The Extremely Vicious, Atrocious, Tyrannical E-VAT
Guilty!

I TO PO ang aming hatol kay Ginang Gloria Macapagal Arroyo (GMA) dahil kung malinis ang kanyang konsensya, bakit pinatay ng mga mambabatas na kaalyado yu Malacañang ang ‘impeachment complaint’ sa Kongreso?

Magkano kaya ang inubos ng palasyo pambili ng boto ng mga ‘tongresista’? Balita po ay hindi bababa sa 2 bilyon na huwag na nating tanungan kung saan nanggaling. Bukod sa pera, meron pa raw ‘three wishes’ ang mga kawalan este kinatawan na karaniwan ay mga ‘juicy positions’ sa gobyerno para sa kanilang mga asawa, anak, kapatid, kamag-anak, at kaibigan.


Kasi ang mga natatakot lamang sa katótohanan ay yung mga may kasalan! Ngunit hindi lamang pandaraya sa eleksyon at pagl眺ay ng pera ng bayan ang utang ni GMA. Kailangan ding singin ang kasalukuyang administrasyon sa kabibilibang paglabag sa mga karapatan pantao ng mamamayan.

Pamatay na lamang sa pagbabayad ng mga serbisyo ng pamahalaan ang pagpatay sa ‘informal settlers’ tuwing dumarating para manggiba ang mga tao ng MMDA.

Wala ring kibo si GMA sa tula diktaduro na pamumuno ni Mayor Rodrigo Duterte ng Davao City. Hayagan ang pagsuporta ni ‘Digong’ sa mga pag-salvage ng Davao Death Squad (DDS) sa mga pinaghihinahalang magnanakaw at naglalakad na droga. Nagyayon lamang ang umabot na sa 143 katao ang itinumba ng DDS. Mas nakakabahala ang isipin na ang ‘style’ ng DDS ay kinokopya na rin ng iba pang lokal na pamahalaan tulad sa Cebu na meron nang ‘hunter team’ at sa General Santos City naman ay ‘broom-broom boys.’

Ang pagsasakay din ni GMA sa giyera kontra terorismo ng Estados Unidos ay nagdulot ng mas matinding diskriminasyon, ‘illegal arrests and detention,’ pag-tortyur, at pagpatay sa mga kapatid nating Muslim sa Metro Manila at Mindanao.

Marami pang nais maningil kay GMA, mga grupo at sektor ng mamamayan ng hinalaguit ngayon ng mga polisiyang pulis ng pag-unang sa pagbabayad ng utang panlabas, pag-sasapribado ng mga serbisyo ng pamahalaan, regresibong sistema ng pagbuwis, at pagpasok ng mga dayuhang produkto sa ating bayan, ang magkaroon ng ‘pekeng pangulo’ na ‘human rights violator’ pa.
The Supreme Court upheld the constitutionality of the expanded value-added tax law in its decision on September 1.

But the high court ruling has not lifted the Temporary Restraining Order (TRO) it issued on July 1 against E-VAT implementation.

The TRO will be forfeited as soon as the court rules on any motion for reconsideration that might be filed by any of the petitioners or if they fail to appeal within 15 days upon receipt of the SC decision.

The Supreme Court halted E-VAT collection on July 1, its first day of implementation, upon the petition of opposition lawmakers.

The petitioners alleged that the E-VAT law was unconstitutional because it allowed the president to raise taxes, a power exclusive only to Congress.

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THEE controversial Expanded-Value-Added Tax (E-VAT) Act of 2005, which President Gloria Macapagal-Arroyo signed into law, will torment the poor. But the president looks at it the opposite way. Calling it “the capstone” of her administration’s fiscal reform program, she hopes that the tax measure will address the fiscal crisis. To a lot of Filipinos, however, E-VAT is the eject button that could expel the President into ignominy.

Strategic Forecasting, a Texas, USA-based think tank that predicted Estrada’s ouster, sees the E-VAT as a likely cause of President Arroyo’s expulsion from Malacañang. The Supreme Court had saved the presidency when it issued a Temporary Restraining Order on 1 July 2005 — E-VAT’s first day of implementation—in effect, securing the presidential eject button from being pushed.

Crisis mode
It was in August 2004 when 11 professors at the University of the Philippines School of Economics confirmed a lingering suspicion — that the country is in fiscal crisis, as demonstrated by the ballooning government budget deficit. The two major causes: 1) declining revenues because of flaws in the tax structure, bureaucratic corruption, and tax evasion, and 2) huge losses incurred by government-managed corporations and the national government’s policy of assuming their debts.

President Arroyo quickly admitted the findings of the 11 UP professors as true and implemented their recommendations, including the creation of new taxes and raising the levels of existing ones. Like a mantra, the president repeatedly declared that annual revenues and savings of PhP180 billion are needed to contain the budget deficit. Of the total amount, PhP80 billion will come from eight tax measures and PhP100 billion from administrative measures. So far, Congress has passed three of the eight tax measures: the Sin Taxes on Alcohol and Tobacco, the Lateral Attrition Law, and E-VAT Act of 2005.

Mother of all taxes
President Arroyo signed into law on May 24, 2005 Republic Act 9337, which among others: 

Haggling for a handful of vegetables: with very limited budget for food, housewives have to make the most painful choices at the vegetable stand.
By President Arroyo’s admission, the 12 percent VAT is a bitter pill. And that pill costs a family a monthly additional expense of anything between P65.22 (DOF estimate) to P123.90 (Bayan Muna computation).

Days before July 1, 2005 – R.A. 9337’s opening salvo – the DOF put out a full-page newspaper advertisement glorifying E-VAT. In it, DOF reported that 86 percent of government revenues get spent on debt servicing. DOF also enumerated E-VAT exemptions: rice, fresh vegetables, meat and fish; books, newspapers and magazines; purchase of low-cost housing, rent for a house below P10,000; and goods sold by merchants whose annual income do not exceed P1.5 million. Displayed successively for several days in major newspapers, the advertisement was clearly an appeal for public support to make it hurdle its introduction as a full-blown policy.

VAT’s wrong with that? By President Arroyo’s admission, the 12 percent VAT is a bitter pill. And that pill costs a family a monthly additional expense of anything between P65.22 (DOF estimate) to P123.90 (Bayan Muna computation). It obliterates the recent P25-increase that raised the daily minimum wage to P275. Ibon calculated that in May 2005 the daily cost of living for a family of six living in the National Capital Region stood at P618. A family with a sole breadwinner will have to literally pinch every penny.

Even prior to the 12 percent VAT, prices of electricity and fuel – now VAT-covered – would have been hiked starting July 1 this year. Being major manufacturing inputs, rising prices of electricity and gasoline will impact on the prices of basic commodities. Estimates put fuel price increases to as high as 22 percent. Even pre-R.A. 9337, a P2-increase in the minimum fare of jeepneys had already been imposed to cope with rising oil prices in the world market.

Government asserts that high-end consumers will feel VAT’s impact more because it is a consumption-based tax. It ignores, however, the fact that the rich has the ability to pay. The shrinking income of a poor family forces it to slash further its survival-level spending on food, health care and utilities.

Electrocution by taxation Electricity in the country is already expensive because of purchasing power adjustment or PPA – the result of onerous contracts between government and independent power producers – that bloats power rates. Covering electricity under VAT worsens the situation.

Both versions of the House and Senate VAT bills contained a “no pass-through” provision that would have prevented electric companies from charging the 10 percent VAT on consumers. The provision, however, got deleted during the bicameral conferences. Quoted by a newspaper, Congressman Jesli Lapus, who headed the House panel in the bicameral committees, explained the deletion by saying that “the bicameral conference doubts that electric and oil companies can really be compelled to pay the VAT” – an admission of government’s fundamental lack of political will in implementing laws.

The 199-member Association of Philippine Electric
Cooperatives says that an average household serviced by electric cooperatives pays P4-P8.59 for every kilowatt-hour. A 10-12 percent VAT will raise it to P9.45/kwh. Charging the second-highest electricity rates in Asia next to Japan, E-VAT steals money from consumers while chasing away investors.

**Corporate squeeze**

Objections of the business sector go beyond the 35 percent business tax. Where the old VAT law allowed firms to avail of 100 percent input tax credit, Section 8 of R.A. 9337 caps that privilege at 70 percent during a transitory period spanning July-December 2005. Full availment of input tax credits will be restored thereafter. Input tax is the accumulated amount of VAT that a VAT-registered firm pays VAT-registered suppliers when purchasing goods or services that are priced inclusive of the 10 percent VAT. Input tax credits are deducted from the firm’s gross tax liability or output VAT.

Business groups aver that the input tax cap would boost the cost of doing business. To offset this cost, businesses will be forced to raise prices. Some may even be constrained to close shop altogether, thus worsening unemployment. They say the input tax cap encourages tax evasion as it drives manufacturers to resort to the informal sector where tax laws do not apply. The business lobby clamored that 90 percent is a more acceptable compromise. It has been reported that drafters of R.A. 9337’s Implementing Rules and Regulations (IRR) obligingly found a way to retain 100 percent input credit contrary to the law.

**Unhappy New Year**

Nowhere has the new law demonstrated its contentiousness more intensely than in the bicameral committee where differences in legislative bills are ironed out to produce a unified result. The primary contention was that the bill authored by the Lower House wanted VAT’s outright increase to 12 percent while the one endorsed by the Senate proposed the retention of the 10 percent VAT in conjunction with the cancellation of exemptions. Malacañang favored the House version. Insistent on each of their versions, the Lower House and Senate contingencies deadlocked.

Government warned that the stalemate was making investors jittery. Basing on E-VAT’s computed potential annual revenue intake, the DOF quantified the anxiety: the delay in the enactment was costing government some P167 million to P222 million in lost daily revenues.

To break the impasse, Senator Ralph Recto suggested granting President Arroyo a standby authority to raise VAT from 10 percent to 12 percent by January 1, 2006, if either of these conditions is met: (a) if VAT collections exceed 2.8 percent of the gross domestic product (GDP) of the previous year, or (b) if the budget deficit exceeds 1.5 percent of GDP of the previous year. The proposal is now law. Probability of ‘compliance’ with precondition (b) appears very high.

Despite initial preference for the automatic 12 percent E-VAT, the Recto solution nonetheless filled President Arroyo with glee, prompting her to announce shortly after the ratification of R.A. 9337 that she will exercise the standby authority “with prudence and decisiveness.” But the opposition raised to the Supreme Court the question on the constitutionality of such authority as it allegedly usurps Congress’ power to modify tax rates. The 1987 Constitution empowers the President to modify only tariff rates, export and import quotas, and other duties.

President Arroyo’s standby authority is curtailed until the High Court makes a ruling. If said power is cleared of legal infirmities, the fireworks of New Year ‘06 will signal gloom.

**Free fall**

BIR defines VAT as “an indirect tax that can be passed on to the buyer.” Thus, the same product increases its price by 10 percent (and soon 12 percent) every time it is sold and resold. No matter if no value was added to the product by any of the resellers. Being indirect in nature, VAT is shifted from buyer to buyer, making the end-user ultimately pay for all the accumulated VAT and markups that occurred at every transaction. For instance, A sells P100 (VAT-inclusive) plus markup, a ream of paper to B. B sells the paper to C at P110 (accumulated VAT-inclusive) plus markup. C sells it to D, the end user at P121 (accumulated VAT-inclusive) plus accumulated markups. A, B and C each compensates for their respective VAT costs through a recovery mechanism called input tax. The end-user bears the burden of all the tax incidences and markups along the chain.

The Association of Philippine Electric Cooperatives calls VAT a “triple tax whammy” as each of the three components of the power industry – generation, transmission, and distribution – will each charge 10 percent VAT. Ultimately, a consumer will be paying 30 percent.

The poor are precariously suspended in this VAT trapeze. Anticipating their inevitable fall, government has insisted that there are ‘safety nets’ being spread underneath to soften the crash. But the nets are not yet in place. At best, they are mere filaments whose interweaves are still being studied. ‘Safety nets’ to be implemented are: reduction of duties on petroleum products and removal of duties for liquefied petroleum gas and diesel; rigorous implementation and perhaps expansion of lifeline rates – discounts given to those consuming 100 kwh or less electricity per month; penalty for those who take undue advantage of R.A. 9337 and the rising oil prices in the world market; promotion of energy conservation; monitoring of pump prices and crackdown on
smuggling of petroleum products.

In the end, as Congressman and presidential economic adviser Joey Sarte Salceda puts it, the VAT affliction can be “cured by progressive public expenditures on health and education and more efficiently targeted at the poor.” He concedes that VAT will hurt the poor but reasons out that a fiscal crisis will hurt them more.

It remains to be seen if these assurances will be able to absorb VAT’s inflationary impact once the law is fully implemented.

**IneVATable?**

Is the mother of all taxes really the ultimate choice? No. There are other options that are more publicly palatable and powerful when fully implemented.

1. **Improve tax efficiency.** VAT collection efficiency is estimated at 70 percent, meaning 30 percent slips through government’s porous tax dragnet. The National Tax Research Center says that government lost an average of P30.7 billion annually from 1999-2002. For the period, average potential annual VAT collection was P111 billion, but actual collection averaged at only P80 billion. Under-declaration and excessive claims of input VAT credits caused this persistent hemorrhage. The DOF says government lost P144 billion from VAT leakages in 2003 alone. Government collected only P135 billion from the expected P279 billion. The BIR admits that in 2004, only 39,833 out of 451,309 companies paid corporate income taxes totaling P100.8 billion.

2. **Institutionalize tax education.** The BIR is now employing a name-and-shame gimmick that has so far entrapped delinquent celebrities in its early stages. It is laudable that BIR is embarking on an aggressive tax education campaign – done way before R.A. 9337 – starting with actors and actresses. With voluntary compliance accounting for 98 percent of tax collections and only 2 percent from audit activity, it pays to help taxpayers demystify the nuances of taxation. Again, R.A. 9337 would have been unnecessary if this was done earlier. R.A. 9337 allocates P15 million for the BIR’s public information and education program.

3. **Curb tax corruption.** Aside from pocketing tax monies collected, some collectors have been reported to accept bribes from tax evaders. BIR and DTI should also strictly monitor the issuance of receipts by companies and professionals. In a national pre-R.A. 9337 survey, the Social Weather Station (SWS) found out that most respondents said they would favor additional taxes as long as government uses the proceeds efficiently and addresses corruption effectively. With corruption devouring up to 20 percent of the country’s annual national budget, it is difficult to convince taxpayers that their taxes will indeed redound to better roads and bridges, better-equipped public schools and hospitals, and more efficient government services. As a disincentive to compliance, corruption instead encourages taxpayers to resort to tax evasion and avoidance.

4. **Slash pork barrel.** The UP 11 estimates that halving pork barrel allocations could have led to annual savings of P10.7 billion. Scrap the corruption-laden discretionary fund altogether and the country gets double that amount. But only a leader with a spine of steel will hazard a resultant political isolation.

5. **Rationalize salaries of GOCC officials and employees.** Being exempted from the Salary Standardization Law, officials and employees of government-owned and -controlled corporations (GOCCs) receive astronomical salaries. Government Service Insurance System President Winston Garcia used to receive P200,000 per month before he volunteered to have it cut. Garcia’s total annual salary could easily finance the construction of at least four classrooms. A lot of savings will be realized if the salaries and benefits of officials and employees of the existing 1,126 GOCCs and their subsidiaries are kept on a par with what government employees receive. Losing GOCCs should also be abolished to avoid further indebtedness.

Add to these the potential administrative savings to be realized from curing government’s debt reflex and through calibrated liposuctions that will siphon bureaucratic fat and transform government from an obese and lethargic monster to a lean and responsive organism.

**A minimum-wage earner’s wish list.**

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**The hero of July**

People woke up to a rude surprise on July 1, 2005. Increased toll rates, airfare and fuel prices sarcastically greeted the transport industry and the riding public. The Supreme Court saved the day when, acting on a petition filed by the opposition to question the constitutionality of President Arroyo’s standby authority, voted 13-2 in issuing a temporary restraining order (TRO) to stop E-VAT implementation until all legal issues hounding the law are settled. The E-VAT train was derailed even before it could warm up its engine, on the day of its maiden trip no less.

Forecasting monthly revenue losses of P4 million to P5 million due to the TRO, the administration reflexively served notice that the Solicitor General will file a motion for reconsideration.

To President Arroyo, the TRO has two sides: on the one hand, it is a major setback on her economic agenda. On the other hand, it is a political lifeline that temporarily holds back public disenchantment. Confronted with mounting political seismic waves that can yank her out of the presidential palace, the President’s priority is to ensure her personal political survival than to ensure national economic salvation.

It is becoming clearer that the poor are not the only ones destined to fall into the E-VAT abyss. Pres. Arroyo may even go down first as Stratfor prophesied. It boldly predicts that by becoming a protest centerpiece, E-VAT will ignite an organized widespread indignation that the juetenggate and Gloriaigate scandals failed to bring about.

The Supreme Court ruling may worsen the fiscal crisis but it definitely saves President Arroyo’s political career. At least for now. The posturing of the administration that it will question the wisdom of the High Court may be choreographed bravado at this point. The TRO is mamma from on high.

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**Footnotes**

* The author is the Program Director for Advocacy, Research & Communications of the National Secretariat for Social Action-Justice & Peace.
“SANA makaya naming mapatapos ng pag-aaral ang aming mga anak...hindi ko alam. Harinawa.” (“I hope that we could afford to send our children to school until they graduate. I’m not sure, though. I just keep hoping.”) As schools opened this June, this uncertainty over their financial capability to see all their children finish college was expressed by Ruth Damasco of Leveriza, Malate.

Her dream of getting a college degree brought Damasco, a 49-year-old native of Tolosa, Leyte, to Metro Manila at an early age. However, hard times and financial constraints made her stop after high school and work in a printing press where she met Efren, who would become her husband. Efren has been out of work for the past four years, after he was laid off from his last job in a hotel in Manila. Presently, Ruth single-handedly sustains their family by working in a candle-making project of their community organization, Alay Kapwa. She earns roughly PHP 500.00 a week.

Ruth and Efren’s unremittent pursuit of that elusive college education is being continued through their 7 children. With a modest subsidy from their community organization, Ruth’s eldest child was able to graduate from college and now works in a fast food chain. Another daughter is working so she could send herself to school. One child has stopped working due to ill health, but Ruth and Efren still face the daunting challenge of sending four other children to school.

The plight of Ruth and Efren is not unique, for this is also the story of millions of other Filipino families who dream of a future free from want. Theirs are the dreams, aspirations and uncertainties of a multitude of white picket fence: for the vast majority of school-age Filipino children, school remains off-limits.

More difficult than the 3 Rs: young boys, forced by extreme poverty to live off garbage, learn life’s bitter lessons from the dumps.
families battling hard times.

In a country where poverty incidence of families stands at 24.7% (2003), and where most of them live below the poverty line, education is given much premium. It is viewed as the road to a better lot in life. Indeed, education is valued not only as an empowerment right, but as a ticket out of poverty.

Despite this, education remains forbidden to most Filipinos. Some families just like Ruth and Efren's can only dream of a college degree against a backdrop of an ever-increasing cost of education, the feeble purchasing power of the peso, and bleak employment opportunities for family members of working age. Even for those lucky enough to have jobs, security of tenure, as shown by the retrenchment of Efren, is not assured.

This is validated by Ruth when she intimated, "Malaki ang kaibahan noon sa ngayon. Noon medyo mas malaki ang kinikita, samantala ngayon lumit it na nga ang kita tamaas pa ang gastusin sa eskwelahan ng mga bata." (Times have changed. We used to earn more; but now, not only has our income shrunk, the cost of education has also spiraled.)

Ruth used to work for their community-based organization seven days a week, taking home P250.00 a day. But at the moment, she only works two days a week at the same rate. Meanwhile, the school expenses of her children have increased way beyond her means.

That getting an education remains impossible for the majority is borne out by the low classroom survival rate. Human Rights Agenda, a publication by the U.P. Institute of Human Rights, reports that out of 100 children who enter grade school, only 67 are able to finish elementary. Of this number, only 50 finish high school. Eventually, only 20 obtain a college degree.

These figures belie the promise made by President Gloria Macapagal Arroyo during the early part of her term as the 14th President of the country, when she pledged that "Everyone of school age should be in school in an uncrowded classroom, in surroundings conducive to learning."

Not only is education out of bounds to a lot of Filipinos, it is also rapidly deteriorating.

The execrable quality of Philippine education is mainly a result of the minuscule budget allocated to the education sector, resulting in shortages in teachers, school facilities and vital infrastructures. Teachers are overworked, facilities, if provided, are substandard, and infrastructures are not enough. With inferior education, it is not surprising that Filipino students hardly learn anything, as made plain by the alarmingly high percentage of students who fail in high school and college achievement and readiness tests.

Figures reveal that an appalling 97.9% of students who took the National Achievement Test (NAT) in 2004 failed the examination. Similarly, 92% of those who took the High School Readiness Test (HSRT) in the same year failed the said exam.

The scarcity of school materials and necessary structures which was experienced by Ruth at the Emmanuel Roxas High School during her time are still the same wretched conditions being experienced by one of her daughters, Lovely, now a Sixth grader.


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OFWs’ Heroism: The struggle for economic survival amidst exploitative global market and irresponsible Philippine Labor Export Policy

By Vanessa G. Retuerma

The need for new economic heroes

The face of Filipino heroes and heroines has drastically changed. If the period of western colonization in the Philippines gave birth to courageous souls who fought against political oppression in the name of freedom and independence, the current global phenomenon has engendered the emergence of “modern day heroes” among Filipinos who are struggling against a new form of oppression.

The current global economy has brought about a new battle and altered the battle-cries of nations and their populations – calling for a new form of heroism, one that shall be waged against economic oppression and ensure the nation’s economic survival.

As the global economic restructuring left world economies more vulnerable to crises, manifested in high unemployment rate, wage decline or job insecurity, less developed or developing countries, who suffer the bulk of the damage, have resorted to labor export to keep their economies afloat. For most developing countries, including the Philippines, labor migration nourishes the economy by providing much-needed foreign revenues which become particularly critical during periods of economic downturns (such as the Asian financial crisis). It has become an expedient development strategy.

The Philippines is one key example of a country whose economic vitality depends so heavily on its export of temporary labor. For almost three decades now, the country has developed and maintained a sophisticated policy regime to promote and regulate labor migration as an explicit response to the double-digit unemployment rates and growing national account deficit. As such, it is not surprising that today, the Philippines stands out in having a multitude of its citizens living abroad and depending so greatly on the steady inflows of foreign exchange.

According to the BSP, the amount of OFWs’ inflows now account for about 10.5 percent of the country’s gross domestic product (GDP) and 20 percent of the country’s total export earnings.

Filipinos seeking jobs abroad make the Phil. Overseas Employment Administration one of the busiest and most crowded agencies.
Increasing deployment and remittances

Latest government estimates indicate that there are more than 7.7 million Filipinos (as contract workers, immigrants and permanent residents, and as undocumented migrants) in 192 countries worldwide. This represents nearly 10 percent of the Philippine population, and almost 20 percent of the productive age population. The number of Filipino labor migrants, which constitutes almost 45 percent of the total number of overseas Filipinos, increased dramatically over the last 5 years. According to the Philippine Overseas Employment Administration (POEA), the total deployment of overseas Filipino workers (OFWs) in 2004 hit a historic high of 933,588—up by 7.6 percent from the 867,969 recorded in 2003. This significant increase was fuelled by the deployment of land-based workers which increased by 8.1 percent (704,586 in 2004 compared to 651,939 in 2003). Meanwhile the deployment of sea-based workers registered a 6.0 percent increase (229,002 in 2004 compared to 216,031 in 2003).

The continuing upsurge of overseas Filipino deployment has subsequently increased the level of remittances in the country. Earlier this year, the Bangko Sentral ng Pilipinas (BSP) reported that the dollar remittances of OFWs surged to an all-time high of $8.5 billion in 2004, or 11.8 percent higher than the $7.64 billion in 2003. This figure represents the amount remitted through formal channels, such as commercial and thrift banks and other remittance service providers. The Bangko Sentral notes that actual dollar inflows could be higher than $8.5 billion, since a lot of OFWs remit their money through informal, cash-based [or nonbank] channels whose transactions cannot be monitored by the BSP.

According to the BSP, the amount of OFWs’ inflows now account for about 10.5 percent of the country’s gross domestic product (GDP) and 20 percent of the country’s total export earnings. This staggering amount of remittance that labor migrants pump into the country’s economy makes them a major economic player. They continually infuse life-blood into the country’s anemic economy. For the government and for many Filipino families, OFWs have come to represent a new form of heroism that brings hope of economic salvation. Recognizing their valuable role, the Philippine government has since made labor migration a foreign policy priority and eagerly dubbed the OFWs as the country’s “new economic heroes” or “mga bagong bayani”.

Despite the exalted title of “bagong bayani”, OFWs make untold sacrifices that oftentimes undo the gains of their struggles.

The Philippine Labor Export Policy: Less regulation, lesser responsibilities

While the government has successfully facilitated access to alternative sources of employment for many of its citizens who find no jobs and little economic progress locally, and has enormously benefited from the billions of dollars they send home, it has not taken its
responsibility of guaranteeing the well-being of its labor migrants with as much vigor as it does in pushing for its labor migration policies. Insofar as labor migration is concerned, the government’s priority has been limited to promoting its labor export policy, taking little, or worse, no accountability in the protection and welfare of its labor migrants. While the government takes pride in the foreign revenue it gets from the remittances of its “modern-day heroes”, the amount of attention and degree of intervention it exerts in assuring the protection and welfare of its OFWs hardly compensate for the deprivations that OFWs have to endure just to be able to support their families back home and prop up the country’s collapsing economy.

Nothing can best illustrate this gross imbalance in the government’s labor migration policy than the enactment of RA 8042 (the Migrant Workers and Overseas Filipino Act of 1995). While the Act was promoted to uphold the rights and welfare of migrant workers and their families, following national outrage over the cases of Flor Contemplacion and Sarah Balabagan, it has only in effect systematized the government’s implementation of its Labor Export Policy. The Act itself reflects contradictions in government priority and policies. While it disclaims that the government promotes labor migration as a “means to sustain economic growth and achieve national development”, it nonetheless encourages the deployment of Filipino overseas workers through local contractors and manpower agencies and even pursues a progressive policy of deregulating the overseas employment industry.

Sections 29 and 30 of the Act tasked the Department of Labor and Employment (DOLE) to formulate a deregulation plan on recruitment activities for overseas workers and gradually phase out the regulatory functions of the POEA. Such provisions only expose the real intent of the Act, which was to develop labor migration as the “country’s most profitable export product” by intensifying deployment of Filipino labor migrants with lesser regulations. And while the government plans to send more of its citizens abroad for employment, it does so in a way that largely compromises the well-being of its labor migrants. Under deregulation, labor migration becomes strictly a matter between the worker and the foreign employer, thus giving government less responsibility and relegating to private recruitment agencies its task of looking after the welfare of its OFWs.

While the legislation bore relevant provisions on the protection of the fundamental human rights and freedoms of Filipino migrant workers, the additional provision on deregulation defeats the whole purpose for which the Act was created. With the deregulation policy and phase-out plan of government function, the government appears to be relinquishing its duties to protect and uphold the rights and welfare of its OFWs and, in a way, institutionalizing and legalizing the abuse and exploitation of its OFWs. In the end, OFWs who are supposed to be protected by the Act end up more vulnerable to abuses and violations and become mere commodities in the present global market.

**Compromised Rights and Welfare of OFWs**

The imbalance and contradictions in the government’s priority vis-à-vis its labor migration policy and obligations to protect and fulfill the rights and welfare of its labor migrants leave OFWs exposed to more dangers. Every now and then, alarming cases of unjust imprisonment, mysterious death, abuse and other forms of human rights violations torment the national conscience while the government seemingly finds itself helpless and inutile in responding to the victims’ needs.

Indeed, who could forget Flor Contemplacion, executed in 1995 amidst national uproar, after a Singapore court held her...
responsible for the deaths of another Filipina domestic worker and the 4-year old son of her employer; Mary Jane Ramos, incarcerated for two years in the United Arab Emirates (UAE) for reportedly stabbing to death her employer who was about to rape her; or Jane Dematera, facing imminent execution in Saudi Arabia after being convicted of murdering her female employee, through a questionable court process that gave her no access to legal assistance or other opportunities to exercise her right to an effective defense.13 These cases are just among the few which received significant media attention that compelled the government to take action. It should not be forgotten that numerous other cases remain unreported or unresolved.

Violations against labor migrants become more aggravating in the case of Filipina workers who are mostly employed in the domestic or service sector. They most often suffer the worst forms of human rights violations because of the very nature of their jobs, where pay is usually low and working conditions are deplorable and involve a higher exposure to discrimination and gender-based violence by authorities and employers in their host countries.

A 2004 report by the Center for Migrant Advocacy (CMA) revealed that of the 575 OFWs currently detained in jails abroad, more than fifty percent or 305 are women, mostly employed as domestic workers. According to this report, the alleged offenses of Filipina OFWs pale in comparison to those committed against them: 412 of them were physically abused and 258 were victims of verbal abuse; 525 reportedly worked under oppressive conditions; and the majority of them were not permitted day-offs by their employers.15

Such cases demonstrate how the government’s conduct of its labor migration policy has largely compromised the rights and welfare of OFWs despite their enormous contribution to the country’s coffers. The government has to realize that while it continues to actively deploy its citizens for overseas employment and profits from their labors, it has to accord its OFWs commensurate compensation and protection that go beyond just hailing them as the country’s “modern-day heroes”.

Reclaiming government’s obligations and responsibilities

If the government is sincere in its proclamations, it must first accept its responsibilities and obligations in protecting and promoting the rights and welfare of its economic saviors. Such acceptance should start with the revision or amendment of existing laws and policies on migrant labor, such as RA 8052, making them more appropriate and responsive to the sector they seek to serve. Significantly, the amendments should strengthen provisions that give relevant benefits to OFWs while repealing those that clearly intend to jeopardize the whole purpose of the act, specifically sections 29 and 30 on the Deregulation and Phase-out Plan.

But the drafting or revision of relevant laws is only one part of the process; actual implementation and monitoring are equally significant indicators of an effective policy. Section 4 of RA 8042 provides potential protection for labor migrants by stipulating that the government shall only deploy OFWs in countries where the rights of Filipino migrant workers are protected. Implementation of such provisions requires the reassessment and alteration of government actions in order to address the disparity that exists between legal stipulations and actual practice: the government maintains bilateral labor migration with 12 countries only but deploys its OFWs to almost 200 countries and international destinations. The government would have to actively pursue bilateral labor agreements with all labor importing countries to ensure that the rights and welfare of its labor migrants are not neglected in their host countries. Corollary to this, the government would also have to institutionalize comprehensive mechanisms that shall protect its people at every stage of the migration process – from pre-departure, on-site and most importantly, upon their return.

But in the end, the government should consider that while international migration accords certain advantages for labor exporting countries, it carries a corresponding larger downside that limits their development and exploits their labor migrants. For labor importing countries, international labor migration provides a source of cheap and flexible workforce which is easy to dispose of and repatriate in times of economic hardship or when labor becomes redundant. Labor exporting countries, like the Philippines, only end up as peripheral players in the global economic system. In such case, the government should realize that labor migration does not present a long-term and effective strategy for economic development; it is only a temporary survival strategy that needs to be surpassed at some point. The government could not for long simply rely on its labor export policy in order to generate much-needed revenues while neglecting its obligation of pursuing genuine economic development in the country.

Instead of concentrating its attention and efforts in aggressively promoting its labor export policy, the government should focus on reviving its domestic economy in order to provide productive and decent jobs locally. With an enabling environment where quality jobs and commensurate wages are available to the labor force locally, labor migration becomes an option rather than a forced phenomenon for many of its citizens. This is the logical and long-lasting solution to the woes of the “Bagong Bayani” as well as to the swelling economic problems of the country.

Only by doing this can the government unburden its citizens of the sacrifices they endure, and reclaim the duties and responsibilities it has long ignored.

Endnotes

4 POEA Annual Report 2004
5 Ibid.
8 Dumlao, Doris C. (February 16, 2005)
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13 Ibid.
The capitalist trend of outsourcing has reached our shores. The rising labor costs in industrialized countries such as the United States, Canada, UK and Australia has prompted foreign companies to contract out some of their non-core business functions such as software development, customer relationship management, telemarketing, payroll maintenance and billing, and collections to developing countries like India and the Philippines where labor costs are cheaper. This strategy allows foreign companies to concentrate on their main operations, cut down on overhead cost and, ultimately, maximize profits.

At the heart of the Philippines’ outsourcing boom are the call centers. Call centers are central customer service operations where agents, often called customer care specialists (CCS) or customer service representatives (CSR), handle telephone calls on behalf of a client. These clients are the companies who have outsourced the customer relationship management aspect of their business.
operations here. These companies include, among others, mail-order catalog houses, telemarketing companies, computer held desks, banks, financial service and insurance groups, transportation and freight handling firms, hotels and IT companies.

The call center industry is currently considered the country’s “sunshine industry” because of the revenues it has generated and the number of jobs it has created. It is likewise dubbed the same because of its huge potential to supposedly bring in more of both. Call center earnings for 2004 reportedly reached $862 million, employing about 70,000 Filipinos. Conservative estimates predict that the country’s call center industry can swell into an $8 billion enterprise and employ as many as 500,000 Filipinos within the next ten years. Because of these, economists regard the call center industry as “one of the few remaining bright spots in the country’s troubled economy.” How long the sun will shine on this industry, however, and how this industry will impact on the country’s labor scene in the long run remain to be seen.

**Philippines: Next Call Center capital?**

A quick survey of the outsourcing websites shows the Philippines as a favorite destination, alongside India and China, especially for offshore call center operations. From around 20 call centers in 2002, there are now 70 call centers operating in key cities in the country. Since 2000, there has been a rapid increase in the number of call centers established in the country. Industry analysts believe that the Philippines has the potential of rivaling India in becoming the next call center capital in the region.

Amid the seemingly unending political instability which drives away many foreign investors, the Philippines holds a competitive edge as an outsourcing haven mainly because of its cheap labor rates and highly-educated workforce with high proficiency in the English language. Not
including tax incentives provided by the government, foreign companies operating call centers in the Philippines are able to cut down on personnel cost and therefore maximize their profits. The mathematics will show why these investors are keen on doing their businesses here.

The minimum daily wage in the United States is around $41 (average hourly rate of $5.15) and 38 euros (hourly rate of 4.85 euros) in the UK. These translate to at least P 2,225.00 and P 2,522.00, respectively. This is the amount American and British companies would have to pay each of their call center agents per day (8-hour shift) if they operate back home. In the Philippines, the average daily rate for call center agents is around P 530.00. This is equivalent to $ 9.00 or 8.15 euros. Thus, by putting up their call centers here, American companies are able to save, every day, at least $32.00 (78% savings) and the British companies 29 euros (76.3% savings) on every Filipino call center agent who performs the same tasks as their counterparts abroad. Put another way, American and British companies can hire 4-5 Filipino call center agents for the salary of one American or British agent. Summed up, this strategy gives foreign companies total savings of 50-60 percent on personnel cost.

The Philippines’ educated manpower is another reason why foreign companies choose to locate their call centers here. While labor costs in China are lower, foreign companies still choose to establish their call centers in the Philippines because of the Filipinos’ proficiency in the English language. The Philippines is the third-largest English-speaking country in the world. For the price of one American or British agent, call centers can hire at least four Filipino college graduates who can speak fluent English (and even mimic their accents) and are computer-literate.

**Quantity vs. quality**

Fluency in spoken English, especially with the American twang, and keyboard capacity are two minimum requirements for working in a call center. Thus, anyone who can speak English and who holds a diploma from a university can likely qualify as a call center agent. The ability to multi-task (talk, think, and type) is eventually developed during the trainings provided by the call centers.

Compared to the current daily minimum wage of P 325.00 (Metro Manila rate), the average P 530.00 offered by the call center industry is high. With starting wages ranging from P 14,000.00 to P 16,000.00 per month, not including other incentives such as night differential pay, food and transportation allowances, performance bonus, and headhunting commissions, it is not surprising why many Filipinos, including licensed professionals who cannot find employment elsewhere, are willing to lose sleep and flock to call centers. As the government fails to deliver on its promised jobs, call centers continue to attract thousands of the country’s university graduates. Well, at least those who do not intend to fly out of the country just yet. For 2005 alone, call centers are expected to screen around 600,000 applicants.

But while call center workers are usually well-compensated, many call centers report a high attrition rate among their employees, with as much as 40-60 percent of workers leaving at a given time. The turnover is fast in this industry. There are two glaring reasons why this happens. First, many contend that the working hours in a call center take getting used to. As night falls and the rest of the archipelago are deep in sleep, call center agents are up, busy taking calls. Not to mention busy handling dread calls in not a few instances. “Dread calls” refer to calls from difficult, disgruntled and irate customers. The main element of this type of call is a complaint. But its more distinguishing features are the expletives and insults that go with the complaint. Dissatisfied customers often end up berating an agent for the bad merchandise or shoddy service they get from a company. They are called dread calls because call center agents dread having them. These calls not only leave agents shaken, they also ruin their call handling time statistics for the day. And throughout these calls, one must maintain the fake accent. Thus, while the pay is good, many call center agents believe that it is still not commensurate with the physical and emotional demands of the job.

Another reason for the high attrition rate in call centers is job mismatch. A licensed teacher, nurse, engineer and social worker soon find themselves bored with a CSR’s job. With standard opening and closing spiels and prescribed call handling procedures for each call, many university graduates eventually find the job too mechanical. They soon realize that the skills they learned in school do not match those required in the call center and thus seek for opportunities where they may actually make good use of them. If you ranked among the top 15 in the medical technologies’ licensure exam, try taking credit card payments or pizza orders for eight hours and you’ll get the feeling.

While the call center industry has been able to generate thousands of jobs in the last few years, there is concern whether the kind of skills developed in such field can be of productive use to the country in the coming years. The call center industry is an unstable avenue for employment. It will likely be gone when investors can no longer maximize their profits here. When that happens, what will the government do with the New Yorker and British-sounding sectors of the labor force? What will become of the nurses, teachers and social workers whose skills would have degenerated by that time?

**How long will the sun shine on the sunshine industry?**

The sun will likely shine on the call center industry if the government can ensure three things: if Filipinos can continue to speak good English, if the government can keep its labor rates low and if it can develop its infrastructure. The third condition may be negotiable in light of the tax incentives that the government offers to outsourcing investors. Failure to guarantee the first two conditions, however, could mean an even bleaker unemployment rate for the country.

The 2003 Asian Call Center Review ranked the Philippines first in the offshore call center industry for the Asian region, surpassing India which landed at second spot. The main reason: Filipinos’ “superior communication and English skills.” The report indicated that Filipinos speak better English than their Indian counterparts, being the most “westernized” people in the region. This, combined with several other factors, led the authors to suggest the Philippines as “the most suitable destination for English-speaking call center activity in Asia.” But that was in 2003.

Recent industry figures, however, show that only four
out of 100 Filipinos who apply for a job as a call center agent pass the communication exam. This means that out of the 600,000 applicants that will be screened by the call centers for 2005, only 24,000, or less, are likely to pass. The number of Filipino college graduates who can speak good English, by the industry’s standards, is dwindling. And given the government’s mealy performance in improving the quality of education in the country, it is likely that the current figures can only get worse. The government’s failure to churn out proficient English speakers in the coming years may lead call centers to pack up their bags and leave for lack of available qualified manpower. China only needs another ten years to catch up on our English proficiency.

The call center industry may likewise continue to thrive on Philippine soils if the government continues to remain docile in improving the labor sector; that is, if it can keep minimum wages low. Outsourcing and call centers are capitalist endeavors. For as long as investors can maximize their profits, the Philippines will remain a prime call center hub. This means that while the prices of commodities shoot up, the government must not act to give Juan de La Cruz a little raise on his salary. If the minimum wage is kept low, then call centers can continue offering their current rate. In light of this, one can only surmise just how reluctant the government will be in raising the minimum wage if it wants to keep the sun shining on this industry.

Conclusion

The call center industry supposedly holds a huge potential for bringing in more revenues for the government and creating more jobs for the Filipinos. The sustainability of the industry, however, depends on government’s willingness to effect changes in the education sector to meet the demand for an English-proficient labor pool. Significantly, it also depends on how much longer the government can keep labor rates in the country to the lowest. But alongside its efforts to keep the call center industry afloat, there are many things that the government must do to improve the country’s labor sector in general.

Recent implementation of “English Only” policies in Metro Manila universities and the on-going debate in Congress regarding the standard medium of instruction in schools, wherein English seems to be the favored language, have fueled the belief that the government is actually pushing for graduates to seriously consider call centers as an avenue for employment at present and in the coming years. To ensure this, however, the government must introduce changes in the educational system at the soonest possible time in order that we can continue to produce college graduates who have sufficient grasp of the English language.

Indeed, while Filipinos’ fluency in English hampers their competitiveness in the world labor market, the government must consider that the improvements needed in the educational system go beyond ensuring English language proficiency. For one, the current education system primarily trains students for employment; it does not develop entrepreneurial skills. But if entrepreneurship is effectively incorporated in all stages of the current school curricula, the majority of Filipino graduates may not see the need to look for jobs overseas or in local corporate districts. Instead, they can set up new enterprises and make a living here. The government should strive to improve the current education system so it can provide future graduates the option to establish their own business ventures which, in turn, could help create jobs for hundreds, if not thousands, of the unemployed Filipinos.

Another path that the government should pursue involves the enhancement of technical and vocational education and the upgrading of degrees that can help develop local industries, such as agriculture. Currently, an education leading to blue-collar jobs is not appreciated by many young Filipinos. But some education experts warn that a change of mindset is necessary. Given the lack of white collar jobs locally and the fact that degrees earned in the Philippines do not always guarantee employment in foreign white-collar workplace, nearly two-thirds of the college graduates the country produces annually end up jobless. Experts contend that vocational and technical education leading towards blue-collar jobs is a viable way to lessen the unemployment rate in the country.

In the 1970’s, our neighboring countries such as Thailand and Vietnam used to send their scholars to the Philippines to learn about the country’s advancements in agriculture, among others in rice production. Nowadays, however, the table has been turned. It is disheartening to note that we are now importing rice from these countries. Considering that the Philippines is a largely agricultural country, government efforts to develop the agriculture sector in order to maximize its potential to provide jobs and livelihood to Filipinos has been very deficient. In light of this, the government must likewise effect changes in the education sector so that it can contribute more towards the improvement of the country’s agriculture. But if it continues to cut the education budget such that state agricultural training schools and colleges have very little to operate on, it is rather surprising if the number of agricultural jobs remains low.

If and when the call center industry packs up, maybe only then will the government look at agriculture more seriously.

The government may not find it difficult to meet the second requirement of keeping labor rates at their lowest. After all, it has failed and continually fails to take significant actions towards raising the Filipinos’ standard of living, beginning with providing a decent and livable wage to Filipino workers. For a long time now, there has been a great disparity between minimum wage and cost of living. As prices of commodities continue to spiral, wages remain at a constant low.

But the government may be more than willing to do this because the continuing boom of the call center industry works to its advantage. The industry serves as a convenient excuse for government’s complacency in creating more jobs and developing other industries. The industry may even cover for the lack of jobs delivered by the government vis-à-vis the million jobs targeted by the President before her term ends. It helps conceal government’s inability to deliver quality jobs wherein Filipino graduates can best apply and hone their skills.

If this quid pro quo arrangement is sustained, the sun may just continue shining on the Philippine call center industry. But even then, it is no assurance that Filipino workers can enjoy productive and fulfilling lives as a product of their sweat and toil.

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A bad idea

What had been a-brewing in the last months of 2004 and the first quarter of 2005 blew into a full storm when President Arroyo, without warning, presented to the Filipino people the groundwork for a national ID system: Executive Order 420. Signed on April 13, 2005, it was not announced to the media for a full week, until April 20, when Executive Secretary Eduardo Ermita (a retired army general) admitted such an EO had already been signed.

Apparently, the president was emboldened by a survey conducted by the Social Weather Station (SWS) from February 25 to March 10 (and released early April) showing that three out of five (or 60%) Filipino respondents were in favor of a National Identification card “to help in the fight against terrorism.” About half of the respondents expressed confidence “that the government can be trusted to protect the personal information contained in the card.”

There was immediate uproar from lawmakers and civil rights advocates. More than the “secrecy” that shrouded the signing of the EO was the concern over its impact on civil liberties, specifically on the right to privacy. Several lawmakers and civil society members petitioned the Supreme Court to nullify and declare it unconstitutional. The group asked for a temporary restraining order against EO 420.

Malacañang quickly tried to stifle public furor over the EO. There was no national ID system in place (not just yet), it assured the public. According to Malacañang, EO 420 merely directed all government agencies and government-owned and -controlled corporations (GOCCs) to “streamline and harmonize” their identification systems and tasked the National Economic and Development Authority (NEDA) to lead in its implementation. It is not compulsory, as it only covers government employees.

To preclude protests from human rights advocates, Malacañang marketed the dreaded EO as a public convenience: having a unified ID would reduce “unnecessary and costly redundancies” for both government agencies and transacting public; it would “facilitate access to and delivery of quality and effective government services;” and it would “facilitate private businesses.”

Nowhere in the EO is there mention of “national security,” although there is no doubt that this was the single motive for the entire scheme. By dissociating EO 420 from the issue of national security and the US-led “war on terror,” President Arroyo cleverly circumvented public opposition over the EO’s implications to civil liberties.

Yet only two months earlier, Malacañang had expressed support for the national ID bills pending in both the Senate and the Lower House, saying it was needed to help in the country’s “anti-terrorism” campaign. With each Filipino carrying only one ID, tracking down suspected “terrorists” would be easier, so the argument went.

That the EO is the first step towards a national ID system is not debatable. Even administration officials admit that EO 420 is just “a preliminary step toward its grand goal of imposing a much broader ID plan,” “a temporary measure” in the meantime that Congress has not yet passed a law. According to Secretary Ermita, “we will be moving toward a national ID system after several months” once there is already “the format, one standard, one color.” Justice Secretary Gonzales guaranteed that the national ID system “would eventually cover private individuals.”

Unfortunately, for the cause of civil rights, the storm over EO 420 quickly blew over; new scandals soon took center stage and promptly titillated public imagination. Media and public attention immediately got diverted by the more sensational “jue-teng” and “Hello Garci” scandals, leaving the Arroyo administration more elbow room to impose the national I.D. system at the expense of the rights and freedom of the Filipino people.

It is therefore just a matter of time. The “big brother” scenario will soon be a reality.

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On a killing spree

“SEEMINGLY systematic,” is how the Commission on Human Rights called it. The CHR was referring to the spate of killings and attacks on leaders and members of cause-oriented organizations, particularly the party-list group Bayan Muna.

Journalists were similarly doomed.

The most murderous place for journalists, according to the New York-based Committee to Protect Journalists (CPJ), is the Philippines. More dangerous even than war-torn Iraq or druglord infested Colombia. In Mindanao, journalists get hunted down and killed because they “pricked the ego” of someone powerful – a government official, a warlord. The price of a killer: P5,000. By May of this year, five journalists had been slain, bringing to 30 the number of journalists killed under the Arroyo presidency.

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“Maghigpit ng sinturon.”

Makatotohanan man o hindi ang mga economic targets ng gobyerno, ang mga ito ay balwala sa mga manggagawa na palaging una at palaging nagsasakripisyo ngunit huli sa benepisyo.

Natural na kasabay ng peligro sa ekonomiya ay ang patuloy na pagpasara ng mga pabrika at establisyemento. Ayon sa Partido ng Manggagawa (PM), 8,413 kumpanya na ang nalugi at nagresulta sa dislokasyon ng 217,179 mang-

“IHuman Rights FORUM

“Very risky business: flirting with a fatal fall is daily trade for these construction workers, who work without harnesses and other safety gear. Employers continue to openly defy laws on Filipino workers’ safety and welfare.”

Ni Jerbert M. Briola

Sa harap ng krisis at atrasadong lagay ng ating mga industriya ay nakaligtang banggitin ng gobyerno, sadya man o hindi, ang naging pangunahing papel ng patakaran ng liberalisasyon, pribatisasyon at deregulasyon alinsunod sa doktrina ng globalisasyon.

Sa ‘double-digit’ ang unemploy-
ment rate, 11.0% noon naka-raang taon, at naging 11.3% nitong Enero 2005.

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Ayon sa IMF-WB, ang pag-unlad ng isang bansa ay nakasalalay sa liberalisasyon — pagbubuksan ng ekonomiya, pribatisasyon — ang pagpapatupad ng mga kumpanyang pag-aari ng pamahalaan, at deregulasyon — ang pagtanggul ng mga restriksyon sa pamumuhunan at pilimihan. At sa pamamagitan lang ng pagpapatupad ng mga Structural Adjustment Programs (SAPs) ay maaaring makinabang ang bansa sa Structural Adjustment Loans (SALs) o mga programa ng pautang ng IMF at WB. Taas tingin ng goyerno, ito ang solusyon sa krisis.

Ngayon, ang mga patakarang ito ay lalong pinaitinging upang makuha ng goyerno, dahil ang ekonomiya sa dagat ng globalisa-nsa ang kompetisyon at sa gayon ay makabuwelo nang husto ang naantalang industriyalisasyon ng bansa.

**Krisis pagkatapos ng krisis**

Noong 1970, sa dikta ng IMF-WB, pinagtibay ni Marcos ang pagpapatupad ng ‘export-oriented industrialization strategy’ na nakasalalay sa ‘comparative advantage’ ng bansa — ‘cheap labor.’ Matingkad na mga usapan ng goyerno, Sa harap ng krisis at atrasadong lagay ng ating mga industriya ay nakalitang banggitin ng goyerno, sadya man o hindi, ang naging pangunahing papel ng patakarang ng liberalisasyon, pribatisasyon at deregulasyon alinsunod sa doktrina ng globalisasyon. Hindi kaila ang malaking papel ng International Monetary Fund (IMF), World Bank (WB), at iba pang pandaigdigang institusyon sa pananalapi sa pagusulong ng mga polisiyang ito.

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Ngayon, ang mga patakarang ito ay lalong pinaitinging upang makuha ng goyerno, dahil ang ekonomiya sa dagat ng globalisa-nsa ang kompetisyon at sa gayon ay makabuwelo nang husto ang naantalang industriyalisasyon ng bansa.

**Krisis pagkatapos ng krisis**

Noong 1970, sa dikta ng IMF-WB, pinagtibay ni Marcos ang pagpapatupad ng ‘export-oriented industrialization strategy’ na nakasalalay sa ‘comparative advantage’ ng bansa — ‘cheap labor.’ Matingkad na mga usapan ng goyerno, Sa harap ng krisis at atrasadong lagay ng ating mga industriya ay nakalitang banggitin ng goyerno, sadya man o hindi, ang naging pangunahing papel ng patakarang ng liberalisasyon, pribatisasyon at deregulasyon alinsunod sa doktrina ng globalisasyon. Hindi kaila ang malaking papel ng International Monetary Fund (IMF), World Bank (WB), at iba pang pandaigdigang institusyon sa pananalapi sa pagusulong ng mga polisiyang ito.
bansa ay cheap labor. Dagdag pa rito, dahil labor-intensive ang produksiyon sa ilalim ng export-oriented strategy, ‘semi-skilled’ ang mga manggagawa na karamihan’y kababaihan at mababa ang sahod. Sila ay matatagpuan sa assembly lines ng electronics, toys, parts, garments at iba pang produkong pangkalahat na gawa ng “non-traditional” manufacturing enterprises.

Nauso rin ang ‘subcontracting’ lalo na sa mga export-oriented industries tulad ng garments at footwear factories. Ito ay dahil sa pagbubukas ng bansa sa “malayang kompetisyon” kung saan ang mga garments, automotive parts, toys, at iba pang ‘export products’ ay kabilang sa international subcontracting na ang mga may-ari ay nasa abroad.


For those with hardly any capital, itinerant vending is a grueling option. Tahimik ang gobyerno hinggil sa ‘labor-only contracting (LOC) schemes’ ngunit ayon sa Labor Code ito ay ilegal. Tulad ng ibang batas sa bansa, maraming butas ang Labor Code na nagbigay daan upang maikutan ito ng mga kapitalista. Ang mga Department Orders (DO) ng Department of Labor and Employment (DOLE) ay lalo ring nagpakumplika sa halip na makapaglilibin sa isyu ng LOC. Lalong namayagpag ito sa maraming pagawaan at empresa at dumagsa ang mga manggagawang kaswal, part-time, at contractual mula 1996 hanggang 2002.

Ayon sa International Labor Organization (ILO), simula 1992 halos 73% ng pabrika at establisyemento sa bansa ay gumagana sa ilalim ng iba’t ibang “flexible” work arrangements tulad ng labor-only contracting, “consignment” hiring, agency hiring at subcontracting. Batay sa Philippine Labor Flexibility Survey noong 2000, dalawa sa bawat tatlong establisyemento ay nag-eempleyo ng mga di-regular na manggagawa. Halos kalahati o 46.6% ng mga “unskilled operators” sa 1,208 na establisyementong na-survey ay di-regular ang status sa trabaho; sila ay pamawang mga contractual, temporary, part-time o agency-hired. Ganito rin ang kalagayan ng 30% “skilled operators” at 41% ng “sales and service workers” na kasama sa nasabing pag-aaral.

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>1997</th>
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</thead>
<tbody>
<tr>
<td>Female workers</td>
<td>973</td>
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<tr>
<td>Young workers (15-24 yrs. old)</td>
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<tr>
<td>Minimum wage earners</td>
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<td>Time-related workers</td>
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<td>Piece-rated workers</td>
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<td>89</td>
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<td>40</td>
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<tr>
<td>Commission workers</td>
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<td>Part-time workers</td>
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<td>63</td>
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<tr>
<td>Casual workers</td>
<td>108</td>
<td>134</td>
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<tr>
<td>Contractual workers</td>
<td>320</td>
<td>401</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor and Employment Statistics (BLES)
Habang pinupulbos ng pandaigdigang kompetisyon ang lokal na agrikultura’t industriya, ang ‘labor export industry’ ang sumasalba sa naghilingalong ekonomiya ng bansa. Dati ang labor export ay pambansang tanong na ‘stop-gap measure’ lamang para tigunan ang lumalaking bilang ng walang trabaho at mapunan ang nasasalubong sa reserbang dolyar ng bansa.

Ngunit ngayon ay hindi na. Simula pa noong dekada sitenta patuloy na lumalaki ang bilang ng mga migranteng Pilipinong manggagawa. At sa matagal na panahon, ang kanilang dollar remittances na ngayon ay umaabot na sa $8.5 bilyon, ang patuloy na sumasagip sa kabuhayan ng bansa.

**OFWs’ remittances, % sa Gross National Product (GNP)**

<table>
<thead>
<tr>
<th>Taon</th>
<th>OFWs’ remittances (bilyon dolyar)</th>
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<tbody>
<tr>
<td>2000</td>
<td>6.0</td>
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<tr>
<td>2001</td>
<td>6.3</td>
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<tr>
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<td>2003</td>
<td>7.6</td>
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<tr>
<td>2004</td>
<td>8.5</td>
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</tbody>
</table>

Source: Bangko Sentral ng Pilipinas (BSP)

**Sulosyon na naging problema**

Sa halip na amining hindi pa tayo handang sumali sa pandaiidigang kompetisyon sa ilalim ng globalisasyon, ang sulsyon ng gobyerno sa krisis ay ibayong liberalisasyon, pribatisasyon at deregulasyon.


### EMPLOYED PERSONS BY MAJOR INDUSTRY GROUP

#### January 2004 - April 2005 (in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>32,217</td>
<td>31,634</td>
<td>31,741</td>
<td>31,632</td>
<td>31,533</td>
<td>31,547</td>
</tr>
<tr>
<td><strong>Agriculture</strong></td>
<td>10,992</td>
<td>11,359</td>
<td>11,785</td>
<td>11,450</td>
<td>11,113</td>
<td>11,174</td>
</tr>
<tr>
<td>Agriculture, Hunting and Forestry</td>
<td>9,629</td>
<td>9,949</td>
<td>10,420</td>
<td>10,082</td>
<td>9,775</td>
<td>9,775</td>
</tr>
<tr>
<td>Fishing</td>
<td>1,363</td>
<td>1,410</td>
<td>1,365</td>
<td>1,368</td>
<td>1,338</td>
<td>1,399</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>5,236</td>
<td>4,977</td>
<td>4,879</td>
<td>4,933</td>
<td>5,130</td>
<td>5,050</td>
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<tr>
<td>Mining and Quarrying</td>
<td>135</td>
<td>129</td>
<td>96</td>
<td>114</td>
<td>138</td>
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<tr>
<td>Manufacturing</td>
<td>3,201</td>
<td>2,995</td>
<td>3,020</td>
<td>3,056</td>
<td>3,063</td>
<td>3,104</td>
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<tr>
<td>Electricity, Gas and Water</td>
<td>119</td>
<td>128</td>
<td>121</td>
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<tr>
<td>Construction</td>
<td>1,781</td>
<td>1,725</td>
<td>1,643</td>
<td>1,653</td>
<td>1,792</td>
<td>1,713</td>
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<tr>
<td><strong>Services</strong></td>
<td>15,989</td>
<td>15,298</td>
<td>15,076</td>
<td>15,250</td>
<td>15,290</td>
<td>15,322</td>
</tr>
<tr>
<td>Wholesale &amp; Retail Trade, Repair of Motor Vehicles, Motorcycles &amp; Personal &amp; Household Goods</td>
<td>6,398</td>
<td>5,910</td>
<td>5,788</td>
<td>5,901</td>
<td>5,974</td>
<td>5,823</td>
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<tr>
<td>Hotels and Restaurants</td>
<td>877</td>
<td>836</td>
<td>798</td>
<td>805</td>
<td>791</td>
<td>830</td>
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<tr>
<td>Transport, Storage and Communication</td>
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<td>2,526</td>
<td>2,446</td>
<td>2,465</td>
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<tr>
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<td>364</td>
<td>304</td>
<td>298</td>
<td>348</td>
<td>339</td>
<td>327</td>
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<tr>
<td>Real Estate, Renting and Business Activities</td>
<td>776</td>
<td>711</td>
<td>702</td>
<td>691</td>
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<td>697</td>
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<tr>
<td>Public Administration &amp; Defense, Compulsory Social Security</td>
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<td>1,436</td>
<td>1,450</td>
<td>1,414</td>
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<tr>
<td>Education</td>
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<td>959</td>
<td>958</td>
<td>976</td>
<td>882</td>
<td>937</td>
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<td>Health and Social Work</td>
<td>377</td>
<td>382</td>
<td>361</td>
<td>375</td>
<td>341</td>
<td>365</td>
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<tr>
<td>Other Community, Social &amp; Personal Service Activities</td>
<td>843</td>
<td>763</td>
<td>809</td>
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<td>868</td>
<td>879</td>
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<tr>
<td>Private Households with Employed Persons</td>
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<td>1,443</td>
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<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
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</tr>
</tbody>
</table>

Source: National Statistics Office (NSO)

**Depleted fishery resources: Years of overfishing, and destructive and unsustainable fishing methods have taken a toll on the country’s marine resources. Artisanal fishermen have to spend more time at sea yet head home with fewer fish catch.**

**January 2004 - April 2005 (in thousands)**

### EMPLOYED PERSONS BY MAJOR INDUSTRY GROUP

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<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
</tr>
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</table>

Source: National Statistics Office (NSO)
Bagaman nagpalit ng industrialization strategy ang bansa mula sa palpak na ‘import substitution’ ay naging export-oriented, patuloy na humina ang kapasidad ng mga pangunahing industriyang lumikha ng bagong trabaho o ang sinasabing ‘labor absorptive capacity.’ Kung susuriin, sa labor force ng bansa, 14-15% lamang ang may trabaho at 9-19% lamang dito ang nasa manufacturing.

Samantala, ang agrikultura na may pinakamalawak na produksiyon sa bansa ay hindi ang mahusay sa bagong industriya dahil dito ang halos 50% ang kakayahan ng industriyang lumikha ng empleyo. Lohikal lamang na humantong ito sa biglaang pagtaas ng unemploy-ment rate at lumaki rin ang bilang ng mga nagtatrabaho sa service sector at informal sector na pawang mga ‘catch basins’ dahil sa dami ng walang trabaho sa bansa.

Kalamidad ang idinulot ng liberalisasyon sa lokal na agrikultura. Dahil sa pagbaba ng taripa, naging mura ang mga imported na produktnong agrikultural na lalaban sa merkado ng lokal na mga magsasaka.

The weakened capacity of the agriculture sector to absorb labor drives rural folk to seek livelihood opportunities in the urban centers, where job prospects are just as grim.

When employment opportunities are not available, enterprising housewives try their hand at home-based livelihood ventures like handicraft making.

Ngunit kalamidad ang idinulot ng liberalisasyon sa lokal na agrikultura. Dahil sa pagbaba ng taripa, naging mura ang mga imported na produktnong agrikultural na lalaban sa merkado ng lokal na mga magsasaka. Sa katunayan, ang kabuuang produksyon ng export at home-oriented subsectors ng industriya tulad ng asukal at bigas ay umabot lamang sa 0.23% mula 1994 hanggang 1998 at ito ay pinakamababa kum-
Alamin ang inyong mga KARAPATAN

Ano ang ‘night shift differential’?

Ayon sa Chapter 1, Book 3 ng Phil. Labor Code (PLC), ito ay dagdag na bayad sa mga manggagawang magtrabaho sa pagitan ng alas diyes hanggang alas sais ng umaga. Ang halaga nito ay 10% ng kabuuang bilang ng mga natanggap nung panahong ito.

Magkano naman dapat ang ‘overtime pay’?

Ang pagtatrabaho ay itinuturing na ‘overtime’ kapag ginawa lampas sa regular na 8 oras sa isang araw. Ang karagdagang bayad ay hindi dapat bumaba sa 25% ng regular na sahod. (Chapter 1, Book 3, PLC)

Dapat ding bayaran nang doble sa regular na sweldo ang mga empleyadong magtatrabaho sa mga araw na itinuturing na piyesta opisyal o ‘legal holidays.’

Alam ba ninyo na . . .

Tungkulin ng ‘employer’ na maglagay ng ‘first-aid kit’ sa lugar ng trabaho at magbigay ng libreng serbisyong medikal at dental para sa mga empleyado. (Chapter 1, Book 4, PLC)

Alam ba ninyo na . . .

Hindi dapat bawasan ng ‘employer’ ang sweldo ng manggagawa pwera na lang sa mga sumusunod na sitwasyon:

a) ‘Insured’ ang empleyadong maya para mabayaran ang ‘premium’ ng insurance;

b) Ang aawasin ay ‘union dues’ kung saan ang unyon ay kinikilala ng ‘employer’ at ang pag-awas ay pinayagan ng manggagawa at;

c) Kung pinayagan ng batas na mag-awas ang ‘employer.’

Ilegal ding ipakagkt ng sinuman ang anumang bahagi ng sweldo ng isang manggagawa o bawasan ito bilang kapalit ng pagkakong bibigyan pa ng trabaho o hindi tatanggali sa trabaho ang isang employed.

Magkakasala rin sa batas ang mga ‘employers’ na hindi magpapasweldo o magbabawas sa sweldo ng mga empleyadong nagreklamo o nagkaso laban sa kanila. (Chapter 4, Title II, Book III, PLC)

Wheel-chair bound but still productive: a worker at the Tahanang Walang Hagdan, which produces handicraft of export quality.
### List of Activist Killings

<table>
<thead>
<tr>
<th>NAME</th>
<th>AGE</th>
<th>POSITION</th>
<th>WHEN</th>
<th>WHERE</th>
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</thead>
<tbody>
<tr>
<td>Pablito Ignacio</td>
<td>44</td>
<td>Member, Bayan Muna-Bulacan</td>
<td>Jan. 11, 2005</td>
<td>San Ildefonso,</td>
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<tr>
<td>Noel Garcia</td>
<td>40</td>
<td>Member, AMC (Alyansa ng Magbubukid sa Gitnang Luzon-Pampanga)</td>
<td>Feb. 1, 2005</td>
<td>Guagua, Pampanga</td>
</tr>
<tr>
<td>Abe Sunjit</td>
<td>44</td>
<td>Member, Karapatan-Palawan</td>
<td>Feb. 5, 2005</td>
<td>Roxas, Palawan</td>
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<tr>
<td>Ronnie Almoete</td>
<td>38</td>
<td>Member, Bayan Muna/Urban Poor sector</td>
<td>Feb. 5, 2005</td>
<td>Cotta, Lucena City</td>
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<tr>
<td>Rodrigo Lampa</td>
<td>40</td>
<td>Member, AMC (Alyansa ng Magbubukid sa Gitnang Luzon-Pampanga)</td>
<td>Feb. 16, 2005</td>
<td>Barangay Lambac, Guagua, Pampanga</td>
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<tr>
<td>Chrispin Amazona</td>
<td>40</td>
<td>Public Relations Officer, UMRAY Calamity Victims Association Inc. (UCVAI); member, Anakpawis-Dingalan, Aurora</td>
<td>Feb. 16, 2005</td>
<td>La Paz, Tarlac</td>
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<td>Renato Espino</td>
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<td>Balanga, Bataan</td>
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<td>Joey Abraham</td>
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<td>Local leader, Central Luzon Aeta Association (CLAA)</td>
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<td>Balanga, Bataan</td>
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<tr>
<td>Abelardo “Abel” Ladero</td>
<td>45</td>
<td>Councilor-Tarlac City; Member-Bayan Muna; Convenor-Kapitbisig support campaign for the families and victims of Hacienda Luisita Massacre</td>
<td>March 3, 2005</td>
<td>Barangay Paraiso, Tarlac City</td>
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<tr>
<td>Romeo “Romy” Sanchez</td>
<td>39</td>
<td>Regional Coordinator-Bayan Muna (Ilocos); Secretary General, Bayan-Ilocos</td>
<td>March 9, 2005</td>
<td>Baguio City</td>
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<td>Ernesto Bang</td>
<td></td>
<td>Public Information Officer, Ikilusang Magbubukid ng Pilipinas-Camarines Norte</td>
<td>March 10, 2005</td>
<td>Barangay Malangkaw, Basud, Labo, Camarines Norte</td>
</tr>
<tr>
<td>Jose Guiriba</td>
<td></td>
<td>Member, Anakpawis</td>
<td>March 12, 2005</td>
<td>Barangay Paracos, Donsol, Sorsogon</td>
</tr>
<tr>
<td>Fr. William Tadena</td>
<td>37</td>
<td>Parish priest and head of human rights desk of Iglesia Filipina Independiente (IF)-Diocese of Tarlac; Member, Promotion of Church People’s Response (PCPR)</td>
<td>March 13, 2005</td>
<td>La Paz, Tarlac</td>
</tr>
<tr>
<td>Atty, Felidito Dacut</td>
<td>51</td>
<td>Regional Coordinator, Bayan Muna-Eastern Visayas; known human rights lawyer and active member; Integrated Bar of the Philippines-Leyte chapter</td>
<td>March 14, 2005</td>
<td>Tacloban City</td>
</tr>
<tr>
<td>Joel T. Reyes</td>
<td>33</td>
<td>Member, Anakpawis-Camarines Norte</td>
<td>March 16, 2005</td>
<td>Panganiban, Camarines Norte</td>
</tr>
<tr>
<td>Henry Flores</td>
<td></td>
<td>Member, Anakpawis</td>
<td>March 16, 2005</td>
<td>Land Transportation Office, Mandaue City, Cebu</td>
</tr>
<tr>
<td>Victor “Ka Ben” Concepcion</td>
<td></td>
<td>Secretary General, (Alyansa ng Magbubukid sa Gitnang Luzon-Pampanga); Coordinator, Anakpawis chapter of Mexico, Pampanga</td>
<td>March 17, 2005</td>
<td>Mexico, Pampanga</td>
</tr>
<tr>
<td>Edwin Bargamento</td>
<td></td>
<td>Organizer-Negros Federation fo Sugar Workers</td>
<td>April 13, 2005</td>
<td></td>
</tr>
<tr>
<td>Alfredo Davis</td>
<td>38</td>
<td>Municipal Coordinator, Bayan Muna</td>
<td>April 15, 2005</td>
<td>Mahaplag, Leyte</td>
</tr>
</tbody>
</table>

THE PHILIPPINE ECONOMY: FACTS AND FIGURES

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>LATEST</th>
<th>YEAR-AGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>GNP Growth Rate (At Constant 1985 Prices)</td>
<td>4.7% 2nd Qtr 2005</td>
<td>7.4% 2nd Qtr 2004</td>
</tr>
<tr>
<td>GDP Growth Rate (At Constant 1985 Prices)</td>
<td>4.8% 2nd Qtr 2005</td>
<td>6.5% 2nd Qtr 2004</td>
</tr>
<tr>
<td>Imports</td>
<td>US$ 4,005 million June 2005</td>
<td>US$ 3,778 million June 2004</td>
</tr>
<tr>
<td>Trade Balance</td>
<td>US$ (653) million June 2005</td>
<td>US$ (460) million June 2004</td>
</tr>
<tr>
<td>Balance of Payments</td>
<td>US$ 783 million 1st Qtr 2005</td>
<td>US$ (378) million 1st Qtr 2004</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>7.3% July 2005</td>
<td>7.1% July 2004</td>
</tr>
<tr>
<td>National government outstanding debt</td>
<td>P 3,888.9 billion May 2005</td>
<td>P 3,522.9 billion May 2004</td>
</tr>
<tr>
<td>Peso per US $</td>
<td>P 56.006 July 2005</td>
<td>P 55.953 July 2004</td>
</tr>
<tr>
<td>Consumer Price Index 2000=100</td>
<td>130.5 July 2005</td>
<td>121.8 July 2004</td>
</tr>
<tr>
<td>Headline Inflation Rate 2000=100</td>
<td>7.1 July 2005</td>
<td>6.6 July 2004</td>
</tr>
<tr>
<td>Core Inflation Rate 2000=100</td>
<td>6.8 July 2005</td>
<td>6.2 July 2004</td>
</tr>
<tr>
<td>Underemployment Rate</td>
<td>26.1% April 2005</td>
<td>---</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>8.3% April 2005</td>
<td>---</td>
</tr>
</tbody>
</table>

SOURCES OF DATA: National Statistical Coordination Board, National Statistics Office, Bangko Sentral Ng Pilipinas, Bureau of Treasury, Department of Education, Department of Tourism, Philippine Stock Exchange, Inc.

Gross National Product and Gross Domestic Product by Industrial Origin

<table>
<thead>
<tr>
<th>Period</th>
<th>GDP</th>
<th>GNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>990,999</td>
<td>1,059,603</td>
</tr>
<tr>
<td>Q2</td>
<td>1,028,995</td>
<td>1,106,930</td>
</tr>
<tr>
<td>Q3</td>
<td>1,049,687</td>
<td>1,126,047</td>
</tr>
<tr>
<td>Q4</td>
<td>1,223,345</td>
<td>1,298,862</td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>1,093,124</td>
<td>1,169,070</td>
</tr>
<tr>
<td>Q2</td>
<td>1,158,608</td>
<td>1,255,545</td>
</tr>
<tr>
<td>Q3</td>
<td>1,197,447</td>
<td>1,278,019</td>
</tr>
<tr>
<td>Q4</td>
<td>1,377,163</td>
<td>1,464,940</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>1,217,944</td>
<td>1,305,928</td>
</tr>
<tr>
<td>Q2</td>
<td>1,291,399</td>
<td>1,399,077</td>
</tr>
</tbody>
</table>

9.6% More Overseas Filipino Workers in the First Half of 2005

FROM the report released by the Philippine Overseas Employment Administration (POEA), there were 541,201 overseas Filipino workers (OFWs), both new hires and rehires, deployed during the first half of 2005, reflecting a growth of 9.6 percent compared to the same period last year.

The top 5 destinations: Saudi Arabia at 112,295, Hong Kong at 54,477, United Arab Emirates at 43,970, Japan at 32,210 and Taiwan at 27,151.

AVERAGE OFW REMITTANCE

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>(Pesos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Netherlands</td>
<td>217,000</td>
</tr>
<tr>
<td>2. United Kingdom</td>
<td>123,632</td>
</tr>
<tr>
<td>3. Germany</td>
<td>113,024</td>
</tr>
<tr>
<td>4. Libya</td>
<td>107,973</td>
</tr>
<tr>
<td>5. Bahrain</td>
<td>90,043</td>
</tr>
<tr>
<td>6. United States</td>
<td>84,980</td>
</tr>
<tr>
<td>7. France</td>
<td>84,833</td>
</tr>
<tr>
<td>8. Canada</td>
<td>80,198</td>
</tr>
<tr>
<td>9. South Korea</td>
<td>78,815</td>
</tr>
<tr>
<td>10. Norway</td>
<td>75,915</td>
</tr>
</tbody>
</table>

OTHERS

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saipan</td>
<td>30,911</td>
</tr>
<tr>
<td>Lebanon</td>
<td>27,173</td>
</tr>
<tr>
<td>Malaysia</td>
<td>19,407</td>
</tr>
</tbody>
</table>

WOMEN-LED HOUSEHOLDS EARN MORE

<table>
<thead>
<tr>
<th></th>
<th>Female-headed household</th>
<th>Male-headed household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average monthly income as of 2000</td>
<td>P1,000 higher</td>
<td>---</td>
</tr>
<tr>
<td>Employment rates</td>
<td>2% higher</td>
<td>---</td>
</tr>
<tr>
<td>Family income</td>
<td>20% from abroad</td>
<td>5% from abroad</td>
</tr>
<tr>
<td>Spending habits</td>
<td>Personal care, education and medical services</td>
<td>Alcoholic beverages, tobacco and food</td>
</tr>
<tr>
<td>Savings rate</td>
<td>4% higher</td>
<td>---</td>
</tr>
</tbody>
</table>

EDUCATION

Results of Most Recent Standardized Tests

National Achievement Test (NAT):
- 97.9% of graduating high school students failed
- 90.0% of the students scored less than 50
- The average score of students in English was 50%

High School Readiness Test (HSRT)
- 92.0% of the examinees failed
- 7.9% got a score of 50% or above
- 0.6% got a score of 75% or above
- 50% of examinees scored below 30%

Per Capita Budget for Education of Selected Asia-Pacific Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Per Capita Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>$3,981</td>
</tr>
<tr>
<td>Japan</td>
<td>$3,872</td>
</tr>
<tr>
<td>Singapore</td>
<td>$1,582</td>
</tr>
<tr>
<td>Thailand</td>
<td>$1,048</td>
</tr>
<tr>
<td>Thailand</td>
<td>$852</td>
</tr>
<tr>
<td>Philippines</td>
<td>$138</td>
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</table>

EDUCATION FAST FACTS

Enrollment Projections

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>22.7 million</td>
<td></td>
</tr>
<tr>
<td>New Entrants, Grade 1(^1)</td>
<td>3.6 million</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preschool(^2)</td>
<td>349,653</td>
<td>297,880</td>
</tr>
<tr>
<td>Elementary</td>
<td>12,110,265</td>
<td>962,122</td>
</tr>
<tr>
<td>Secondary</td>
<td>5,251,828</td>
<td>1,268,255</td>
</tr>
<tr>
<td>College</td>
<td>917,126</td>
<td>1,564,707</td>
</tr>
</tbody>
</table>

Teacher-Pupil Ratio\(^3\)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>1:36</td>
</tr>
<tr>
<td>Secondary</td>
<td>1:40</td>
</tr>
</tbody>
</table>

Textbook Ratio\(^4\)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>1:1.0826</td>
</tr>
<tr>
<td>Secondary</td>
<td>1:1.2510</td>
</tr>
</tbody>
</table>

No. of Teachers

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>371,384 (89% female)</td>
</tr>
<tr>
<td>Secondary</td>
<td>163,646</td>
</tr>
<tr>
<td>College</td>
<td>109,979 (55% female)</td>
</tr>
</tbody>
</table>

Shortages

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Classrooms</td>
<td>57,000</td>
</tr>
<tr>
<td>Teachers</td>
<td>10,000</td>
</tr>
</tbody>
</table>

No. of students in a classroom

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowable number of students</td>
<td>56</td>
</tr>
<tr>
<td>Actual number of students</td>
<td>More than 60</td>
</tr>
</tbody>
</table>

Education budget

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DepEd</td>
<td>P103.6 billion (highest after debt service)</td>
</tr>
</tbody>
</table>

Education Expenditures

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% to total government expenditures</td>
<td>17.8</td>
</tr>
<tr>
<td>% to GDP</td>
<td>3.1</td>
</tr>
</tbody>
</table>

\(^1\) Project at last year’s increase of elementary enrollment
\(^2\) Based on SY 2001-2002 enrollment
\(^3\) Public schools only, SY 2002-2003
\(^4\) Average textbook ratio as of May 16, 2005


Mathematics Scores in the Philippines and Other Countries

<table>
<thead>
<tr>
<th>Content Area</th>
<th>International Average</th>
<th>Singapore</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algebra</td>
<td>44 - 52</td>
<td>68 - 76</td>
<td>28 - 31</td>
</tr>
<tr>
<td>Geometry</td>
<td>49 - 56</td>
<td>69 - 76</td>
<td>30 - 32</td>
</tr>
<tr>
<td>Fractions &amp; Number Sense</td>
<td>53 – 58</td>
<td>79 - 84</td>
<td>36 – 39</td>
</tr>
</tbody>
</table>

Rice and Corn Stocks Increase as of July 1, 2005

As reported by the Bureau of Agricultural Statistics (BAS) and the National Food Authority (NFA), rice stocks in the country as of July 1, 2005 reached 1,629.8 thousand metric tons, growing by 3.3 percent compared to the same period last year. The July 2005 stocks was good for a 57-day supply of rice in the country, distributed as follows: households, 46.5%, commercial establishments, 21.4 % and NFA, 32.2 %.

Corn stocks, estimated at 236.8 thousand metric tons as of July 1, 2005, increased by 24.1 percent compared to the July 2004 stocks. Total corn stocks distribution showed that commercial warehouses held 75.2% while households stored 24.8%.

The Right Words:

I am not interested in picking up crumbs of compassion thrown from the table of someone who considers himself my master. I want the full menu of rights.

~Bishop Desmond Tutu, 1984 Nobel Peace Prize Winner

IN THIS QUARTER:

1. The First International Conference on Human Rights was held in Teheran, Iran from April 22 to May 13, 1968. The conference was held to review the progress made in the 20 years since the adoption of the Universal Declaration of Human Rights and to formulate an agenda for future actions. Delegates to the International Conference, in a document called the Proclamation of Teheran, urged “all peoples and Governments to dedicate themselves to the principles enshrined in the Universal Declaration of Human Rights and to redouble their efforts to provide for all human beings a life consonant with freedom and dignity and conducive to physical, mental, social and spiritual welfare.”

2. The World Conference on Human Rights was held in Vienna, Austria on June 14-25, 1993, during which, 171 States adopted by consensus the Vienna Declaration and Programme of Action of the World Conference on Human Rights. The Declaration, aimed at strengthening human rights work around the world, recognized that “human rights education, training and public information were essential for the promotion and achievement of stable and harmonious relations among communities and for fostering mutual understanding, tolerance and peace.” The Conference recommended that States “should strive to eradicate illiteracy and should direct education towards the full development of the human personality and the strengthening of respect for human rights and fundamental freedoms.” It exhorted all States and institutions “to include human rights, humanitarian law, democracy and rule of law as subjects in the curricula of all learning institutions in formal and non-formal settings.”
Established in July 1991 by the Philippine Alliance of Human Rights Advocates (PAHRA), PhilRights seeks to undertake and disseminate human rights information, research, and analyses where and when they are needed.

As a service institution that exists for both PAHRA and the general public, PhilRights aims to:

- Deepen awareness, knowledge, and understanding of PAHRA and the general public about human rights conditions, issues, and mechanisms;
- Work for a dynamic human rights movement that is able to mobilize sectors and groups for timely and effective intervention in the promotion and defense of human rights by making available human rights information and tools in information handling and dissemination;
- Help ensure state compliance with its human rights obligations through active monitoring and engagement;
- Strengthen cooperation and partnership with local and international networks in the conduct of human rights activities through lively exchange and sharing of information; and
- Enhance capability of human rights organizations in the promotion and defense of human rights through education and training on research, advocacy and information handling and dissemination.

ANNOUNCEMENT

Since April 2004, the Philippine Human Rights Information Center (PhilRights) has been accepting interns for its Internship Program. The program is open to college students, researchers or professionals who are interested in doing internship work in an NGO like PhilRights. For details, please contact Mr. Pepito D. Frias, PhilRights’ Training Associate at telephone numbers 433-17-14 & 920-95-73.