

LABOR, POLITICS, AND INDUSTRIALIZATION  
IN THE DOMINICAN REPUBLIC

Rosario Espinal

Working Paper #96 - July 1987

Rosario Espinal received her Ph.D. in Sociology from Washington University, St. Louis. She has been a guest researcher at the Swedish Institute for Social Research, Stockholm University; a faculty fellow at the Kellogg Institute, University of Notre Dame; and a visiting fellow at St. Anthony's College, Oxford University. She is co-author with José Oviedo of *Democracia y Proyecto Socialdemócrata en República Dominicana* (Santo Domingo: Ed. Taller, 1986) and author of *Autoritarismo y Democracia en la Política Dominicana* (San José: CAPEL, forthcoming 1987).

The author wishes to thank René Cortázar, Frances Hagopian and Guillermo O'Donnell for their helpful comments on this paper.

The purpose of this paper is to trace the development of the Dominican labor movement in the context of the economic and political changes that have taken place in the Dominican Republic since the Trujillo dictatorship. A main objective is to show how the subordinate role of the working class in Dominican society has changed little, despite the industrialization process initiated in the 1940s and expanded in the late 1960s, and despite the establishment of a democratic government in 1978. Both under authoritarian and democratic rule the Dominican labor movement has been a weak political force, largely excluded from the economic and political benefits associated with industrialization and the democratization of politics.

#### RESUMEN

El propósito de este trabajo es examinar el desarrollo del movimiento obrero en el contexto de los cambios económicos y políticos que ha experimentado la sociedad dominicana a partir de la dictadura de Trujillo. Un argumento central del trabajo es que la clase obrera dominicana continúa subordinada y débil a pesar del proceso de industrialización iniciado en los años 40 e intensificado a fines de los años 60 y el establecimiento de un gobierno democrático en 1978. Es decir, tanto bajo los gobiernos autoritarios como democráticos, el movimiento obrero dominicano ha estado excluido de los beneficios económicos y políticos asociados con la industrialización y la democratización política.

## Introduction

This paper looks at state-labor relations, the impact of political parties and political ideologies in the labor movement, and the strength of labor as a political force in Dominican society since the Trujillo dictatorship. A main objective is to show how the subordinate role of the working class in Dominican society has changed little despite the increase in industrialization and the establishment of a democratic government. Two different strategies of labor control are identified: first, the exclusion of the working class by means of direct coercion and quasi-corporatist mechanisms as pursued by Trujillo (1930-1961); and second, the subordination of the working class as a result of labor fragmentation typical of the post-Trujillo period.

The paper reflects more an attempt to discuss the development of the labor movement and labor relations in the Dominican Republic than a systematic comparative effort to evaluate theories or hypotheses. Nonetheless it draws somewhat freely on labor experiences in other Latin American countries to make comparative illustrations and inform theoretical discussion. It will be argued that easy import-substitution industrialization has not been linked everywhere in Latin America to populist policies and state corporatism as was the case in some South American countries, particularly Argentina (O'Donnell, 1973; Collier, 1979). In the Dominican Republic easy import-substitution industrialization coincided with austerity, labor exclusion and authoritarianism, not with redistribution or the incorporation of labor into a system of representation monitored by the State.

## A Historical Overview

In the Dominican Republic, as in other countries of Central America and the Caribbean, import-substitution industrialization was initiated in the post-Second World War period and was financed by a foreign trade surplus. This important economic transformation was led by a powerful ruling elite, above all by dictators, and had very limited societal effects in terms of expanding the capitalist class or improving the living standard of the popular sectors. Rafael Trujillo consolidated his military and political power during the 1920s and 1930s and took personal advantage of the economic boom of the 1940s which was facilitated by favorable international trade and high prices of traditional export products.

Export-oriented industrialization had started at the end of the nineteenth century with the modernization and expansion of sugar production, and in the late 1940s Trujillo initiated import-substitution industrialization. Later, in the 1950s, Trujillo also acquired most of the sugar mills previously owned by foreign companies (Cassa, 1980). Thus, by the time Trujillo was assassinated in 1961, he and foreign capital together had successfully monopolized the industrialization process had been monopolized by foreign capital and Trujillo. One of the results of this pattern of economic development was that a working class was formed before a local bourgeois class, which prevented an alliance of industrial-urban classes with a redistributive project. That is, the surplus from foreign trade in the 1940s and 1950s was utilized not to expand the bourgeoisie and improve the standard of living of the working class, but to finance an incipient import-substitution industry monopolized by Trujillo. Similar events occurred in other countries in the region, particularly in Haiti and Nicaragua where enduring dictatorships were in power.

Coercion was central to the Trujillo regime. As a response to labor mobilization in the mid-1940s (the only major labor struggles that occurred during the dictatorship), Trujillo dismantled the socialist wing of the labor movement and granted official status to the Dominican Labor Confederation (CTD).

The purpose of this official recognition was to control the CTD and prevent it from growing into an autonomous representative of the working class. It is important to note that the government did not seek, however, to promote the development of a working class movement as a source of political support. The lack of statistics does not allow us to state precisely how many unions were active at the time, but one can speculate from limited evidence that there were very few unions (Table 1) and those in existence had little autonomy.

Throughout the Trujillo dictatorship (1930-1961), the working class was, by and large, unable to articulate demands or make important economic and political gains. Besides tight controls imposed by the dictatorship throughout society, working class unity was difficult to achieve given the geographical dispersion of the sugar workers who made up the majority of the working class and their linguistic and cultural heterogeneity. (Some were Dominicans, but many were from French and English-speaking Caribbean islands.)

Labor unrest in the early and mid 1940s coincided with a booming foreign trade. Sugar workers were able to obtain wage increases, but the protest movement was quickly crushed by the government. Furthermore, as a result of higher inflation, wage increases did not result in significantly better real wages. After 1948, the real wages of sugar workers declined steadily, and by 1960 the real average annual salary of a sugar worker was lower than in 1948. It is important to note, however, that despite the resort to violence, the government began formulating labor laws in the 1930s, culminating in 1951 with the promulgation of the Labor Code. A plausible explanation for the approval of these laws despite the dictatorial traits of the regime is that the government was under international pressure to comply with the rules of democracy. However, it could also be argued that the modernization of social relations, including those between labor and capital as industrialization proceeded, may have encouraged the approval of labor laws even if they were only partially enforced.

The monopolization of economic power on the part of the Trujillo family and the exclusion of the working class from the economic and political benefits associated with industrialization suggest that the Trujillo dictatorship did not attempt to promote industrialization by fostering a modernizing project (i.e., a class coalition of a local bourgeoisie and sectors of the middle and working classes such as occurred in other Latin American countries). The Trujillo dictatorship encouraged state corporatist control of labor but without working class mobilization or incorporation. Herein lies an important difference between the exclusionary dictatorships of the Caribbean and Central America and the populist regimes that fostered stronger labor movements with grassroots support monitored by the State.

After the fall of Trujillo in 1961 there was a shift (at least temporarily) in the balance of power. State institutions, particularly the military, were weakened while civil society began to organize in political parties, unions, business associations, professional associations and the like. It is interesting to note that 1962 shows the highest number of newly certified unions in the history of the Dominican labor movement (a total of 117 for a single year); while the period 1962-1965 shows the second highest mean of newly certified unions per year in relation to other political periods (Table 1).

Soon after Trujillo was killed the CTD was dismantled and new labor unions and confederations were formed. Real salaries rose, and labor activism became an issue in Dominican Politics. From the outset, the labor movement was fragmented along different political and ideological lines and developed close linkages with political parties and international labor organizations. While in 1961 there was only one labor federation--the Unified Trade Union Front for Independent Unions (FOUPSA) backed by most political organizations opposed to the Trujillo dictatorship--by 1963 there were five different labor confederations claiming to represent the working class. In 1965, the number of

labor confederations shrank to three after some of them amalgamated: 1) FOUPSA merged with the Trade Union Confederation of Dominican Workers (CESITRADO) both were linked to political parties of the center-left such as the Dominican Revolutionary Party (PRD) and small Marxist organizations; 2) the National Labor Confederation of Free Workers (CONATRAL) had ties with the U.S. labor movement; and 3) the Autonomous Confederation of Christian Trade Unions (CASC) was linked to the Social Christian Revolutionary Party (PRSC). These divisions, along with new ones that emerged subsequently, thereafter characterized the labor movement.

By 1965, the attempts to establish a democratic government had failed and political tensions had mounted in the country. The coup of 1963 that ousted the democratically elected government of the Dominican Revolutionary Party (PRD) was followed by increasing political polarization that led to the civil war of 1965 and the subsequent U.S. intervention. Labor was hit hard by these political events: controls imposed in 1962 were tightened after the coup of 1963. The policies with the most adverse effect on labor restricted the right to strike: strikes in the public sector were banned if they were in solidarity with other unions or if they had a "political motive." The government also regulated the procedures for forming a union, labor federation or confederation by assigning a more active role to Labor Ministry supervisors. With these measures, and the increasing use of repression, the government was able to slow the pace of labor organization after 1963.

In the early 1960s multiple struggles saturated the political system. On the one hand, there was a democratic struggle to achieve basic political rights (i.e. freedom of expression, election, and association); on the other, there were corporate struggles within various social classes. Given the lack of mechanisms for negotiation and experience in tolerance on the part of labor and business, the result of these struggles was high political instability and polarization. The outcome was an authoritarian regime inaugurated in 1966 under Balaguer.

Despite his association with the Trujillo dictatorship, Balaguer, unlike Trujillo, facilitated the expansion of the most modern sectors of the bourgeoisie linked to industry, construction, and finances. Like Trujillo, however, he curtailed the economic benefits to the working class and reduced the political strength of labor.

#### Industrialization, Economic Growth, and Labor Control

The government installed in 1966, headed by Joaquín Balaguer, was modernizing and authoritarian. It sought for the first time in Dominican history to promote the expansion of the bourgeoisie. That is, economic incentives benefited not only government officials and their collaborators, but also entrepreneurs who were not necessarily committed to supporting the government.

The economic expansion of the late 1960s and early 1970s benefited a bourgeoisie that was primarily engaged in the production of consumer goods (import-substitution industrialization), the construction industry, and the importing business. These groups received state assistance in the form of tax exemptions and reinvestments, wage control policies, and financial incentives. As a result, the rate of growth in both manufacturing and construction was very high during the early 1970s (Table 2). And in comparative terms for Latin America, the growth of manufacturing during the period 1970-1975 was higher in the Dominican Republic than in any other country except Brazil and Ecuador (ECLA, Statistical Yearbook for Latin America, 1981).

Government protection for private entrepreneurs is noteworthy because the government could have pursued different policies. In the mid-1960s, the State was the largest producer in the country after taking over Trujillo's enterprises

(they were the largest and most modern industrial plants in the country). Thus, the government could have pursued policies aimed at consolidating its own economic power as a producer vis-à-vis a private entrepreneurial class, either to benefit a corrupt high-ranking governing elite as Trujillo had done in the past or to redistribute resources more equitably among the population. Instead, the government implemented policies that favored the development of the bourgeoisie (local and foreign) at the expense of an economically and politically repressed class.

The main objectives of the government's labor policy were to demobilize organized labor and minimize overt class conflict in order to provide an "adequate climate" for investment to propel industrialization forward. The mechanisms utilized to achieve those goals were: wage control policies, the formation of rival unions, the replacement of union leaderships and direct coercion (e.g. incarceration or assassination of union activists, military control of union headquarters and firms in the wake of labor actions).

Wage policies were central in the regulation of labor-capital relations because they helped to neutralize the bargaining power of labor. The 1966 Austerity Law froze all wages in both the public and private sectors. The first nationwide increase in the minimum wage took place in 1974 when it was increased by 50 percent. This increase, however, did not improve real wages in subsequent years as inflation eroded nominal gains (Table 3). Earlier modifications of the Austerity Law only allowed negotiation (collective bargaining) under special conditions stated by Law No. 487 of 1969: a) as long as the company declared profits and the nature of the business allowed for wage increases (it was not clear what was meant by the "nature of the business"), and b) negotiations had to be approved and monitored by the Labor Ministry. These restrictions left in the hands of the government and employers the decision of whether or not to carry out collective bargaining. Thus, the Austerity Law regulated not only wage levels but also the conditions under which collective bargaining could take place.

Wage control policies had economic as well as political implications. First, they guaranteed low and stable wage costs to investors to promote profitable investments. A negative consequence was the deterioration of the purchasing power of the working class. Second, the policies reduced the possibilities of labor conflicts over wages and helped to minimize overt class conflict within a legal framework. Thus, protected by the State, the bourgeoisie did not need to establish mechanisms of negotiation throughout the 1960s and 1970s.

Besides wage control policies, the government also sought to prevent or control labor conflicts through direct repression, the formation of rival unions, and the replacement of union boards. These measures were primarily utilized to weaken the most militant and powerful unions. The case of the Unified Trade Union of Central Romana (a sugar company owned then by the U.S. multinational Gulf and Western Corporation) is the classic example. The Unified Trade Union of Central Romana (SUCR) became the largest and best organized union in the country in the early 1960s. It was politically linked to the center-leftist Dominican Revolutionary Party (PRD) and the Marxist left. Early in 1967, a rival union was formed: The Free Union of Central Romana. In a press communiqué, the new union accused SUCR of "destabilizing the company" (Listín Diario, March 6, 1967). In April 1967, SUCR organized a strike and the company reacted by firing workers involved in the labor action (Listín Diario, April 29, 1967). Subsequently, the dismissal of workers, the banning of the SUCR radio program, and the assassination and incarceration of labor leaders weakened the union. Finally, in 1973, the Labor Ministry cancelled SUCR official certification. Similar events occurred with other large unions, including those in the government's cement and flour factories. As a result of these actions, fewer unions were certified on average in the earlier years of the Balaguer regime (1966-1971) than at any other time in the post-Trujillo period (See Table 1).

The implementation of anti-labor policies was facilitated by at least three factors: a) high rates of unemployment and underemployment (in 1970 the rate of unemployment was about 24 percent and the rate of underemployment about 40 percent); b) provisions of the Labor Code that facilitate fragmentation of labor organizations (for instance, to weaken an existing union, its opponents can easily form another union since the only requirement to form a union is that 20 workers working at the same plant or sharing the same occupation decide to do so); and c) the lack of job security for all workers, including labor activists (according to the Labor Code employers are entitled to fire any worker at any time without claiming any cause).

Of the labor confederations in existence in the late 1960s, the leftist FOUPSA-CESITRADO was the most heavily attacked by the government. The confederation went underground and reemerged in 1972 amalgamated with a dissident faction from the CASC in what is today the General Trade Union Confederation (CGT). The CASC, linked to the Christian Democrats, was initially opposed to Balaguer, but was later incorporated to participate as the representative of labor in some state-run institutions such as the Social Security Institute. The two labor confederations backed by the government--the National Confederation of Free Workers (CONATRAL) and the Trade Union Confederation of Organized Workers (COSTO)--were never able to consolidate a grassroots movement. Both were dismantled by their own promoters once Balaguer lost power in 1978.

The weakness of the government backed confederations--i.e., their lack of grassroots support--reflects the fact that Balaguer's government did not have a corporatist strategy toward the working class. These unions did not fight a labor cause. They were mostly effective in helping to weaken the labor movement by making it more difficult for the working class to coordinate unified actions. For instance, CONATRAL backed the so-called free union movement which served to

justify on ideological grounds the creation of rival unions and the replacement of union leaders who opposed employers and the government's anti-labor agenda.

In the early 1970s there were signs of labor resurgence such as: a) the formation of the CGT with remnants of FOUPSA-CESITRADO and a dissident CASC faction; and b) the higher number of unions certified by the Labor Ministry beginning in 1972. (The annual mean of certified unions between 1967 and 1971 was 9.6, compared to 38.6 for the period 1972-1977.) This labor resurgence coincided with the decline of industrial expansion. In response, the government softened its position toward labor. In 1972, the government promulgated the profit-sharing Law No. 288 which established that all enterprises had to distribute 10 percent of their annual profits to their permanent workers. The law was restricted to enterprises with capital assets of more than 50,000 Dominican pesos and set one monthly salary as the maximum amount to be granted to each worker (the law exempted all export industries located in duty-free zones). Unfortunately there is no information available on how many enterprises declare profits and distribute them accordingly, which makes the assessment of the effects of this law very difficult. The fact that employers tend to under-report benefits constitutes a problem, and attempts to allow workers to review the company's financial statements to secure faithful reporting of profits have failed. The other important measure was the nationwide increase in the minimum wage in 1974.

Throughout the Balaguer regime, the government invested very little in social services to benefit workers. For example, during 12 years, the Balaguer government never made any fiscal contribution to the Social Security Institute (IDSS), although this put the government in violation of the Social Security Law (Ejecución Nacional del Presupuesto, Oficina Nacional del Presupuesto, various years). Also, the share of the National Budget assigned to the Labor Ministry decreased from 0.25 percent in 1967 to 0.01 percent in 1977 (Ejecución Nacional del Presupuesto, various years).

Despite the anti-labor policies discussed above and the limited benefits granted to the working class, the government established clientelistic ties with lower-income groups. The government's construction program (roads, hydroelectricity, housing projects, etc.), which was extensively monitored by the President himself, played an important role in generating a base of support for the regime among lower income groups. To illustrate the amount of resources directly managed by the President, it would be sufficient to indicate that in 1966 when Balaguer came to power only 7.3 percent of the National Budget was directly managed by the Presidency. This percentage rose to 30.7 percent in 1970 and 50.2 percent in 1974. (Ejecución Nacional del Presupuesto, Oficina Nacional del Presupuesto, various years.)

In summary, at a time of economic growth and protection of private capital in the most modern sectors of the economy, the labor movement was repressed and weakened, and the working class saw their standard of living decline as salaries and social services deteriorated. The government did not have a policy of working class incorporation; it did not facilitate the solution of labor conflicts through negotiation, nor did it attempt to gain the political support of labor. The lack of institutionalized and enduring structures of labor integration is demonstrated by the implementation of anti-labor policies and the rapid decline of the government-backed unions which were dismantled by their own promoters.

#### Labor and Democratization

In the late 1970s the Dominican Republic experienced a process of political liberalization unknown in its previous history. The turning point was the 1978 elections with the defeat of Balaguer and the victory of the Dominican Revolutionary Party (PRD). This transition was an "unexpected" event, hard to

predict from the literature on Latin American political development. This section attempts, first, to state briefly some of the conditions that facilitated the democratic transition in the Dominican Republic; and second, to discuss the impact of labor on the transition and the democratic government and the impact of democratization on labor.

A democratic transition seemed unlikely in the Dominican Republic for several reasons: a) the economic dependency on a few primary export products as a source of foreign exchange, and on imported fuel, durable consumer goods, intermediate and capital goods for consumption and industrialization; b) the limited industrialization (despite rapid industrialization in the late 1960s and early 1970s, the Dominican Republic is less industrialized than many other Latin American countries which were under authoritarian rule, chiefly Brazil, Argentina, and Uruguay); c) high rates of unemployment and underemployment (in the last 20 years, about one-quarter of the Dominican labor force has been unemployed); d) the hyperexploitation of labor, i.e., industrialization based on wage austerity and labor repression as discussed above; and e) the authoritarian history.

A number of factors account for the democratic transition, but it is beyond the scope of this paper to discuss them fully here. Of most relevance to the purposes of this paper are the following: first, in spite of its authoritarian elements and the salient role of the military the Balaguer regime was basically civilian in nature. Second, repression was used selectively, i.e., repression was not generalized to create collective fear as had happened under Trujillo. Coercive measures were used primarily against the forces most antagonistic to the government (particularly, the most militant trade unions and the most radical leftist organizations). Third, when the regime was consolidated and political instability was replaced by political "order" in the mid-1970s, the government softened its authoritarian stand and permitted the resurgence of the opposition. This was expressed by the increasing activism of the Dominican Revolutionary Party (PRD) and the legalization of the Dominican Communist Party (PCD). Fourth, the expansion and diversification of the economy led to the growth of the bourgeoisie and the middle class. Fifth, the de-radicalization of the PRD--the PRD joined the Social Democratic movement and dropped from its platform the most radical anti-imperialist and anti-capitalist propositions in the mid-1970s. And sixth, labor remained weak.

The argument advanced here is that the weakness of labor as a political force tends to facilitate democratic transition in a society such as the Dominican where economic conditions to sustain democracy were (and are) precarious, and where large sectors of society, including the working class, have been historically excluded from power. This argument may seem paradoxical because conventionally it is thought that a strong labor movement is conducive to democracy. In the Dominican transition, however, labor played a different role: due to its weakness as a political force, labor did not represent a major threat to the bourgeoisie (a bourgeoisie traditionally over-protected by the State) regardless of the fact that most of the working class grievances had not been met and the chances of their being met seemed slim. As we shall see, despite the PRD's promises to improve the position of labor, the democratic opening proceeded without an effective program of redistribution in favor of labor or its political incorporation into the decision-making process. After an initial labor resurgence at the beginning of the first PRD administration (1978-1982), very few labor demands were met while both business and the government continued to be in a position of significant strength vis-à-vis labor.

### The Resurgence of Labor

The emergence of the PRD government meant the loosening up of the most repressive traits of the Dominican State. The change of government generated

expectations within the population concerning not only the liberalization of politics but also improvements in the standard of living. These expectations had immediate effects on class organizations and class relations, which were expressed in increasing labor activism after the PRD took power.

The first sign of labor resurgence after the demise of the Balaguer regime was the increase in the number of unions certified by the Labor Ministry, particularly during the subsequent months after the inauguration of the PRD government on August 16, 1978. According to press reports (*El Sol*, October 14, 1978:16), a new union was registered at the Labor Ministry every two days during the first month of PRD administration. By October 14, 1978 over 100 requests for certification had been filed.

Based on Labor Ministry records (the list of certified unions), the highest percentage of union certifications in the post-Trujillo period corresponds to the first PRD administration (Table 4). Besides meeting requests for certification of new unions, the Labor Ministry also recertified unions whose certification had been cancelled during the Balaguer regime. Resolution 22/78 of October 1978 abolished Resolutions 44/73 and 46/73 of November 1973 whereby the Labor Ministry had cancelled the certification of over 300 unions in 1973. The most important case was that of the Unified Trade Union of Central Romana (SUCR). Labor organizations were also increasingly active in this period. Press coverage shows that 30.1 percent of the labor news reported in the daily morning paper *El Sol* from August 16 to December 31, 1978 (i.e., the first four and a half months of PRD administration) dealt with organizational activities concerning the formation of new unions or the reorganization of existing ones. In subsequent years, one hardly finds such news, except for 1980 when an attempt was made to unify the labor movement.

The expectations and activism of the working class were also expressed in the number of labor complaints presented at the Labor Ministry. The number of complaints rose from 5,811 in 1977 to 9,868 in 1979, and 11,167 in 1980 (The Labor Ministry, Unpublished Official Records, information available only for these years).

Along with the increasing organization of grassroots unions, labor confederations were also reorganized. Of those labor confederations formed in the early 1960s, the Christian-Democrat CASC was the only one still in existence (the organization changed its name in the early 1970s from the Autonomous Confederation of Christian Trade Unions to the Autonomous Confederation of Class Trade Unions). All other labor confederations were either formed or amalgamated during the Balaguer regime or after the PRD took power. The CGT was organized in 1972 by former FOUPSA-CESITRADO members and a dissident fraction from the CASC. It was certified by the Labor Ministry in 1974. Politically, it was linked to various Marxist organizations. The Central Trade Union Confederation of Dominican Workers (UGTD) was formed in November 1978 with the backing of the PRD. The Communist Party had its Unified Workers' Confederation (CUT), while the National Confederation of Dominican Workers (CNTD) had ties with the U.S. labor movement.

It could be said then that the first year of PRD government was characterized by the "institutionalization" of labor fragmentation. Labor unions clustered around five distinctive labor confederations with different ideological and political orientations: the CASC, the CGT, the UGTD, the CUT and the CNTD. None of them proclaimed an official linkage with a specific political party. The linkages are, however, evident from the political affiliation of union leaders, the positions adopted by the confederations, and their membership in international labor organizations.

The PRD had traditionally enjoyed strong working class support. In the 1978 elections it won decisively in areas of heavy working class concentration such as the city of Santo Domingo and the Eastern provinces of La Romana and San Pedro de Macoris (Gaceta Oficial, No. 9483, October 1978). Nonetheless, the party did not have any formal organizational linkages with the working class when it came to power in 1978. Thus, soon after the inauguration of the new government, the PRD rushed to form the UGTD. Thereafter, the possibilities for unifying the labor movement in one labor confederation became more remote. As a ruling party, enjoying the support of large sectors of the working class, the PRD was in a position to expedite the consolidation of the UGTD. It was difficult, however, for the UGTD to subordinate under its leadership well established labor confederations such as the CGT and the CASC. The existing labor confederations protested the formation of the UGTD, claiming that it would mainly serve the ruling PRD and contribute to an even greater division and politicization of the labor movement (El Sol November 13, 1978). Consequently, tensions increased as the UGTD attempted to persuade unions to affiliate with it.

The lack of labor statistics makes it impossible to indicate the level of unionization in the country. What could be said based on Labor Ministry's records is that as of 1982, only 28 percent of the registered unions were affiliated with one of the five existing labor confederations (Table 5), all of which have great difficulties in working together.

In 1980, an attempt was made to bring various labor factions together into a central organization. A commission with members from the CGT, the CASC, and the CUT was organized to promote the formation of the National Council for Trade Union Unity (CNUS). An official document issued by the organizers stated the need to form this umbrella organization to confront the economic problems affecting the working class and respond to employers' anti-labor positions and practices (CNUS Documents, 1980). On June 7, 1980 an assembly was held with the participation of 140 labor organizations. By then, the CNTD had also joined the CNUS. The UGTD had not been invited to participate. (By mid-1980 there were still strong tensions between the newly formed UGTD and the rest of organized labor.) As the meeting of June 7 was being held, Jacinto de los Santos, UGTD secretary general (El Sol June 7, 1980:48) told the press that the unifying attempt was impossible without the participation of the UGTD because this

confederation alone had "more unions and workers than the rest of the labor movement altogether." The final CNUS document issued before the organization fell apart included: criticisms of the government's economic policies, and basic economic demands; measures to be taken in order to solve national economic problems affecting labor; and the procedures required to bring about the unification of the labor movement. The document stated two main causes for the failure of previous unifying attempts: first, the sectarian position of each faction, which had brought about an irrational competition among labor confederations over the affiliation of unions; and second, the bureaucratic style of labor organizations whereby agreements are reached at the top without rank-and-file participation. The document stated that to avoid these problems, unity had to be a democratic goal based on rank-and-file participation in assemblies to discuss and approve a common labor program (CNUS Documents, 1980).

Despite self-critical evaluation of previous failures, the CNUS was not successful. The organization disintegrated shortly after its formation. The CASC withdrew from the CNUS about two months after joining it, claiming that the CGT sought to divide its unions. Although the CNUS continued to function for a few months after the withdrawal of the CASC, it lacked strong support within organized labor as neither the CASC nor the UGTD--the two largest and most important labor confederations besides the CGT--were participating. Thus, the CNUS was only a short-lived attempt on the part of organized labor to confront employers and the government who failed to acknowledge and respond to workers' demands in the context of a worsening economic crisis. Meanwhile, the bourgeoisie succeeded in consolidating its organizations, including the peak umbrella organization: the National Council of Businessmen (CNHE).

After the CNUS was dismantled, the labor movement changed strategy and decided to build up unity not on ideological grounds but around specific actions concerning labor demands. Whether or not "unity in action" (as the new strategy was labelled) will improve the power of labor is still an open question. Three factors make labor unity very difficult even around short-term demands: a) the subordination of labor unions to political parties, particularly the subordination of the leadership; b) the high rates of unemployment and underemployment (about 30 and 50 percent respectively), worsened by the economic crisis; and c) the standing anti-labor laws.

As a result of labor's subordination to political parties labor issues are subsumed under political rivalry and labor unions have very limited capacity to define their own strategy vis-à-vis capital. Thus, a major problem of the labor movement is not its internal division, which could be an expression of ideological pluralism, but the subordination of labor issues to the specific interests of political parties. Furthermore, under unfavorable economic and legal conditions for unionization (high rates of unemployment and underemployment which discourage workers from unionizing and make it easy for employers to replace workers, and labor laws that do not grant job security), the ideological and political cleavages within the labor movement reduce labor power.

#### Labor Gains and Failures

During the resurgence of the labor movement in the late 1970s, two main issues preoccupied labor: improving the standard of living of the working class and getting legal protection for union activities (both had been undermined during the Balaguer regime). To achieve these goals, labor fought for collective bargaining and the modification of labor laws. During the Balaguer regime, the possibilities for collective bargaining were limited due to the wage control policy, the use of coercion, and the dismantling of unions. Furthermore, collective bargaining implies a certain level of labor organization (according to Dominican labor laws, the existence of a union is a precondition

for collective bargaining) and the willingness of employers to negotiate and grant benefits to workers. After the PRD took power there was, as expected, an attempt to expand collective bargaining along with the reorganization of unions. The number of CLCs registered at the Labor Ministry rose: while the annual mean of CLCs signed between 1970-1977 was 31.3, it was 55.7 for the period 1979-1981. Superficially, this increase can be taken as an indication of labor gains; however, a more in-depth analysis of the data available shows the minor role of collective bargaining in the industrial relations system in the Dominican Republic.

The number of CLCs registered annually represents a small minority of the total number of certified businesses in the country and of the total number of unions registered at the Labor Ministry. The number of CLCs signed in 1977 represents 9.3 percent of the total number of unions registered at the Labor Ministry, while the number of CLCs signed in 1980 (the year when most CLCs were signed) represents 8.6 percent of the unions registered up to 1980. The industrial branches where most CLCs were signed are: the food industry; textiles, leather and shoes; chemicals; and paper and printing. If one takes the annual mean of CLCs signed in these industrial sectors for the period 1970-1978 and 1979-1981, one can observe a small increase during the latter period (Table 6). However, as a whole, the impact of collective bargaining is minor. The percentage of industries in which CLCs were signed is low, even when one considers the year 1980 which shows the highest number of CLCs for the period 1970-1981 (a total of 80 CLCs, of which 56 were signed in industrial enterprises). It is also low if one considers the annual mean of CLCs signed during the period 1979-1981. As shown in Table 7, the percentages ranged from 3.0 to 6.0. This shows that even in those industrial branches where collective bargaining is practiced the most, and even in the years when most CLCs were signed, CLCs were still only signed in a small number of industries. Since 1982 the number of CLCs registered annually at the Labor Ministry has dropped.

The data also show that many industries had registered CLCs at the Labor Ministry very few times. Taking the period 1970-1981 and counting the number of CLCs registered by each industrial enterprise during this period, one finds that 42 percent of the privately-owned industries registered CLCs only once. Also, more than half of that 42 percent (62 percent) did so after 1978. This is no doubt one of the positive signs of the democratic transition. It suggests that in about one-third of the cases, collective bargaining leading to an agreement was a novelty. Another observation is that the recent increase in the number of CLCs was primarily in old private industries. This means that import-substitution industries benefiting from the privileges granted by the Industrial Incentives Law 299 have not incorporated much collective bargaining. Taking the year 1980, only 14 (25 percent) of the 56 CLCs signed in the industrial sector were signed in import-substitution industries classified under Law 299.

The struggle for collective bargaining confronted difficulties as it proceeded during the first PRD administration. 36.2 percent of the press communiqués issued by labor organizations during the first PRD administration had as a main purpose the denunciation of labor repression. Of those, 37.5 percent denounced repression in connection with collective bargaining (El Sol, 1978-1982). Besides employers' long-standing resistance to collective bargaining, another obstacle to expanding collective negotiation was the worsening of the economic situation and the austerity emphasized by the government after 1980.

The above discussion suggests that despite the initial resurgence of labor after the PRD took power, the working class was not able to make significant gains under the PRD government, either by increasing its share of the wealth produced or its participation in the decision-making process at the plant level. Both are usually granted in collective agreements.

## Labor Legislation

As soon as the PRD assumed power the debate over the need to modify the Labor Code began. Opinions were divided concerning what to modify and how to do it. Organized labor was divided into two camps: those who favored the adoption of a new code, and those who believed that the existing code should be modified incrementally. The former position was actively advocated by the Christian Democratic CASC. Henry Molina, a top CASC leader elected to Congress in 1978 on Balaguer's ticket, introduced in Congress a new version of the Labor Code shortly after the inauguration of the PRD government. His action was however an isolated attempt lacking the support of other labor organizations. The Marxist CGT also favored a full revision of the code, but was not willing to cooperate with the CASC or accept the code proposed by Molina (which according to some labor leaders had little new in it). Molina's new code was hardly discussed in Congress, let alone approved. Meanwhile, the pro-PRD Confederation (UGTD) attempted to secure partial modifications without much success, while leftist oriented unions did not, by and large, engage in congressional debates. Without strong or unified actions on the part of labor, it was fairly easy for business to win the battle against the adoption of a new code or any significant revisions of the existing one.

Three labor laws were passed during the first PRD administration. The first was a nationwide increase in the minimum wage of about 30 percent (Law 45 of May 1979); the second was a modification of articles 10 and 11 of the code, granting benefits to temporary workers upon termination of their contracts (Law 80 of November 1979); and the third was a modification of the profit-sharing law originally approved in 1972 (Law 195 of December 1980).

Increasing the minimum wage was an electoral promise of the PRD. It was also part of the Keynesian approach followed initially by the first PRD administration. The wage increase had, however, limited impact on the purchasing power of the working class given the rate of inflation. Thus, by 1982, the real minimum wage was lower than in 1978 (Table 8).

Law 80 of November 1979 decreed that temporary workers would receive benefits upon termination of their contracts as if they had been permanent workers. This law, however, was not enforced and was declared unconstitutional in 1983 because it had been approved by Congress after the deadline for approval had expired.

Law 195 modified the 1972 profit-sharing law. According to the 1972 version, all commercial, industrial, agricultural, or mining enterprises with a paid-in capital of more than 50,000 pesos had to distribute 10 percent of their profits among their permanent workers. The amount to be received by each worker could not exceed the equivalent of one month's salary. Law 195 modified the latter regulation by allowing higher maximum benefits up to two or three month's salaries. When the new law was voted, Congress rejected PRD Congressman A. L. Ramirez's proposition that all companies with a paid-in capital of 20,000 pesos or more be required to pay dividends and give workers access to the company's financial statements in order to verify information on profits and prevent double bookkeeping whereby companies underreport profits for tax purposes (El Sol November 2, 1978: 22).

In trying to understand the weakness and vulnerability of labor, which has not changed significantly in the post-transition period, it is noteworthy that none of the laws approved by Congress improved job security or protection for union activity. Without such improvements the consolidation of the labor movement becomes very difficult, since employers have the resources at hand to block any labor attempt to disrupt the prevailing system of labor relations. During the second PRD government (1982-1986) no major labor law was modified, apart from some wage adjustments to reduce the negative effects of the rampant inflation and the devaluation of the Dominican peso.

Despite the precarious conditions for labor activity described above, it should be indicated that after the PRD took power the leadership of the labor movement has been freer to engage in union activities: no labor leaders have been persistently persecuted, exiled or imprisoned except for few instances in which some were jailed temporarily for participating in protest movements. Also, labor leaders have had more access to the government to express grievances than in the past. However, the attempts made to create mechanisms for systematic dialogue and negotiation among labor, business and the government failed. The most important attempt was made by the Labor Ministry shortly after the inauguration of the first PRD government in the context of rapid labor resurgence and employers' increasing concerns with labor activism. President Guzmán met with both labor and business to request moderation in their demands. He requested business to allow unions to form and promised in exchange to moderate labor demands (*El Industrial*, September 1978). Early in September 1978, the Labor Ministry began to promote meetings with labor and business representatives to discuss and resolve labor conflicts (*El Sol*, September 1, 1978:18). A few meetings were held, but mounting tensions among labor, business and the government made it very difficult by the end of 1978 to bring the three parties together: labor confederations rejected President Guzmán's call for a labor "cease fire," while business leaders did not regularly attend the meetings called for by the Labor Ministry. Finally, no permanent structures of conflict-resolution with labor, business and government participation were created in 8 years of PRD rule (1978-1986). In this respect, the PRD differs significantly from its associates in Western Europe where social democracy has encouraged corporatist structures to organize representation of various conflicting interests (see Jessop, 1979; Panitch, 1976; Schmitter, 1979).

## Conclusion

This paper has shown the limited power of labor in Dominican society and the limited integration of the working class into political life despite increasing industrialization and the recent democratization. Two different patterns of labor organization and labor control which reflect the weakness of labor were identified. One corresponds to the Trujillo dictatorship and is characterized by state corporatist control without working class mobilization or incorporation. Trujillo granted official status and the monopoly of representation to the Dominican Labor Confederation (CTD), but a labor movement with significant grassroots support did not develop. The other corresponds to the post-Trujillo period and is characterized by the organizational fragmentation of labor. Since the fall of Trujillo, more unions have been formed, but the labor movement has been divided, with ideological and political cleavages encouraged by political parties and international labor organizations. This has also coincided with anti-labor policies promoted by the state.

Despite the industrialization process and the expansion of the bourgeoisie, the various governments, authoritarian and democratic, have not pursued a strategy of working class incorporation through redistributive policies and/or corporatist structures of participation. On the contrary, the government has promoted import-substitution industrialization along with anti-labor policies aimed at weakening labor power. Unlike the cases of advanced capitalist societies where industrialization has been associated with economic and political incorporation of the working class (the Welfare State), or other Latin American countries which began to industrialize earlier and were able to integrate sectors of the working class, the Dominican Republic's expansion of light industry coincided with authoritarian politics and the exclusion of the working class from the economic and political benefits associated with industrialization.

In the last decade, the Dominican Republic has witnessed a democratization of the political system (i.e., fairly free and competitive elections like those in 1978 and 1982 and more respect for basic human rights), while the working class has remained impoverished, highly disorganized, and excluded from the political process except for participation in electoral politics. This exclusion and the weakness of labor organizations make it difficult for the working class to struggle effectively for economic and social rights. After the initial labor resurgence with the inauguration of the PRD government in 1978, very few labor demands were met and both government and business continued to be in a position of considerable strength vis-à-vis labor. Furthermore, labor has suffered as a result of the severe economic crisis and the industrial downturn of the 1980s.

## Endnotes

It declined from 469 pesos in 1948 to 331 pesos in 1960.

The real annual salary of industrial workers doubled from 1961 to 1964, going from 525 pesos to 1,004 pesos.

The most important incentive law was the Industrial Incentive Law 299 passed in 1968. Construction, in public housing, roads, hydroelectricity, and so forth, was directly promoted by the government.

In the sense that P. Schmitter has called state corporatism typical of dependent capitalist societies, meaning labor organizations monitored and promoted from above.

The lack of support was primarily due to the political cleavages and tensions within the labor movement which make it very difficult for labor to define a unified strategy on any issue.

## Bibliography

Academia de Ciencias de la República Dominicana. *Economía Dominicana*, 1977, Santo Domingo, 1978.

Almond, Gabriel and James Coleman, eds. *The Politics of Developing Areas* (Princeton: Princeton University Press, 1960).

Banco Central de la República Dominicana. *Boletín Mensual*, Santo Domingo, various years.

Cassa, Roberto. *Historia Social y Económica de la República Dominicana*, Vol. 2 (Santo Domingo: Editora Alfa y Omega, 1980).

Ceara Hatton, Miguel. *Tendencias Estructurales y Coyuntura de la Economía Dominicana, 1968-1983* (Santo Domingo: Editora Nuevas Rutas, 1984).

Collier, David. "Overview of the Bureaucratic-Authoritarian Model" in David Collier, ed., *The New Authoritarianism in Latin America* (Princeton: Princeton University Press, 1979).

Crassweller, Robert D. *Trujillo: Life and Times of a Caribbean Dictator* (New York: Macmillan, 1966).

Economic Commission for Latin America (ECLA). *Statistical Yearbook for Latin America* (New York: United Nations, various years).

*El Sol* (daily newspaper). Various years.

Espinal, Rosario R. "Classes, Power, and Political Change in the Dominican Republic" (Ph.D. Dissertation, Washington University, St. Louis, 1985).

Forum 8: *La Situación Laboral en la República Dominicana* (Collection of papers), Santo Domingo, 1983.

Galindez, Jesus de. *The Era of Trujillo* (Tucson: University of Arizona Press, 1973).

Godio, Julio. "El Movimiento Sindical Latinoamericano: Diagnóstico y Perspectivas," (research report), Instituto Interamericano de Investigaciones Sociales (Caracas: Friedrich Ebert Stiftung, 1983).

Jessop, Bob. "Corporatism, Parliamentarism and Social Democracy" in Philippe Schmitter and Gerhard Lehmbruch, eds., *Trends Toward Corporatist Intermediation* (Beverly Hills-London: Sage Publications, 1979).

Korpi, Walter. "Conflict, Power and Politics in Industrial Relations" in Peter Doeringer, et. al., eds., *Industrial Relations in International Perspective: Essays on Research and Policy* (London: Macmillan Press, 1981).

*Labor Code of the Dominican Republic*, Santo Domingo, 1982.

Labor Ministry. Unpublished documents.

Lipset, Seymour Martin. *Politician Man* (New York: Doubleday, 1959 and 1960).

Listín Diario (daily newspaper). Various years.

Malloy, James. *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press, 1977).

Mericle, Kenneth. "Corporatist Control of the Working Class: Authoritarian Brazil since 1964" in James M. Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press 1977).

Moreno, José A. "Class Domination, Repression and Economic Penetration in the Dominican Republic: 1966-1973," Buffalo: Council of International Studies, University of New York at Buffalo, 1976.

Morris, James and Steve Roop. "Corporatism and Dependent Development: A Honduran Case Study," *Latin American Research Review* 12, No. 2, 1977, pp. 27-65.

O'Donnell, Guillermo. *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics* (Berkeley: Institute of International Studies, University of California, 1973).

\_\_\_\_\_. "Corporatism and the Question of the State" in James M. Malloy, ed., *Authoritarianism and Corporatism...*, op. cit.

Oficina Nacional de Estadísticas. *República Dominicana en Cifras*, Santo Domingo, various years.

\_\_\_\_\_. *Estadística Industrial*, Santo Domingo, various years.

Oficina Nacional de Planificación. *Hacia una Política de Empleo en la República Dominicana*, Santo Domingo, 1980.

Oficina Nacional del Presupuesto. *Ejecución Nacional de Presupuesto*, Santo Domingo, various years.

Panitch, Leo. *Social Democracy and Industrial Militancy: The Labor Party, Trade Unions and Income Policy, 1945-1974* (Cambridge: Cambridge University Press, 1976).

\_\_\_\_\_. "The Limits of State Corporatism: Trade Unions and the Capitalist State," *New Left Review*, No. 125 (Jan.-Feb. 1981).

Regini, Marino. "Labor Unions, Industrial Action and Politics," *West European Politics* 2, No. 3 (October 1979), pp. 49-65.

Scase, Richard. *Social Democracy in Capitalist Society: Working Class Politics in Britain and Sweden* (London: Croom Helm, 1977).

Schmitter, Philippe C. "Still a Century of Corporatism" in Philippe Schmitter and Gerhard Lehbruch, eds., *Trends Toward Corporatist Intermediation* (Beverly Hills-London: Sage Publications, 1979).

Valenzuela, Samuel. "Movimientos Obreros y Sistemas Políticos: Un Análisis Conceptual y Tipológico" *Desarrollo Económico* 23, No. 91 (October-December 1983) pp. 339-368.

Wiarda, Howard and Michael Wryzanek. *The Dominican Republic: A Caribbean Crucible* (Boulder: Westview Press, 1982).

TABLE 1

UNIONS CERTIFIED BY THE LABOR MINISTRY

---

Periods	Annual Mean
1956-1961a	7
1962-1965	45.4
1966-1977	25.2
1966-1971	11.8
1972-1977	38.6
1978-1981	87.5

---

a Information is available from 1956.

Source: Calculations based on the list of unions certified by the Labor Ministry (unpublished), The Labor Ministry, Santo Domingo, Dominican Republic.

TABLE 2

## RATE OF GROWTH OF THE GDP BY SECTORS OF THE ECONOMY

Sectors	Years (Percentages)										
	1970	1971	1972	1973	1974	1975	1976	1977	1978		
1. Primary Sector			5.5	5.3	15.2	16.7	1.9	0.3	10.4	1.0	-0.03
Agriculture	6.6	6.4	2.5	9.7	-0.1	-5.8	9.1	-0.2	5.4		
Livestock	3.3	4.2	5.3	3.9	0.4	5.6	4.1	7.1	8.5		
Mining	6.5	1.7	23.9	65.6	9.7	10.7	20.5	-1.2	-19.3		
Fishing & Others	2.9	-1.9	8.7	25.3	-1.6	-5.7	1.7	-11.0	6.7		
2. Secondary Sector			19.3	18.1	13.5	11.4	4.2	7.5	5.1	8.5	0.2
Manufacturing			19.3	13.2	10.3	11.2	4.7	7.3	6.7	5.7	0.6
Construction			20.5	34.3	22.4	12.0	2.5	8.2	0.4	16.8	2.3
3. Tertiary Sector			9.9	10.1	10.5	10.1	9.0	6.3	5.9	6.1	4.4
4. Total	10.6	10.6	12.4	12.1	6.0	5.2	6.7	5.5	2.3		

Source: Memoria Anual del Banco Central, Central Bank of the Dominican Republic.

TABLE 3

## MINIMUM WAGES IN THE CITY OF SANTO DOMINGO

---

(Monthly Wages in Pesos)

---

Price Index

---

Year	Nominal Wage	1969=100	Real Wage
------	--------------	----------	-----------

---

1966	60	98	61
1967	60	100	60
1968	60	102	59
1969	60	100	60
1970	60	105	57
1971	60	108	56
1972	60	117	51
1973	60	134	45
1974	60	152	39
1975	95	174	55
1976	95	189	51
1977	95	212	49
1978	95	219	43

---

Source: Calculations based on the nominal wage set by the Austerity Law of 1966 and the modification in 1974. Price Index from República Dominicana en Cifras, National Bureau of Statistics, Santo Domingo, 1980.

TABLE 4

UNIONS REGISTERED AT THE LABOR MINISTRY  
IN VARIOUS POLITICAL PERIODS

---

Political Periods	Number of Unions	%
1956-1961a	42	4
1962-1965b	227	24
1966-1977c	303	32
1978-1982d	384	40
Total	956	100

---

a Records start in 1956. It covers the last six years of the Trujillo dictatorship.

b The transitional period after the fall of Trujillo.

c The Balaguer regime.

d: The first PRD government. When the data was gathered, information was only available up to August 1982. Although the PRD government was inaugurated in August 1978, we are considering the whole year because the information available for 1978 was not classified by month. However, newspaper reports show that most of the unions registered in 1978 did so after the PRD government was inaugurated.

Source: Calculations based on the list of unions certified by the Labor Ministry, The Labor Ministry (unpublished).

TABLE 5

## AFFILIATION OF LABOR UNIONS

	Other Parts of				
Labor Confederations	Santo Domingo		the Country	Total	
CGT	52	30	82		
UGTD	57	19	76		
CASC	31	26	57		
CNTD	13	20	33		
CUT	9	11	20		
Sub-Total	162	(40) <sup>a</sup>	106	(19)	286 (28)
Other Affiliations <sup>b</sup>			19	29	48
Without Affiliation			224	416	640
Total <sup>c</sup>	405	551	956		

a Numbers in parentheses are percentages based on the column totals.

b Includes affiliations to federations which are not affiliated to a labor confederation.

c This information should be taken with caution because not all registered unions are active.

Source: Calculations based on the list of unions certified by the Labor Ministry, The Labor Ministry (unpublished).

TABLE 6

COLLECTIVE LABOR CONTRACTS SIGNED IN SELECTED INDUSTRIES (AUTHORITARIAN VS. DEMOCRATIC PERIODS)

---

(Annual Means)

---

Periods	Textiles, Leather		Paper &		Others
	Food	& Shoes	Chemicals	Printing	
1970-1978a	16.6	1.4	3.3	2.6	2.4
1979-1981b	20.7	6.0	7.3	3.0	6.0

---

a The Balaguer regime.

b The post-transition years.

Source: Calculations based on the list of collective labor contracts registered at the Labor Ministry, The Labor Ministry (unpublished).

TABLE 7

## RELATION BETWEEN THE NUMBER OF INDUSTRIES AND THE NUMBER OF CLCs SIGNED IN SELECTED INDUSTRIES

	Food	Textiles, & Shoes	Leather Chemicals	Paper & Printing
Number of industries in operation <sup>a</sup>	521.0	173.0	180.0	97.0
Annual mean of CLCs signed in 1979-1981	20.7	6.0	7.3	3.0
% of industries <sup>b</sup> where CLCs were signed annually during 1979-1981	4.0	3.5	4.0	3.1
Number of CLCs signed in 1980	31.0	7.0	7.0	3.0
% of industries where CLCs were signed in 1980	6.0	4.0	3.9	3.0

a This is based on the 1981 industrial inventory; the only available source for the late 1970s and early 1980s. We are assuming that there was no significant change in the number of industries in operation between 1979 and 1981.

b We are assuming here that each CLC was signed in a different industry. Although this assumption fits most cases, it is not always correct. There can be more than one union in a particular industry; thus more than one CLC could be signed in the same industry. If one could account for these cases, the percentages of industries where CLCs were signed would be even lower.

Source: Calculations based on the list of CLCs registered at the Labor Ministry, The Labor Ministry (unpublished), and the 1981 Industrial Inventory, The Ministry of Industry and Commerce (unpublished).

TABLE 8

## NOMINAL AND REAL MINIMUM WAGES

---

Year	Nominal Wages	Minimum 1980=100	Price Index Wages	Real Minimum
1977	95	75.8	125	
1978	95	78.5	121	
1979 (Jan-April)	95		85.7	111
1979 (May-Dec)	125		85.7	146
1980	125	100.0	125	
1981	125	107.5	116	
1982	125	115.8	108	

---

Source: Calculations based on nominal minimum wages as set by the law and the price index from International Financial Statistics Yearbook, IMF, 1983.