

Partido ng Manggagawa's Campaign for Job Security

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In September 28 of 2003, one the biggest garments manufacturers in the country shutdown its operations for good and threw out of work its 2,365 employees, some 80% of whom are women and almost all are family breadwinners. The workers only earn an average wage of P290 a day.

The massive layoff is indicative of the hemorrhage of jobs afflicting the garments and textile industry, and manufacturing as a whole, due to the onslaught of globalization. In reaction, workers in the garments and textile industry with the Novelty workers in the lead and under the umbrella of the Partido ng Manggagawa organized a campaign to fight for job security for all workers.

The campaign reached a peak with a one-day work stoppage on October 13, 2003 by some 50,000 workers from more than 100 unions in Metro Manila, Central Luzon and Southern Tagalog. The mass action was both the labor movement's solidarity action with the laid off Novelty workers and a protest against retrenchments, closures and rotation. On the same day, the Union of Needletrades, Industrial and Textile Employees (UNITE) picketed the showrooms of Baby Togs—one of the principal stockholders of Novelty Philippines—in New York, Chicago and Los Angeles to register their sympathy with the Novelty workers. Also the national council of the All-India Central Council of Trade Unions (AICCTU) wrote a letter to President Macapagal-Arroyo urging a "stop to the ongoing closures and retrenchment in garment industry so that the jobs and democratic rights of workers can be protected."

For one whole year after that work stoppage, garments and textile workers undertook building alliances within industry workers, dialogue with government agencies, specially the Garments and Textile Export Board, and mass actions to sustain the campaign for job security.

The campaign culminated in the one-day siege of the Department of Labor and Employment (DOLE) in November 30 of 2004 to highlight the inaction of government on workers demands for job security. About a thousand workers with Novelty employees in the lead forcibly entered the premises of the DOLE and occupied the building for several hours while labor officials listened to the demands of local union officers and PM leaders. The siege ended peacefully but labor officials later threatened to file cases against the labor leaders.

Novelty Philippines, Inc. is one of the pioneers of the garments and textiles industry in the country. The company produces baby dresses for export to the American market under the brand names of JC Penney, Dillards, Children's Place and B.T. Kids. Its majority stockholder is Baby Togs of US owned by Eddie Sitt, an American Jew.

Novelty started in 1952 with just 50 employees but due to the toil and skill of its workers, the company grew to a peak of 13,000 workers in the 1980's. Starting in 1991 management outsourced its production to numerous subcontractors that it financed and supplied with machines. This resulted in a series of retrenchments until just more than 2,000 workers remained with the main plant at Paranaque. Novelty gained windfall profit by replacing regular jobs with contractual workers whose wages are cheaper, its benefits few and lack the protection of a union.

The Novelty workers—of whom 2,100 are union members—contested the claim of management that the company is suffering from serious losses and have no more orders from their clients in the US. The workers charged their management with illegal closure, runaway shop and union busting.

Whether Novelty management shifted its production completely to its subcontractors in Southern Tagalog and Central Luzon—which is illegal under the law—or relocated its plant to China or Vietnam—which is the norm under globalization—the workers believe it is tantamount to runaway shop and union busting. For Novelty's aim in both cases is to increase profit by destroying regular jobs, demolishing unions and replacing them with cheap and docile labor.

The Novelty workers are not alone. Below is a sample of workers in the garments and textile industry affected by similar issues:

Establishment	Location	Workers	Status
Wintertex	Laguna	1,400	2 months temp shutdown
Solid Mills	Paranaque	1,200	Shutdown by Oct 2003
Meritlux	Laguna	600	3 days rotation
Asiatex	Laguna	200	10 days/month work
Prima Apparel	Laguna	500	100 retrenched
Sang-Woo Phils.	Laguna	517	Rotation
Supreme Baby Wear	Mandaluyong	200	65 retrenched, 4 days rotation
Yarn Venture	Laguna	400	3 days rotation
First Quality	Rizal	100+	Temp shutdown by Sept 2003
Karayom	Paranaque	700	Shutdown
A. Bylson	Las Pinas	100+	Shutdown
Manila Bay Spinning	Marikina	1,200	Partial rotation
Fairland	Manila	115	OT without pay
SB Sales	Valenzuela	37	3 days work
Pamphil Garments	Laguna	570	200 retrenched
Phil Pacific	Paranaque	300	200 retrenched

The Novelty workers in particular and garments and textile workers in general are demanding a stop to the epidemic of closures and retrenchments, rotation and contractualization. The Constitutional right to security of tenure must be protected by legislative and executive action.

As a first step, Congress must hold an investigation as to the causes and solutions to the grave job losses in the garments and textile industry. The export sector of the industry alone employs approximately 400,000 workers in some 1,200 establishments.

The demands of the garments and textile workers are addressed directly to the State. It is the responsibility of the government to find a solution since it the promoter of globalization that has wrecked havoc on local industry and the Filipino workers. The Multifibre Agreement (MFA) that expired at the end of year 2004 is the cause for the shakeup in the garments and textile industry and the hemorrhage of closures and layoffs.

Simply retraining workers and enjoining them to work abroad are not viable and sustainable

alternatives. As to the first, retraining will not do since unemployment is too high that even new young college graduates cannot find work. While as to the second, the social costs are too high and immigrant labor is hardly protected in their host countries.

The reforms necessary to address the issue of job security should run the gamut from the tactical, such as provision of unemployment insurance to displaced workers until they can find new decent paying jobs, to the strategic, that is protecting existing jobs by altering the trade policies pursued by the government that it is detrimental to local industry and beneficial only to industrialized economies.

The government must review its commitments to international agreements regarding trade with the end in view of securing national interest, that is, protecting local industry and promoting industrial development. It is up to the local industrialists to advocate reforms in trade policies they believe are necessary to safeguard the local garments and textile industry. In general, the workers are amenable to supporting them, for example the proposal to extend the quota system through a bilateral trade agreement with the US, which is the main market for garments exports made in the Philippines.□

Nonetheless, changing trade policies in order to promote local industry will in fact directly benefit domestic business and only incidentally assist Filipino workers. Reforms in labor relations to enhance job security are an integral part of the demands of garments and textile workers. The labor movement is willing to advocate protection for local industry but it must go hand in hand with protection for Filipino workers.

The workers demand the following legislation to protect workers in the garments and textile industry and the working class as a whole:

First, while the seasonal need for contractual labor cannot be denied, it should not be used as an excuse to demolish regular jobs, as is the practice today despite the prohibition of labor-only contracting, the worse form of contractualization. To stop this gross abuse, the category of contractual worker must be abolished and instead replaced by regular seasonal worker. While such workers will only be seasonally employed, they will still be considered regular workers of the company that hires them and thus enjoy appropriate benefits and the protection of a union.

Second, excessive and forced overtime must be curtailed for it is a contradiction that workers are burdened by too much work when so many are left unproductive by lack of jobs. Every pair of workers that are forced by capitalists to do overtime by four hours daily mean the loss of an additional job that could have been filled in by a new worker working eight hours. If the government is committed to creating as many jobs as possible then overwork must be stopped by legislation through a doubling of the overtime premium to 50% as a disincentive to capitalists.

Third, violations of labor standards must be criminalized and punished by imprisonment not just by fines. Only such a rigorous system of justice will put a stop to the sweatshops so prevalent in the garments and textile industry. If kidnapping of the rich so incense the establishment that they find it appropriate to punish such crime by death, then stealing from the poor through substandard wages and benefits is an offense just as harsh, if not more so, and must be penalized accordingly by incarceration.

Fourth, when factories do shutdown permanently then workers must be given first preference over the State and other creditors in claims over assets left by companies. This must be clearly stated by new legislation that absolutely overrides all other laws and precedents. Also even companies that close shop due to grave losses and bankruptcy cannot be exempt from paying their workers separation pay and other money claims.

Finally, as regards the issue of competitiveness and supposed high cost of labor in the country, the lasting solution is not increases in nominal wages but the decrease of the cost of living in order to raise real wages. Thus instead of cheapening the cost of labor, as is the case today, the point is to cheapen the cost of living. Such is the secret behind China's low nominal wages, the fact that subsidized housing and medicine, inexpensive food and goods constitute the bulk of real wages. Among the various ways to go about it is tax exemption and social security subsidies for those earning below a certain ceiling. But the most substantial reform is the radical reduction in the price of food for such expense comprise about half of a working family's budget. A living wage law fixing the minimum wage at the level of the cost of living by combining increases in nominal wages with exemptions in income taxes, subsidies in social security contributions and discounts in basic goods is an urgent legislation that Congress must act upon.