A million jobs, anyone?

IN HER inaugural speech on June 30, 2004, President Gloria Macapagal Arroyo presented to the nation her 10-Point Agenda or the blueprint of her government. One of the highlights of the agenda is the creation of six to 10 million jobs by the year 2010. This means creating over 1 million jobs a year, amidst ballooning unemployment problem in the country.

June 2005 marks the first anniversary of the President’s landmark announcement. Presumably, over a million jobs should have been created by this time.

According to Malacañang’s Presidential Management Staff (PMS), 1.09 million jobs were created during the first five months of 2005 alone. The Department of Labor and Employment (DOLE) also reported that during the same period, only eight strikes in the industrial sector were recorded compared with the 11 workers’ strikes for the first five months of the previous year. DOLE added that the number of workers affected by strikes declined from 2,400 to 2,366 respectively.

Meanwhile, the April 2005 results of the Round of Labor Forces Survey (LFS) conducted by the National Statistics Office (NSO) showed a decrease in unemployment, posting 2.9 million from 3.1 million during the same period in 2004. The National Economic and Development Authority (NEDA) agreed that unemployment has shrunk, citing the NSO statistics.

Recently, the government, through the tripartite Regional Wage Boards, raised the minimum wages of workers while giving assurances that the policies and programs for the creation of jobs remain on top of government priorities.

If we think that all is well in the labor front because jobs are now available, wages are higher, and there is already peace in the workplaces, think again. At the backside of the rosy labor scenario painted by the government lurks statistical fraud. Problems that have been hounding the labor sector for decades still hounded the workers during the first half of 2005.
Unemployment and Underemployment

The Bureau of Labor and Employment Statistics placed the unemployment rate in the country for January 2005 at 11.3 percent. While NEDA’s April 2005 Labor Force Survey (LFS) showed that unemployment rate dropped to 8.3 percent.

We should take note, however, that the drop in the unemployment rate is not a result of more available jobs being taken by more and more Filipinos. The drop has been achieved by changing the definition of who the “unemployed” is.

Citing adherence to international standards, particularly that of the International Labor Organization (ILO), the National Statistical Coordinating Board (NSCB) changed the definition of unemployment to include the so-called “availability criterion” through its Resolution 15. As a result of the new definition, the government has recorded a drop in unemployment not by providing jobs but by a technical maneuver.

If the old definition of unemployment were used, there would be an estimated 4.786 million jobless Filipinos. But by using the new definition, technically, there are only 2.9 million unemployed Filipinos.

In contrast to the jobs generated as presented by the PMS, DOLE said that only 684,000 new jobs were created from January to May 2005.

Further compounding this problem is the annual entry of an estimated 400,000 new graduates in the labor force considering the limited absorptive capability of the labor market.

Former NEDA Secretary Romulo Neri conceded that, “the labor force grew faster than the job creation [pace] and the positive employment growth is still overshadowed by the high unemployment rate.”

Underemployment in the country remains to be another major problem. It is defined as “percentage of employed workers who desire additional work.” As of April 2005, underemployment rate rose to 26.1 percent from 18.5 percent a year ago. The unemployment surge could be a result of the increase in prices of basic commodities prompting people to look for additional jobs to cope with the increase in the daily cost of living.

Another result of the underemployment problem in the country is the exodus of professionals, particularly in the health sector, to other countries in search of better opportunities, draining out the country’s human resources.

Wage Increase and Cost of Living

In Metro Manila, the minimum wage has been increased from P263 or P300 to its present P288.00 or P325.00. Metro Manila wage rate was set as benchmark in determining regional wage increases in the country. But the
wage increase in the Metropolis has been the highest rate the government granted citing it “the best compromise between employers and employees.”

Below is a table of the recently approved wage increase.

Table 1: CURRENT REGIONAL DAILY MINIMUM WAGE RATES
(As of June 2005)

<table>
<thead>
<tr>
<th>REGION</th>
<th>WO No./DATE OF EFFECTIVITY</th>
<th>NON-AGRICULTURE</th>
<th>AGRICULTURE</th>
</tr>
</thead>
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<tr>
<td></td>
<td></td>
<td>Plantation</td>
<td>Non-Plantation</td>
</tr>
<tr>
<td>NCR a/</td>
<td>WO 11/JUNE 16, 2005</td>
<td>P288.00-325.00</td>
<td>288.00</td>
</tr>
<tr>
<td>CAR b/</td>
<td>WO 10/JUNE 15, 2005</td>
<td>219.00 - 225.00</td>
<td>206.00 - 212.00</td>
</tr>
<tr>
<td>I-09 q/</td>
<td>WO 10/JULY 7, 2005</td>
<td>197.00 - 212.00</td>
<td>188.00</td>
</tr>
<tr>
<td>II c/</td>
<td>WO 10/JUNE 25, 2005</td>
<td>200.00 - 208.00</td>
<td>188.00 - 196.00</td>
</tr>
<tr>
<td>III d/</td>
<td>WO 11/JUNE 16, 2005</td>
<td>217.00 - 263.50</td>
<td>202.00 - 229.50</td>
</tr>
<tr>
<td>IV-A e/</td>
<td>WO 10/JUNE 16, 2005</td>
<td>207.00 - 265.00</td>
<td>187.00 - 240.00</td>
</tr>
<tr>
<td>IV-B f/</td>
<td>WO 01/JUNE 17, 2005</td>
<td>192.00 - 206.00</td>
<td>177.00 - 186.00</td>
</tr>
<tr>
<td>V g/</td>
<td>WO 10/JUNE 24, 2005</td>
<td>162.00 - 209.00</td>
<td>177.00 - 187.00</td>
</tr>
<tr>
<td>VI h/</td>
<td>WO 13/JUNE 18, 2005</td>
<td>180.00 - 205.00</td>
<td>165.00 - 185.00</td>
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<tr>
<td>VII i/</td>
<td>WO 11/JUNE 16, 2005</td>
<td>190.00 - 223.00</td>
<td>175.00 - 208.00</td>
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<td>VIII j/</td>
<td>WO 12/JUNE 16, 2005</td>
<td>206.00 - 176.50</td>
<td>187.00</td>
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<tr>
<td>IX k/</td>
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<td>196.00</td>
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<td>X l/</td>
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<td>211.00 - 218.00</td>
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<td>XI p/</td>
<td>WO 12/JULY 2, 2005</td>
<td>222.00 - 224.00</td>
<td>212.00 - 214.00</td>
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<td>XII m/</td>
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<td>190.00</td>
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<td>ARMM o/</td>
<td>WO 08/JULY 1, 2005</td>
<td>180.00</td>
<td>180.00</td>
</tr>
</tbody>
</table>

a/ Granted P25.00 wage increase
b/ Granted additional P20.00/day Cost of Living Allowance
c/ Granted P15.00/day Cost of Living Allowance
d/ Granted additional P20.00/day Cost of Living Allowance
e/ Granted P13.00-P22.00 wage increase to be given in two tranches, June 16, 2005 & Jan 1, 2006 as follows: P10 &12 (Extended Metropolitan Area); P10 & P7 (Growth Corridor Area); P10 & P5 (Emerging Growth Area); & P10 & P3 (Resource Based Area)
f/ Granted P5.00-P20 wage increase; Increase in non-agri will be given in two tranches, i.e. P10 upon effectivity & P5-P10 on 01 Jan. 2006.
g/ Granted P15.00 Cost of Living Allowance
h/ Granted P15 wage increase; for cottage/handicraft, retail/service employing not more than 10 & sugar industry, P10 increase upon effectivity & P5 on April 16, 2006.
i/ Granted P15 (Metro Cebu) & P12 (rest of the region) wage increase 
j/ Integrated the P11 ECOLA under WO No. 10 and granted P11 Cost of Living Allowance
k/ Granted P20 Cost of Living Allowance to be given in two tranches, P16 upon effectivity & P4 on May 1, 2006
l/ Granted P16.00 Cost of Living Allowance
m/ Granted P6.00-13.00 Cost of Living Allowance
n/ Granted P11.00 wage increase
o/ Granted P10 Cost of Living Allowance
p/ Granted P15 Cost of Living Allowance
q/ Integrated the P10 COLA under WO No. 9 & granted P12 Cost of Living Allowance
By the sweat of their brows: Retirement packages, hazard pay, vacation leave credits and decent wages are unheard of concepts to a lot of toiling Filipinos, who scratch a few pesos under harsh and even dangerous conditions. To some 5 million Filipinos of working age, gainful employment continues to be elusive.
Organized labor groups have denounced the minimal increase in wages saying it only proves the government’s adherence to cheap-labor policy. According to the Trade Union Congress of the Philippines (TUCP), the increase is not enough to cover for the ever-shrinking purchasing power of the peso and the follow-on increases in the prices of basic goods and services. Thus, the increase does not make the lives of workers any better considering that the cost of living allowance for a family of six is P600.00 a day.

**Strikes**

Some labor groups questioned DOLE’s pronouncement that the number of workers’ strikes has declined. They said that the decline in the number of strikes does not mean there is relative industrial peace but such is the result of double-standard labor provisions like the “assumption of jurisdiction.” Assumption of jurisdiction (popularly known as “AJ”) is the privilege of the Labor Secretary to stop an actual or planned strike if he/she deems that the operation of a player in an industry is indispensable to the national interest as provided for by Article 263(g) of the Labor Code.

Therefore, the drop cannot be attributed to good working conditions as most strikes, planned or actual, had been stopped by unfairly invoking the said provision. The decrease in number of strikes could also be an indication of disempowerment. Instead of fighting for better wages and working conditions, workers would rather play the cards they are dealt with in silence otherwise they and their families would have to face hunger.

**Quality of Life of Filipino Workers**

Rosy labor statistics would only make sense if translated into positive effects on the quality of life of a worker and his family.

Scarce job opportunities and low wages amid soaring cost of living drag the Filipino workers and their families into utter vulnerability. This was highlighted in the Social Weather Station (SWS) survey for the 1st quarter of 2005 which revealed that unemployment forced 15.9 percent of poor families to skip meals. Moreover, according to the same study 62 percent of government workers indicated that their lives have worsened.

**Conclusions**

Although the labor sector remained in the dark for the first six months of 2005, the government did all it could to paint a rosy picture of the situation. It does so by flaunting that it has generated jobs, thus effectively trimming down the number of those who are unemployed. Indeed, official statistics show a decline in unemployment—minus the actual jobs generated. The new definition of unemployment did all the magic that gives the government a facelift; it created hundreds of thousands of virtual jobs the government has trumpeted as if they were for real.
In spite of the recent increase in the minimum wages, workers would still be broke like never before. The increase is trivial in the face of the freefall of the purchasing power of the peso. Worse, prices of basic commodities and services continue to soar—soon to unprecedented heights with the passage of the Expanded Value Added Tax law.

The government should do more than just changing the definition of unemployment to improve the lot of Filipino workers. Wage increases should match the increases in the prices of basic goods and services.

Former Secretary Neri had been quoted as saying that “everybody has the right to work. Everyone has the right to create a social value and be compensated for it.”

This right to work of the Filipinos is embodied in a number of international and domestic laws and instruments, which the Philippine government is obliged to effectively implement.

Article 6(1) of the International Covenant on Economic, Social and Cultural Rights specifically provides for the “right of everyone to the opportunity to gain his living by work which he freely chooses or accepts.” The same instrument spells out the duty of the State to ensure the full realization of this right (Article 6 Section 2).

The International Labor Organization (ILO) Convention 88 and 122 also provide specific guidelines and provisions that aim to ensure there is work for everyone who is available to work and seeks for it.

Given the miserable work situation in the past six months of the year, it seems the government only paid lip service to its obligations. Ironically, it is even culpable for violating the Filipinos’ right to work.
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