

The Partido ng Manggagawa and the Fight for a Legislated Wage Hike

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The struggle for a legislated wage hike came to a head in the last three years when in early 2007 the proposed bill for the wage increase was almost passed in the House of Representatives. The Partido ng Manggagawa (PM) was a key player in the fight for a legislated wage increase in and out of the parliament. Members of PM in both the factories and communities waged a continuous campaign of mass mobilization to exert pressure on legislators and generate public support. Through its representative in parliament, Rep. Renato Magtubo, PM was part of a bloc of parliamentarians that through thick and thin over the course of three years of lobbying pushed what came to be known as House Bill 345 to the last last step of being passed by the lower house of parliament. The wage hike bill was however sabotaged by a last minute motion for reconsideration by Rep. Boying Remulla that PM believes was not a lone initiative but a maneuver concocted by business and Malacanang. Below is the position paper of PM on the wage hike issue.

The full-page paid ads in major dailies by the capitalist class in the Philippines are the opening salvo in their all out war against the legislated wage hike. With such blatant lies and devious threats, they are fomenting class warfare and inciting the workers to sedition.

We cannot but describe these capitalists as wolves in sheep's clothing, claiming a desire to save the economy from the catastrophe of a legislated wage hike when in fact they are just out to protect their profits from the workers' claim to the fruits of our labor.

House Bill 345 which mandates a P125 wage increase over three years is already a compromise measure. But the capitalists are being hardliners and hardheaded. They oppose a legislated wage hike period.

Will paying P45 additional in wages for the first year bankrupt a small capitalist? Impossible!

For example, a gas station owner with 10 gas attendants will fork out only P450 more in wages per day, equivalent to sales of around 10 liters of gas or the cost of five cups of Starbucks coffee. It will hardly dent the lifestyle of even a small capitalist but it will go a long way to feed, house, heal and school a worker's family.

Capitalists say the legislated wage hike will cost the economy P1.2 trillion over three years. Truth is it will hurt not the economy but their pockets!

What they do not speak of is that the capitalists and the state, despite the series of wage orders, still owe the workers the lost purchasing power of their wages since 1989 when the last legislated wage hike was granted. Wages increased 293% from P89 then to P350 today while prices galloped 342% over the same period.

Worse, they owe workers a real wage increase commensurate with the greater productivity of labor.

At an average of 5 per cent yearly economic growth since 1989 and basing from the P5 trillion GDP this year means workers generated a P4.25 trillion in new wealth from increased labor productivity. This is simply computed as follows: 5% X 17 years X P5 trillion.

Not a cent of which have trickled down to the workers! That new wealth created by greater labor productivity is more than three times what the workers are now claiming through a legislated wage hike.

Capitalists in collaboration with their apologists in DOLE and NEDA allege that P1.2 trillion in wage increases over three years will lead to a spiral in prices. Yet these same people do not fear but in fact applaud the \$13 billion or P650 billion in remittances that entered the country this year. In three years, remittances will easily surpass P2 trillion cumulative.

A legislated wage hike, no different from the remittances received from abroad, will put money in workers hands which we will use for our daily needs and translate into consumer spending that will jumpstart the economy. Both formal and informal sectors, industry and SME's will produce more to meet the greater demand. More production means more jobs. Thus a legislated wage hike will have a positive multiplier effect on the economy.

Workers demand the abolition not strengthening of the wage boards for their track record shows they are mere tools in the cheap labor policy of the capitalists and the state.

The minimum wage today of P350 in the NCR is not even half of the daily cost of living of P746 according to the National Wages and Productivity Commission. It is even worse in the regions. In Calabarzon, wages are further cheapened through a convoluted system of wage tiers. There are different and descending wage rates for districts classified as extended metropolitan, growth corridors, emerging growth zones and resource-based areas. Thus workers have wages of P287 in San Pedro and Binan while it is only P272 in Sta. Rosa, Cabuyao and Calamba despite the fact that prices of basic goods are the same.

Worse, exemptions are allowed for so-called distressed companies and SME's employing 10 workers and less. This means that millions do not even receive the legally mandated minimum wage that is in fact a starvation wage. No wonder hunger is at an all-time high as reflected in the recent SWS survey. Some 19% of respondents or the equivalent of 3.3 million households experienced hunger. The incidence of hunger has been double-digits since June 2004. Half of Filipino families or 52% see themselves as poor.

If it were not tragic then workers would laugh out loud at the contradictions in the arguments of DOLE and NEDA in their desire to appease the capitalists.

As alter egos of the resident of Malacanang, they must be the frontline implementers of what Gloria Macapagal-Arroyo announced in Baguio—that year 2007 is the time for social payback, that this year the people must collect the palpable gains of supposed economic reforms. Or are the workers to believe that social payback is just a social hoax, a lie just like the infamous December 30 Baguio declaration that someone will not run for president in 2004.

More so, in pushing for the super maids program of government, DOLE is obliging foreign employers of Filipino domestic helpers to double the minimum wage to \$400. So why cannot the DOLE now compel local employers in raising the minimum wage by an amount that is not even half of the present wages and staggered over three years?

A legislated wage increase will make the Philippines lose its competitiveness in the global economy—that is the usual bogey asserted by DOLE, NEDA and the capitalists. But horror of

horrors, what is happening in America? The incoming Congress dominated by the Democrats is poised to pass into law a hike in minimum wages!

The proposed legislated wage hike in the US is more generous than that provided by House Bill 345. From \$5.15 per hour, the minimum wage will be increased by 20% to \$6.15 in 2008 and by 41% to \$7.25 in 2009. In comparison, the staggered P125 wage hike comes up to only 13%, 24% and 36%.

It may be argued that the US economy can afford it since it is an advanced country. However, the proportionately bigger legislated wage is being pushed in the US despite the fact that their economy is slowing down while the Philippines is allegedly about to takeoff. At 5% GDP growth, the Philippine economy is growing faster than America's, which expanded a mere 3.3% in 2006, is estimated to slow down to 2.3% this year and even less in the succeeding year.

Are the Americans not afraid to lose their competitiveness? In fact, the Democrats argue that by raising wages and thereby improving the living conditions of Americans, they will make US labor and their economy more competitive.

At least in the US there is a real initiative for social payback. Or as the rape victim Nicole has eloquently put it—this government cannot protect its own citizens unlike America which does everything it can for its nationals.

To sum up, the wage increase must be across-the-board and nationwide for price increases are similarly across-the-board and nationwide. Moreover, the demand for a legislated wage hike is based not just on recovering the lost purchasing power of wages but on granting workers the fruits of its labor. Until cha-cha succeeds, government is obliged to follow the Constitution that guarantees the working class a "just share in the fruits of production."

A legislated wage increase of P125 spread over three years is a reasonable even moderate demand that already meets halfway the concerns of capitalists and is consistent with the constitutionally mandated protection for labor.