

Philippines: Workers caught between economic difficulties and political intramurals in 2024

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In 2024, workers faced severe challenges in their wages, benefits, and working conditions brought about by the cost-of-living crisis. They also found themselves caught in the escalating intramurals between two leading political dynasties in the country.

While the average inflation rate of 3.2 percent in 2024 was almost half that of 2023, it continued to erode the purchasing power of wages. Relatively higher price increases in food and utilities also hit the income of formal and informal workers. Thus, the demand for another round of minimum wage increases became a recurring theme for organized labor. The campaign for a wage hike was two-pronged, with wage bills for a P150 increase filed in Congress and at the wage boards.

The Senate approved a P100 increase in minimum wage in February 2024, the result of organized labor successfully leveraging the rift between the upper and lower chambers over the latest move to amend the Constitution. The Senate stood pat against Charter change and instead pushed for the wage bill's passage.

The reverse was the case in the House of Representatives. Despite conducting hearings on the P150 wage hike bill, the House labor and employment committee sat on the proposal and basically killed it. In contrast with this inaction on the workers' demand for a wage hike, the House was fast and furious with the quad comm hearings on the drug war and extrajudicial killings during former president Rodrigo Duterte's administration, and the investigation on the controversial budget of the Office of Vice President Sara Duterte and the Department of Education during her tenure.

The year ended with no legislated wage hike but with wage orders for several regions. Notwithstanding these wage orders, minimum wages in all the regions—including those which increased, like Metro Manila, Calabarzon, Cebu, and Central Luzon—remained below the official poverty line amid the controversy over the P64 daily food budget. With the wage boards perpetuating a system of poverty wages, calls for the abolition of provincial wage rates became popular.

On another front, organized labor and civil society allies fought a defensive war to keep Philippine Health Insurance Corp. (PhilHealth) funds devoted to improving benefits for members and providing services for the indigent, as mandated by the Universal Health Care Act. About P60 billion of PhilHealth's funds were transferred by President Marcos to fund unprogrammed items in the national budget before the Supreme Court issued a restraining order in October for the last tranche of P29.9 billion.

Another battle erupted in December when the Congressional bicameral conference committee removed the subsidy for PhilHealth, along with cuts in other social services. The labor coalition

Nagkaisa led protests in Metro Manila and Cebu—including a big rally in Mendiola—to call for the restoration of the PhilHealth subsidy and social services budget. But Mr. Marcos did not heed the popular clamor as he signed the national budget by yearend with the much-assailed budget insertions for ayuda kept intact.

Among these was the P26 billion unprogrammed budget for Ayuda para sa Kapos ang Kita Program which has been criticized as funding for electoral patronage. As if on cue, the Commission on Elections allowed the distribution of ayuda even during the midterm elections this year—breaking with the long-established rule of prohibiting the use of public money for vote-buying. This means that formal and informal workers will now have to beg trapos for assistance for medical and other emergencies instead of getting health insurance as a right.

Even as demands for higher pay, lower prices, more jobs and decent work remain very popular issues during the election period, prospects are bleak that the polls would result in positive outcomes for workers given that political dynasties—which are evolving from fat to obese—dominate the landscape. Workers have no allies either in the two main political dynasties—the House of Polvoron and the House of Fentanyl—which will be fighting for supremacy in May 2025.

Workers would have to endure worse economic difficulties as political infighting heightens in 2025 and the remaining years of the Marcos administration. Nonetheless, this situation also motivates organized labor to engage with public outrage over wanton government corruption and dynastic political dominance. A big multisectoral rally this month promises to jumpstart a robust movement for good governance, in which workers' demands should be embedded and integral.

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