

# Workers' Digest (Philippines)

News and Commentaries

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## **Refusing to pay the price of a crisis not of their own making**

### ***The situation and struggle of Filipino workers***

The global economic crisis has brought the Philippine economy to the brink of recession. At the onset of the global crisis, the government of Gloria Arroyo initially took the stance that the local economy will be insulated. But despite being in denial and whistling in the dark, the signs are clear of an economy teetering in recession.

- Historic declines in manufacturing and trade
- The seasonally adjusted Agriculture, Fishery and Forestry sector contracted by 1.0 percent in the first quarter after expanding by 0.9 in the last quarter
- Industry registered its lowest growth for the last twenty years as it sank by 6.6 percent from 0.1 percent gain in the last quarter.
- Services sector posted no growth for the first quarter of 2009 compared to 0.2 percent recorded the previous quarter
- Investments in Fixed Capital Formation in the first quarter of 2009 plunged to negative 5.7 percent from a
- Investments in Durable Equipment plunged to negative 17.9 percent from a

growth of 9.6 percent a year ago.

- Total Exports dived deeper to negative 18.2 percent from negative 7.7 percent last year

- Total Imports valued at P530.9 billion pesos at current prices exceeded Total Exports valued at P528.6 billion pesos, resulting in a trade deficit of P2.3 billion pesos.

The global economic crisis and the slowdown in the local economy had a grave impact on the lives and livelihood of workers in the Philippines. Job losses, mainly in the export sector of the economy, are worsening the unemployment and underemployment rate.

- 40,000 workers laid off since October last year according to the conservative data of the Labor Department

- At least 120,000 workers affected by layoffs, job-rotation, wage cuts as per Labor Department data

- Big multinational firms based in the Philippines have shutdown—Intel, Triumph (German-owned undergarments), Celestica (Canadian-owned electronics). Others have shed hundreds of jobs, like Texas Instruments.

- More than 20% adult unemployment since 2005, according to the Social Weather Station June 2009 survey.

Capitalists are passing the burden of the crisis on the backs of the workers. Bosses are using the global crisis as an excuse to demolish workers rights and undercut labor standards. Several high profile cases highlight the trend.

- Up to 400 retrenched workers of Maitland-Smith Cebu, Inc. have filed cases of illegal retrenchment. Some 1,700 workers produce high-end home furniture and accessories in the Mactan Export Processing Zone. Its mother company is Maitland-Smith, headquartered in High Point, North Carolina.

- Over 200 laid off workers of Lear Automotive have filed cases. Located in the Mactan Export Processing Zone. American company that exports electronics parts for cars. The remaining 11,000 workers suffer from reduced workdays.

- 15 retrenched workers have filed cases against Taiyo Yuden Philippines Inc. It is a Japanese subsidiary that produces spare parts for cellular phones. Located in the Mactan Export Processing Zone. The remaining 8,000 workers are on reduced workdays.

- Labor dispute erupted in Lami Foods over planned reduction of workweek from six days to four days and the resulting pay cuts. The factory processes meat products such as hotdogs, hams and canned goods for the Visayas and Mindanao market. Reduction in workweek a result not of global crisis but of new and improved machinery.

The working class in the Philippines is refusing to pay the price of a crisis that is not of their own making. Labor unrest is brewing as capitalists attack jobs, wages and working conditions. Although the revival in workers struggle is uneven, the return to militant struggle is taking shape. At the forefront of the new struggles are the workers of Metro Cebu, the second biggest metropolis after the capital Metro

Manila.

- The first workers strike against mass layoffs erupted in a furniture export firm in Mandaue, an industrial town in Metro Cebu. Hundreds of workers of Giardini del Sole went on strike for two days and paralyzed operations of the company by physically preventing the passage of personnel and goods. Even though illegal, the government vacillated in enforcing the law because of worker militancy and public support.

- The first ever rally was held inside the notorious Mactan Export Processing Zone in Metro Cebu in its decades long existence. Around 70 workers of Sauna World Inc., a Finnish-owned firm producing sauna and spa heaters for export, marched from their factory to the gates of the export zone.

- The first union was finally established at the Mactan Export Processing Zone. The zone was so repressive that even the moderate progovernment labor center was complaining against its no-union policy.

The workers of Altamode, which makes clothes under world-famous brands like Adidas, Reebok and Abercrombie & Fitch, successfully formed a union and are preparing to fight a certification election to gain status as the sole and exclusive bargaining agent.

- The first picketline setup on the gates of the Mactan Export Processing Zone by the workers of a Paul Yu, one of the biggest factories in the zone. The workers went on a one week work stoppage in protest at the suspension of seven leaders of their workers association. The workers fight continues despite management's suspension of more than 300 workers who have participated in the protests.

The workers movement is

working on overcoming the weaknesses of the recent struggles in order to further raise its level.

- First, instead of a series of workers struggles in individual factories which could be easily isolated, an export zone-wide action in which workers in several strategic plants or a majority of the companies will participate.

- Second, spread the labor upsurge by reviving workers struggles in the capital Metro Manila and in the nearby Calabarzon which is the new industrial area where most of the export zones are located and where many of the factories formerly in the capital have relocated.

- Third, increasing the role played by international solidarity beyond that achieved in the Paul Yu struggle whose online appeal generated letters of protest by almost two thousand unionists from more than 50 countries and whose supporters abroad worked to put pressure on its major customers to implement its supplier codes on conduct on the factory.

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