“Action may not always bring happiness, but there is no happiness without action.”

Benjamin Disraeli (1804 – 1881) Lothair

The labor situation in the past years varies only in the degree of exploitation and supplied statistics but the conditions are no better than before. As Renato Magtubo, former party-list representative and chair of Partido Manggagawa (PM), sees it, the labor movement is relatively weak, disorganized, and divided, largely compromising their defenses against the abuses of the owners of capital.

Except for some workers who are unionized and are enjoying collective bargaining agreements (CBAs) and those employed by conscientious employers who adhere to the mandated general labor standards, workers in general receive starvation wages and do not have enough benefits—if they get anything at all. Quite a number are employed as contractual workers, and in their situation, security of tenure is practically non-existent.

Nowadays, most Filipinos’ goal is to work abroad because of scarce employment opportunities in the country. Even if there are jobs here, most of them are low paying and under worst conditions. At any given day, one can see hundreds lining up at the Department...
of Foreign Affairs (DFA) for their passports. They are not planning to go to other countries as tourists, but as workers forced to abandon their families and endure long periods of separation just to earn a living in foreign lands.

To ensure overseas employment, students are enrolling in courses that are suited for the overseas job market. Even those who are enrolled in technical/vocational courses are gearing up their careers to the demand set by other countries. Even those already employed in the private and public sector are still setting their sights on overseas jobs.

Instead of sending waves of alarm to the country’s leaders, the increasing number of Filipino workers leaving for overseas jobs only makes the government proud. Despite the State policy to create employment locally to curb the exodus of Filipino workers, the present regime is pleased because of the billions of dollar remittances that flow into the Philippine economy. It has all the reason to be pleased: these dollar remittances are keeping the country’s economy afloat and concealing the failure of the government to steer the country out of the pits of poverty.

Recently, the Department of Labor and Employment (DOLE) and the Philippine Overseas Employment Agency¹ (POEA) happily announced that 1,012,954 OFWs in the land-based and sea-based sectors were deployed in various destinations worldwide from January to December 9, 2007. It was touted that about 73% of the 766,340 land-based workers are in “high-end jobs” (up from 60% in 2006). What this means is that the brain drain is now at a level of hemorrhage: the country’s professionals and skilled human resources are being depleted.

However, the recipients of dollar-earning Filipinos are not necessarily joyful at present because the value of their dollar is falling down. The rise in the peso’s value, while making the President quite ecstatic, spells more hardship to families dependent on remittances for their day-to-day survival.
in October of 2007, sixteen (16) million workers are poor, with each earning only P41 per day. The group claimed that the workers’ low income, combined with the skyrocketing prices of goods and services, fuels the rising poverty and hunger in the country. With the widely expected recession in the United States, the Philippines’ biggest export market and one of the biggest sources of remittances, a major blow to our economy is inevitable. This economic crunch will be felt most by the poor and marginalized.

The government is continually blaring that the economy grew as indicated by the 7.3% growth in the gross domestic product (GDP). According to NEDA, it is the best economic performance since 1976, when the country was under the Marcos dictatorship. Critics however contend that the government’s improved fiscal condition was partly from the sale of state-owned assets. Other economists argue that such a remarkable growth was unlikely, especially in the agriculture sector, considering that farm production was hit by drought. They also argued that imports were likely understated because many items were smuggled into the country.

Whether there was really a 7.3% growth, the question remains: where are the fruits of economic growth? Were these enjoyed by the poor majority or just ended up in the pockets of a few?

According the Senator Villar, it will take 4 years of sustained GDP growth before “benefits” trickle down to the hungry masses.

Statistics

Presently, the government is giving us a rosy picture and is bragging about the single-digit unemployment rate of 6.3% of the 35.9 M labor force (Refer to Table 1). This is reportedly much lower than the 7.3% unemployment rate in 2006. If the statistics are true, then only about 2.26 million Filipinos are unemployed.

The employment rate on record was highest in Cagayan Valley (97.7%), which, if true, is close to having full employment. Zamboanga Peninsula is second at (97.1%), the Autonomous
Region in Muslim Mindanao (97.0%), Cordillera Administrative Region (96.9%), Eastern Visayas (96.8%) and MIMAROPA (96.3%). Only the National Capital Region (NCR) recorded a double-digit unemployment rate of 10.6 percent, which is also the highest among the regions.

From the looks of it, there is an indication of improving local employment. However, as former NEDA Secretary Cielito Habito observed,\(^5\) 70% of the new jobs came from the services sector only. The biggest contributor was the transport (pedicabs, tricycles and jeepneys), storage and communication sectors with 137,000 new jobs. The real estate and business activities, including the call centers and business process outsourcing (BPO), contributed some 79,000 new jobs. The industry sector composed of mining, manufacturing, utilities and construction created 172,000 new jobs. Government construction projects contributed substantially to job-creation last year. However, these jobs are temporary and very low paying (not to mention the highly risky working environment). Upon the completion of the construction project, the laborer is left without any employment and has to start hunting anew for a job. There is a question then on the sustainability of these jobs.

It must also be noted, that in April 2005, a new unemployment definition was adopted by the NSCB, through Resolution \# 15 dated October 20, 2004\(^6\). With a single stroke of the pen, a huge chunk was magically removed from the unemployment and underemployment statistics.

Quite alarming is the high underemployment record: those who cannot cope with the rising cost of living and desire additional hours of work to augment their meager earnings. Underemployment rate was estimated at 18.1 percent in October 2007, or 6.5 million of the labor force.
WE ARE ON STRIKE

IBIGAY NA ANG AMING KAHILINGAN

PHILRIGHTS PHOTOBANK
Table 1. Employment Statistics

<table>
<thead>
<tr>
<th>PHILIPPINES</th>
<th>October 2007</th>
<th>October 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total 15 years old and over (in ‘000)</td>
<td>56,864</td>
<td>55,988</td>
</tr>
<tr>
<td>Labor Force Participation Rate</td>
<td>63.2 %</td>
<td>64.0 %</td>
</tr>
<tr>
<td>Labor Force (in M)</td>
<td>35.9 M</td>
<td>35.8 M</td>
</tr>
<tr>
<td>Employment Rate</td>
<td>93.7 %</td>
<td>92.7 %</td>
</tr>
<tr>
<td>Employed (in M)</td>
<td>33.63 M</td>
<td>33.18 M</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>6.3 %</td>
<td>7.3 %</td>
</tr>
<tr>
<td>Unemployed (in M)</td>
<td>2.26 M</td>
<td>2.61 M</td>
</tr>
<tr>
<td>Underemployment Rate (%)</td>
<td>18.1%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Underemployed (in M)</td>
<td>6.5 M</td>
<td>7.3 M</td>
</tr>
</tbody>
</table>

Source: NSCB

State of workers’ rights

While the working class forms the majority of the population, its power has not been maximized, especially in articulating and pressing for labor rights.

1. Right to collective bargaining

The Philippine Constitution guarantees the rights of workers to organize and to bargain collectively, as well as to participate in policy and decision-making processes directly affecting them. Further, Article 211 of the Labor Code expressly recognizes collective bargaining and industrial democracy as the preferred modes of defining labor-management relations.

While considered an effective mode in wage-setting (instead of the legislated and the regional wage boards), collective bargaining agreement (CBA) has not been successful because of very small number of unions. And at the rate it is going, the future is bleaker because of systematic denial of the right to form unions.

CBA is also an empowering tool for the workers in the workplace to check abuses by the employers, no wonder the capitalists are blocking the formation of unions. Among the tactics used to deny unionization are: threats/promotions to leaders; reorganization; closures/lockouts; and the more recent and popularly used tactic,
the employment of contractual workers.

2. Right to security of tenure

Contractualization is a violation of the workers’ right to security of tenure and is a concealed form of labor-only contracting. But it has become common practice, especially in the so-called economic zones, largely because of the government’s lack of serious effort to stop this phenomenon.

In the Cavite Ecozone for example, contractual workers outnumber regular workers. Some of these casual workers were made to sign 5 or 6-month contracts, without receiving any explanation regarding the contents of the contracts, such as salaries and wages, summary of benefits, terms and employment arrangements, working hours, and other pertinent working conditions as provided for under the Labor Code of the Philippines (Section 39, Master Employment Contracts, of RA 7916 as amended by RA 8748, or the Special Economic Act of 1995). Some of them were not even given a copy of their contracts.

Although there are conflicting data available on the number of contractual workers in the country, preliminary estimates show that the fast increasing number of contractual workers will soon outnumber regular workers.

It is also becoming the practice of some establishments to terminate employees without just cause. Some employers send contractual workers home even before the contract is supposed to end, simply informing them that their contract is finished. Cases like these are recorded in some factories when the Christmas season is forthcoming and workers are looking forward to receiving their 13th month pay.

3. Right to organize

Despite provisions in the Labor Code that protect the right to organize, a number of establishments in the Ecozones have “No Union, No Strike” policies. The ban against unions and strikes is
used to lure investors to the country.

Deprived of unions that can protect individuals from repressive and abusive employers, workers could not advance to the more critical stage of engaging the employers in collective bargaining process. They could not even attempt to launch mass actions for fear of losing their jobs.

Though the administrators of the Ecozones officially deny it, the employers are openly telling the workers that forming unions inside the zones is not allowed. Workers are also told that anyone who dares organize fellow workers will face severe consequences. With limited union memberships, fewer Filipino workers are presently therefore covered by CBAs.

Table 2. Union Membership and CBA Coverage

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Union Membership</th>
<th>CBA Coverage</th>
</tr>
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<tbody>
<tr>
<td>1990</td>
<td>3,055,091</td>
<td>497,317</td>
</tr>
<tr>
<td>1995</td>
<td>3,586,835</td>
<td>363,514</td>
</tr>
<tr>
<td>2000</td>
<td>3,788,304</td>
<td>484,278</td>
</tr>
<tr>
<td>2004</td>
<td>1,572,000</td>
<td>555,000</td>
</tr>
<tr>
<td>2006 (partial)</td>
<td>1,901,000</td>
<td>266,000</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor and Employment Statistics and Bureau of Labor Relations

Graph 1: Union Membership and CBA Coverage

Source: Bureau of Labor and Employment Statistics and Bureau of Labor Relations
4. Right to strike

The right to strike, perhaps the most potent weapon available to workers who are abused, has been eroded. In 2007, only seven strikes were reported. Among these was the one staged by the workers of the Philippine National Construction Company (PNCC) in late December. Between January and December 15, 2007, the six other strikes recorded by the Department of Labor and Employment (DOLE) had a total worker participation of 915.

But records provided by the Labor Department show that there were 286 Notices of Strike/Lockout filed as of October 2007. The majority of these notices were filed on grounds of unfair labor practice while the rest involved deadlock in bargaining negotiations. If these notices did not advance to the strike/lockout phase, one is tempted to believe that the unions were satisfied with the outcome of the negotiations. Veteran labor leaders believe otherwise.

One of the reasons for the low strike turnout is because of the assumption of jurisdiction (AJ) exercised by the DOLE. In fact, the management had discovered that the best way to parry the workers’ right to collective bargaining was to immediately push the negotiation to a deadlock. In these cases, to resume negotiation or to force the employer to come back to the negotiating table, the workers had no alternative but to file for a notice of strike (NOS) as mandated by law before the union can resort to mass actions. It is there where the management and DOLE are waiting.

Under the AJ, the labor department settles labor disputes and the workers could not stage mass actions because these would be declared illegal and their leaders terminated. The DOLE could also send the police or armed forces to implement a return-to-work order. If the workers refuse, they can be summarily terminated and their pickets dispersed.

On the other hand, if the employers refuse to honor DOLE’s orders, (as in the case of PNCC, among others) the government’s labor department is inutile to enforce its mandate.
5. Starvation wages

The call for higher wages, in the face of the plummeting purchasing power of the peso, also fell on deaf ears.

The National Wages and Productivity Commission estimates that the family living wage per day, based on NSCB Cost Menus, is P800.00 for a family of six (for those in the National Capital Region). However, the minimum wage in the NCR is pegged at P362.00 per day (or a difference of P438.00).

The latest attempt by workers to push for a legislated wage increase that nearly succeeded was during the previous (13th) Congress, through House Bill 345. It sought a P125 across-the-board wage increase. But it was blocked single-handedly by Rep. Gilbert Remulla of Cavite before it reached the Senate. The bill finally lost steam when the wage freeze lobbied by the employers was backed by President Arroyo.¹⁰

The bill, which was recalled in the present 14th Congress due to an alleged constitutional flaw, has no chance of being enacted by the current legislature. No less than the Speaker of the House described it as “dead in the water.”¹¹

Meanwhile, according to NWPC – DOLE, the real value of the nominal P362.00 minimum wage is P247.78 (based on its year 2000 reference).¹²

Yet, even as wages remained constant for a long time now, prices of commodities are steadily rising. With oil price hikes in the offing, and with a food crisis looming, workers will find it even more difficult making ends meet.

Conclusion

Only the force of an organized action will resolve these problems at the labor front. Admittedly, the labor sector has been maimed by the constant assaults on workers’ rights – from the killing of labor activists to the denial of legitimate workplace entitlements.
Instead of safeguarding the rights of workers, the government, in connivance with the owners of capital, is doing all its best to tame the workers by using the policies of deregulation, privatization, and labor flexibilization. It is not surprising, therefore, that Filipino workers would rather risk leaving their families behind and work in foreign lands. Workers are fleeing the country in droves, at the rate of 3,000 a day, and the statistics are increasing every year.

At the rate labor outmigration is going, the country will soon be faced with a serious shortage of skilled and semi-skilled workers. And this would be a crisis that no ‘powerpoint propaganda’ will ever conceal.

**SOURCES:**


Manila Times, various issues

Manila Standard Today, various issues

Interview. Renato Magtubo

**NOTES:**

1. Manila Times – December 26, 2007 issue
3. PDI, Front page, February 1, 2008
4. Diokno, Benjamin. PDI February 1, 2008
6. Starting April 2005, the new unemployment definition was adopted per NSCB Resolution no. 15 dated October 20, 2004. As indicated in the said resolution, the unemployed include all persons who are 15 years old and
over as of their last birthday and are reported as: (1) without work and currently available for work and seeking work; OR (2) without work and currently available for work but not seeking work for the following reasons: 1.) Tired/believed no work available, 2.) Awaiting results of previous job application, 3.) Temporary illness/disability, 4.) Bad Weather, and 5.) Waiting for rehire/job recall

7 Labor Force Survey. Estimates for October 2007 are preliminary and may change.

8 Labor Force Survey. Population 15 years and over is from the 2000 Census-based population projections.


12 DOLE Website, accessed January 4, 2008

The author is a member of Partido ng Manggagawa. Views expressed in this article reflect the author’s opinions.