organize and bargain.

The Thai workforce must put in a collective effort to set policies and strategies on the issues of rights to negotiation, assembly, and collective bargaining. References to Internationally ratified and accepted conventions must be made to create acceptance that workers rights are part of basic human rights that ought to be accepted regardless of the place. Support must be given to movements and labor campaigns that push the Thailand government to ratify International Labour Organization clause Nos. 87 and 98. Already 12 labor organizations in Thailand at the SERC, TLSC, and Industrial area based trade unions and at the Labor Congress level have demanded ratification of these conventions.

<https://assignbuster.com/trade-unions-and-labour-federations-in-employee-relations-in-thailand/>

References

Baker & Mckenzie, (2009). *Worldwide Guide to Trade Unions and Work Council* . [online] Available at: <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1048&context=lawfirms> [Accessed 5 May 2016].

Berkovitch, S. (1985). *Troubled Times; Thailand's Trade Unions*. *Spring* . [online] Available at: <http://ro.uow.edu.au/cgi/viewcontent.cgi?article=2295;context=alr> [Accessed 5 May 2016].

Chatrakul, S. (2010). *The Thai Labour Movement; Strength Through Unity* . [online] Friedrich Ebert Stiftung. Available at: http://www.fes-thailand.org/wb/media/documents/The%20Thai%20Labour%20Movement_Sakdina%20Chatrakul%20Na%20Ayudhya.pdf [Accessed 5 May 2016].

WORK and FAMILY researchers network. (2016). *Employee Relations* . [online] Available at: <http://WORKandFAMILYresearchersnetwork> [Accessed 5 May 2016].

International Labour Organization, (2013). *Employment practises and working conditions in Thailand's fishing Sector* . [online] Geneva: International Labour Office, pp. 24-26. Available at: <http://www.ilo.org/dyn/migpractice/docs/184/Fishing.pdf> [Accessed 5 May 2016].

International Trade Union Confederation (ITUC), (2011). *Internationally Recognized Core Labour Standards in Thailand* . [online] Geneva. Available at: http://www.ituc-csi.org/IMG/pdf/tpr_thailand_final.pdf [Accessed 5 May 2016].

<https://assignbuster.com/trade-unions-and-labour-federations-in-employee-relations-in-thailand/>

CIPD. (2015). *Employee Relations; an overview* . [online] Available at: <http://www.cipd.co.uk/hr-resources/factsheets/employee-relations-overview.aspx> [Accessed 5 May 2016].

Napathom, C. and Chanprateep, S. (2016). What types of factors can Influence the Strength of Labor Unions in Companies and State Enterprises in Thailand?. *International Journal of Business and management* , [online] 6(2). Available at: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.666.577&rep=rep1&type=pdf> [Accessed 4 May 2016].

Nguyen, N. (2015). *Thai Workforce-Ready For Asean Economic Community 2015?* . [online] Available at: <http://utcc2.utcc.ac.th/utccijbe/uploads/InProgress/201409/THAI%20WORKFORCE-%20READY%20FOR%20ASEAN%20ECONOMIC%20COMMUNITY%202015.pdf> [Accessed 5 May 2016].

National Statistics office. (2015). *Summary of The Labour Force Survey in Thailand; December 2015* . [online] Available at: <http://National Statistics Office> [Accessed 5 May 2016].

Baker & McKenzie. (2016). *Thailand* . [online] Available at: http://www.bakermckenzie.com/files/Uploads/Documents/Supporting%20Your%20Business/Global%20Markets%20QRGs/Trade%20Unions%20and%20Works%20Councils/qr_thailand_tradeunionsguide_2009.pdf [Accessed 5 May 2016].

Vause, G. and Chandravithin, N. (1992). Thailand's Labour and Employment Law; Balancing the Demands of a Newly Industrializing State. *NorthWestern* <https://assignbuster.com/trade-unions-and-labour-federations-in-employee-relations-in-thailand/>

Journal of International Law ; Business , [online] 13(2). Available at: <http://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1362;context=njilb> [Accessed 5 May 2016].

Ungpakorn, G. (2014). The Thai Working Class. [Blog] *Uglytruth-Thailand* .

Worldometers. (2016). [online] Available at: <http://www.worldometers.info/world-population/thailand-population/> [Accessed 5 May 2016].

International Labour Organization. (2013). *ILO and Thai Trade Unions hold workshop on further promoting ratification of ILO C. 87 and C. 98 and protection of young and migrant workers* . [online] Available at: <http://International Labour Organization> [Accessed 5 May 2016].

International Organization of Migration, (2011). *Thailand Migration Report 2011* . [online] Bangkok. Available at: http://publications.iom.int/system/files/pdf/tmr_2011.pdf [Accessed 5 May 2016].

Kukhit, N. (2016). *Labour in the Informal Sector in Thailand* . [online] TRIPOD. Available at: <http://cawhk.tripod.com/9810/9810art03.htm> [Accessed 5 May 2016].

Refugee Review Tribunal, (2005). *RRT Research Response* .

Thanachaisethavut, B. (2011). *Informal workers and Legal Protection in Thailand* . [online] Available at: [ht ssrecruitment. \(2016\). *The State of Thailand's Workforce 2016* . \[online\] Available at: https://www.ssrecruitment.com/recruitment/the-state-of-thailands-workforce-2016/](http://ssrecruitment.com/recruitment/the-state-of-thailands-workforce-2016/) [Accessed 5 May

<https://assignbuster.com/trade-unions-and-labour-federations-in-employee-relations-in-thailand/>

2016]. [tp://wiego.org/sites/wiego.org/files/reports/files/T01.pdf](http://wiego.org/sites/wiego.org/files/reports/files/T01.pdf) [Accessed 5 May 2016].

ITUC CSI IGB. (2013). *Survey of Violation of Trade Union Rights* .