



METAL WORKERS ALLIANCE OF THE PHILIPPINES

Organizing and Fight against Precarious Work

Precarious work, in essence, is a temporary employment arrangement aimed at reducing the labor cost to create super-profits for capitalists. It is generally characterized by low wage, irregular and flexible working hours, insecure jobs which means lack of or no protection from termination of employment, higher rate of occupational safety and health issues, lack of social protection and benefits and lack of or limited access of workers to exercise their rights at work.

Precarious work is a result of the neo-liberal policies implemented by governments to ensure the mobility of capital and maintain its super-profits in the midst of the continuing, spiraling crisis of stagflation which first erupted in the 1970s. The objective is to remove all the remaining barriers to the free flow and movement of capital. The existence of trade unions is seen to be the greatest obstacle to the unrestricted exploitation of labor. Thus, labor reforms were introduced and implemented to include institutionalization of labor flexibilization policies. This saw the rise of flexible labor.

Flexible Labor in the Philippines are known as:

- Contractual
- Trainees
- Apprentice
- Helpers
- Casuals
- Piece raters
- Agency-hired
- Project employees

- ❖ 3-5 months usually they work
- ❖ 7 out 10 workers – contractual
- ❖ 70% to 90% - composition of contractual in many companies
- ❖ 7 out 10 companies are implementing flexible work arrangements

In an electronic company in Southern Tagalog (host to economic zones) that produces electronic units for Samsung camera, 800 workers are contractual opposed to 200 regular workers. In one magnetic company, there are 1,600 contractual workers as opposed to 400+ regular workers. Clearly, these temporary workers are employed to replace the regular workers.

Contractualization is rampant in almost all of the industries in the Philippines, such as in the service industry, especially in **retail malls, banks, restaurants and fast-food enterprises; in the manufacturing industry especially in electronics and garments; in the business processing industry (BPOs), in mining, construction, shipbuilding, agriculture (where seasonal work is prevalent) and in the economic zones.**

At the height of the financial and economic crisis in 2008, the Department of Labor and Employment (DOLE) issued *Department Advisory No. 2 or 'Guidelines on the Adoption of Flexible Work Arrangements'* (issued January 2009) which seeks to "assist and guide employers and employees in the implementation of various flexible work arrangements as one of the coping mechanisms and remedial measures in times of economic difficulties and national emergencies."

Informal Sectors/Precarious workers include:

- street vendors
- jeepney/tricycle driver
- pedicab driver
- waste picker
- etc...

Meager Wages and Inadequate Benefits

P456.00 or USD 11 – minimum wage in NCR

P349.50 or USD 8.50 – min wage in Southern Tagalog

Based on computations made by the Ecumenical Institute for Labor Education and Research or EILER, the average minimum wage of workers in the private sector in the country only amounts to about PhP 277.81 per day or PhP 7,223 monthly.

The situation of agricultural workers and those working in micro-enterprises or companies employing 10 workers or less are even worse. Some receive as low as PhP 156 per day only.

P1,033.00 – daily cost of living for a family of six

Minimum wage rates (as of March 2013)

REGION	NON- AGRICULTURE		
	AGRICULTURE	Plantation	Non-Plantation
<u>NCR</u>	P 419.00 - 456.00	P 419.00	P 419.00
<u>CAR</u>	263.00 - 280.00	246.00 - 262.00	246.00 - 262.00
<u>I</u>	233.00 - 253.00	233	205
<u>II</u>	247.00 - 255.00	235.00 - 243.00	235.00 - 243.00
<u>III</u>	285.00 - 336.00	270.00 - 306.00	258.00 - 290.00
<u>IV-A</u>	255.00 - 349.50	251.00 - 324.50	231.00 - 304.50
<u>IV-B</u>	205.00 - 275.00	215.00 - 225.00	215.00 - 225.00
<u>V</u>	228.00 - 252.00	228	228
<u>VI</u>	235.00 - 277.00	245	235
<u>VII</u>	282.00 - 327.00	262.00 - 309.00	262.00 - 309.00
<u>VIII</u>	260	235.00-241.00	220.5
<u>IX</u>	267	242	222
<u>X</u>	271.00 - 286.00	259.00 - 274.00	259.00 - 274.00
<u>XI</u>	301	291	291
<u>XII</u>	270	252	249
<u>XIII</u>	258	248	228
<u>ARMM</u>	232	232	232

Contractual workers and other flexible labor receive an even lower wage, on the average, 75% of the existing minimum wage in the region. They lack benefits or have nothing at all. They have no job security and can be dismissed and thrown like a dirty rag according to the whims of the capitalists. They are given heavy workloads and are often assigned to do the **dirty, dangerous and difficult jobs** or what we call **3-Ds**.

Some examples:

Keppel Subic shipyard – contractual workers: P 250/day wage; buy their own PPE (personal protective gear), no benefits; 6 workers died in an industrial accident and management gave only P30,000 as financial assistance

Eton Construction – 11 workers died

Hanjin Shipyard – over 50 workers died from industrial accidents since it started operations

Last year, the Aquino government started to implement the two-tiered wage system (2TWS) in 11 regions in the country. The 2TWS is contained in the Philippine Labor and Employment Plan (PLEP) 2011-2016. The 2TWS will further lower the wages by means of establishing a floor wage that is even lower than the existing regional minimum wage and thru a productivity/performance-based pay.

Worse, contractual workers have no right to join trade unions, thus effectively paralyzing their right to fight for their rights.

For women contractual workers, they do not have maternity benefits such as maternity leave and maternity pay. In the export processing zones (EPZs) and economic enclaves, being pregnant is tantamount to dismissal from work. They are also forced to go overtime and do night work. Night work is proven to be cancerous especially to women who have more estrogen in their bodies. High level of estrogen increases risks for getting breast cancer. (In the Philippines, contracting cancer due to work is not a compensable disease). Studies also show that pregnant women who do night work has an increased risk of giving birth to babies with low birth weight. Women contractual workers, especially those in the agricultural sector are exposed to chemicals. Meanwhile, home-based workers have no safety protection.

Widespread of contractualization because of the following reason:

- chronic and worsening unemployment in the country

Social Weather Station (SWS) survey – 10.1 million unemployed in the last quarter of 2012, equivalent to 24.6% unemployment rate

Labor Force Survey by the government – 2.86 million unemployed as of January 2013, equivalent to 7.1% unemployment rate.

This is conservative estimate by the government because since 2005 they not consider as unemployed those who stopped looking job and lost hope of getting job at all.

4,500 filipinos goes abroad daily

10 million overseas filipino workers (ofw) in 200 countries

more than 1.6 million under the present Aquino government went abroad fom 1.1 million in 2010.

➤ flexible employment policies

one reason why the trade union become weak

5% of total labor force have union even lower are those with CBA

➤ no union, no strike policy
in EPZs and economic enclaves

➤ government laws and policies

The Philippine government avidly promotes contractualization. In fact, contractual employment is allowed under Article 106 of the Labor Code of the Philippines, which is subjected to grave use and abuse resulting to massive labor contractualization. In 2011, the government also approved Department Order No. 18 which legalized subcontracting in companies provided they meet certain requirements such as adequate capitalization of a third party and a defined service agreement.

Labor outsourcing is also encouraged in various industries. In the banking sector, the Bangko Sentral ng Pilipinas (BSP) approved the *outsourcing* of almost all *banking functions* from tellering up to automated teller machines (ATMs). These outsourcing schemes are contained in more than 69 BSP circulars released by BSP in 2000.

➤ the backward philippine economy

in the absence of genuine land reform and national industrialization creates a unemployment. We continue to be an import-dependent and export-oriented economy. The government implemented structural adjustment policies, in consonance with the IMF-WB-WTO prescriptions, such as liberalization, deregulation and privatization. These resulted to the death of our local and small-scale industries and closure of companies and created a huge throng of unemployed, spare labor.

WHAT TO DO?

In the face of all these attacks to the workers' right for secure employment, we need to:

- Organize the ranks of contractual workers – in factories and communities; thru unions, workers' associations, mutual aid organizations, etc.
 - trade unions must take it as a responsibility to organize the contractual precarious workers
- Education and information drive
- Alliance-building: build linkages on a national, regional and international level
- Campaign - popularize the issue thru social media
- Advocacy and lobbying – lobby governments to repeal laws and policies that promote labor flexibilization policies that result to precarious work
 - > in the Philippines, we are pushing for the passage of HB 5110 or Regular Employment Bill that seeks to protect the security of tenure of workers.
- Launch mass actions and solidarity actions such as protest actions, dialogues, etc.
- International solidarity – establish/strengthen workers' links on a company-level, etc
- Fight for genuine agrarian reform and national industrialization in the Philippines