

# 2019 PHILIPPINE WORKERS' AND TRADE UNION REPORT ON THE SDGS<sup>1</sup>

## Workers' and Trade Unions' Commentary on the PIDS Zero-Draft on the Philippines' Voluntary National Review on SDGs (Nos. 4, 8, 10, 13, 16 and 17)

### Introduction

For the second time in three years, the Philippines is undertaking a Voluntary National Review (VNR) of its implementation of the 2030 Agenda for Sustainable Development or more popularly known as the UN Sustainable Development Goals (SDGs). The VNR is part of the follow-up and monitoring mechanism of the SDGs, which encourages states to conduct regular and inclusive reviews of progress made at the national and sub-national levels. The VNR report of the Philippines, along with the report of other VNR countries, are expected to serve as a basis for the regular review of the UN's High-Level Political Forum (HLPF) on the SDG implementation that convenes each year in New York. Paragraph 84 of the 2030 Agenda provides that the reviews for the HLPF shall be voluntary, state-led, undertaken by both developed and developing countries, and involving *multiple stakeholders*.

The VNRs seek to facilitate the sharing of experiences, challenges, and lessons learned in the planning, monitoring, and implementation of the 2030 Agenda, with a view of accelerating the attainment of the SDGs. The VNRs also look at how policies and institutions of government are put in place, while mobilizing multi-stakeholder support and partnerships for the implementation of the SDGs. "Workers and Trade Unions" is one of the "major groups" recognized by the UN, who can speak for their sector at UN 2030 Agenda processes, such as the HLPF in New York, and the Asia Pacific Forum on Sustainable Development (APFSD) in Bangkok being held every year.

### *Workers and trade unions and the SDGs*

The level and quality of trade union and workers' participation in the 2030 Agenda/SDGs processes at the national level deems to be relatively advanced in the Philippines compared with other countries in the region. But it is still far from ideal.

Workers and employers have meaningfully participated in the development of the Decent Work Country Program (DWCP), a process led by the Department of Labor and Employment (DOLE) and supported by the International Labor Organization (ILO). Social partners are even part of DCWP's Technical Working Group (TWG). However, the DWCP has not been integrated into the 2030 Agenda National Plan and neither is it mainstreamed into the Philippine Development Plan (PDP). In terms of process, the good practice of tripartism and social dialogue that facilitated the

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<sup>1</sup> Prepared and submitted by the following organizations (in alphabetical order): Alliance of Workers in the Informal Economy/ Sector (ALLWIES); Associated Labor Unions (ALU); Center for Trade Union and Human Rights (CTUHR); Ecumenical Institute for Labor Education and Research (EILER); Federation of Free Workers (FFW); Kilusang Mayo Uno (KMU); IndustriALL Philippine affiliates; National Congress of Unions in the Sugar Industry of the Philippines (NACUSIP-CIO-PACIWU-NTUC-UNI); Sentro ng Nagkakaisa at Progresibong Manggagawa (Sentro); Trade Union Congress of the Philippines (TUCP); and Public Services Labor Independent Confederation (PSLINK). Report version as of 31 May 2019.

development of the DWCP is not a common practice in the government, and certainly not applied in the SDG and VNR processes.

While trade unions have had successful engagements with the DOLE in the latter's consultative processes, the same could not be said with the National Economic and Development Authority (NEDA), the socio-economic planning department that leads the implementation of the 2030 Agenda and the PDP. Trade unions have always had to demand that their voices be heard in the national planning and assessment processes of NEDA, including the consultation processes involving the 2030 Agenda and the VNR. The marginalization of workers in the national planning processes runs counter to the SDG adage of "leaving no one behind". At the APFSD in Bangkok on March 28 this year, many of the workers and trade unions present were perplexed or enraged when NEDA, speaking in the plenary, reported that it was already consulting workers and employers on the VNR, while in fact no tripartite consultations had been conducted nor planned at that time.

The low level of engagement of public institutions with trade unions is consistent with the government's practice of condoning attacks on trade union and workers' rights. It does not matter that the Philippines ratified all the ILO's core labor standards. Legitimate workers' strikes have been irresponsibly linked to terrorist or ouster (of the President) plots. Contractualization of labor and the precarization of work prevent workers from exercising their right to unionize. In the public sector, workers' representatives remain mere observers in the Public Sector Labor-Management Council (PSLMC). These and a host of other factors, including the shrinking space for Civil Society Organizations (CSOs) in the country, serve as stumbling blocks to the achievement of the SDGs.

### *The purpose of the report*

It is in the spirit of realizing inclusive and meaningful participation of workers and trade unions in the 2030 Agenda process in general and the VNR process in particular that encouraged the labor sector in the Philippines to convene a working group in order to come up with the *2019 Philippine Workers and Trade Union Report on the SDGs*.

This report serves as the joint workers' and trade union position on the official VNR report of the government of the Philippines, which is being prepared by the Philippine Institute for Development Studies (PIDS) for the NEDA. The report also serves as an independent and dynamic workers' and trade union tool that can be utilized for advocacy and policy development in any and all workplace-based, local, national, regional and international conferences, forums, consultations, seminars, and discussions on the 2030 Agenda.

In preparing this report, the workers and trade unions were guided by the International Trade Union Confederation's (ITUC) *2018 Template for SDG Country Reports by Trade Unions* and the *Decent Work Country Diagnostics: Philippines 2017* published by the International Labour Organization (ILO) Country Office for the Philippines. The statistical data from the Philippine Statistics Authority (PSA) that were used and analyzed in this report were complemented by related studies done by academics, labor-oriented research institutions, and international trade unions.

The group of workers and trade unions who convened to create this Report is envisioned to become a regular body that will monitor the progress of the SDGs in the Philippines, particularly the indicators for decent work (Goal 8) and other related goals (Goals 1, 2, 4, 5, 10, 13, 16, 17), which are the priorities of trade unions. The group shall seek formal recognition from NEDA as a consultative body on the SDG review, monitoring, and reporting.

In this Report, we pay particular focus on Goals 4, 8, 10, 13, 16, and 17 as elaborated in the document. At the outset, the Report emphasizes that many of these goals are linked—they are interdependent and co-evolving.

## GOAL 4. QUALITY EDUCATION

Ensuring quality education for all requires adequate funding from the state. In this regard, the report should include data on the share of education in GDP and education spending per capita over the years. **In the 2018 budget, the “social services” departments (i.e. education, health and social work and development) received a combined budget of PhP982.1 billion (or 2.55% of the GDP in 2018), but there was a significant funding gap of PhP445 billion.**<sup>2</sup> While the budget for education may be increasing over the years, still, its share of the GDP is below the international standard of 6%.

**Target 4.1** *By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes*

**Target 4.2** *By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education*

**Target 4.3** *By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university*

**Target 4.6** *By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy*

The data indicators addressing the targets for Goal 4 lack disaggregation by sex, disabilities, and indigenous background. Specifically, the need for sex-disaggregated data is mentioned in Targets 4.1, 4.2, 4.3, 4.6. While data on the proportion of schools with access to various facilities (Figure 4.18, p. 41) is presented, information about the availability of facilities for pupils/students with disabilities is missing. It is important to provide disaggregated data for these targets to determine if the country is making progress in all the elements.

**Target 4.5** *By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations*

While the report mentions the various programs to improve access to basic education of indigenous peoples (e.g. Indigenous People Education for Indigenous Peoples) and other vulnerable groups (e.g. SPED for children with disabilities), no data is presented that tracks the progress made by these programs, including the number of *Lumad* schools and special education schools or programs established so far.

**Target 4.a** *By 2030, build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all*

For Target 4.a, while data is provided on the proportion of schools with access to various facilities, including single-sex basic sanitation and basic handwashing facilities (Figure 4.18, p. 41), there is no mention about the availability of water. Do we assume that the existence of these facilities

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<sup>2</sup> Department of Budget and Management, Budget Information and Training Service. 2018 National Budget. Available at: <https://www.dbm.gov.ph/wp-content/uploads/Our%20Budget/2018/2018%20QUICK%20GLANCE%201172018.pdf>.

presupposes that water is available? It would have been more helpful if data is likewise presented on the progress made in the implementation of Water, Sanitation and Hygiene in Schools (WINS) program of the Department of Education (DepEd).

The report recognizes that “education inputs and school facilities can have a profound impact on student outcomes” (p. 41). However, it only provides data on the physical accomplishments of the DepEd for a single year—2017. We believe that what is more relevant for Goal 4 is to provide data on how these accomplishments compare with the perennial deficiencies (backlogs) in this area (e.g. the number of classrooms actually needed, school furniture, textbooks, laboratories, teaching materials and supplies, etc.).

*Target 4.c By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States*

Increasing the availability of qualified teachers (Target 4.c, p. 43) is also a key factor in ensuring quality education. However, there is a link between teacher competency and pay and working conditions. In fact, the report mentions: “The Department is also working to improve compensation and other benefits as an opportunity for personal growth of teachers. The DepEd is also examining teachers’ workload and overall working conditions.” (p. 43) In light of this, data on the level of compensation, benefits, teachers’ workload (e.g. student-teacher ratio), and working conditions should form part of the data indicators for Target 4.c. In addition, the inclusion of sex disaggregated data on teacher/faculty qualification (Target 4.c, p. 43) could better inform any government intervention on improving the competency of teachers and trainers at all educational levels.

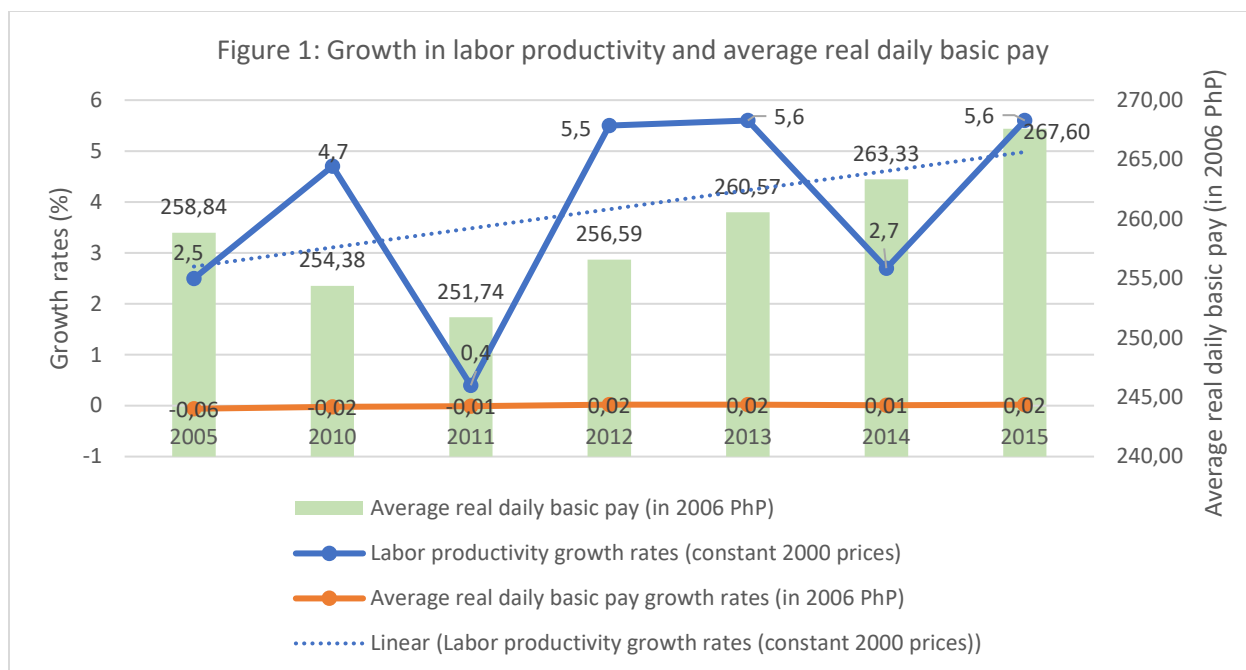
## **GOAL 8. DECENT WORK AND ECONOMIC GROWTH**

The national development framework for decent work and inclusive growth is embodied in the Constitution of the Philippines. Constitutional goals are in line with the four pillars of decent work—full and productive employment, rights at work, social protection, and the promotion of social dialogue. These pillars cover 10 substantive elements that are significant indicators in assessing the country’s performance in Goal 8 of the SDG.

*Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors*

We agree with the report that labor productivity is an important indicator of economic development. After decades of being the laggard in the region in terms of productivity growth, labor productivity in the Philippines has started registering positive growth rates since 2010. In 2017, labor productivity grew by 8.4%.

Nonetheless, gains in productivity did not improve real wages. In fact, the disconnect between labor productivity and wages persists over the years. As shown in Figure 1, while growth rates in labor productivity registered an uptrend between 2005 and 2014, the growth in average real daily pay remained stagnantly low and in fact did not grow at all. It is important to include the average real daily basic pay as a data indicator to be able to see how labor productivity translates to economic (development) gains for workers over time.



Source: Data on labor productivity growth rates were extracted from Figure 8.5 of PIDS draft (p. 50). The growth rates in average real daily basic pay were computed using data from ILO Country Office for the Philippines. 2017. Decent Work Country Diagnostics: Philippines 2017. Manila: ILO, p. 78 (Table 35).

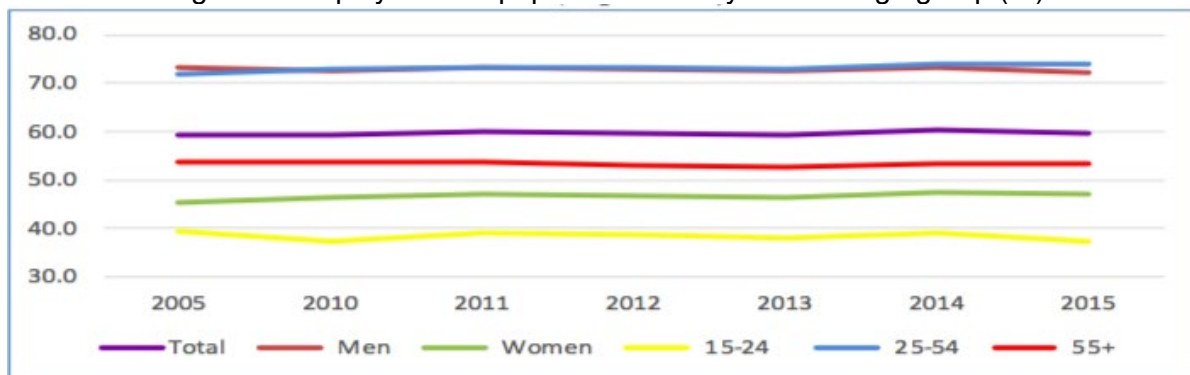
**Target 8.5** *By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value*

While the Philippines has maintained robust economic growth since 2010, with the GDP growing at above 6% for the sixth straight year in 2017, peaking at 6.9% in 2016 (Figure 8.1, p. 45), reductions in the rates of unemployment, poverty, and inequality have been slow. Meanwhile, underemployment has remained persistently high (p. 55). For a better appreciation of its magnitude, the report should mention the actual number of unemployed persons in the period 2005-2017.

As regards employment data, only three years—2015 to 2017—are included in the report (Figure 8.11, p. 54). Moreover, no data is presented on the total number of employed persons. **And despite the massive investments of the government in infrastructure in 2017 and 2018, which was estimated at PhP1.37 trillion, the creation of jobs in the last two years was an all-time low at an average of 81,000 jobs annually, according to IBON (2019: 11).**

One way to measure the impact of GDP growth on employment generation is to look at the trend in employment-to-(working-age-population) ratio (EPR). Compared with other metrics, the EPR is not as affected by seasonal variations or short-term fluctuations in the labor market. Thus, it is often considered to be a more reliable indicator of job shrinkage or growth than the unemployment number in particular. However, this data is not included in the report. As shown in Figure 2, this ratio remained unchanged at 60% between 2005 and 2015, which suggests that the economy has not been able to create enough employment for the labor force.

Figure 2: Employment-to-population-ratio by sex and age group (%)



Source: Reproduced from ILO Country Office for the Philippines (2017: 26).

Industry performance which was expected to create more employment opportunities still lagged. A national industrial policy that would strategically boost growth in priority sectors is still absent. The employment opportunities created, especially in the ecozones, have not been sustainable as most of the production facilities are part of the lower segment of global supply chains, which have very limited possibilities to upgrade to higher value production systems. Many workers engaged in low value-adding assembly production are exposed to poor working conditions and are vulnerable to job displacement (IndustriALL, 2016).

#### *The trend in precarious employment*

The report limits its indicators of quality of employment to the rates of employment, unemployment, and underemployment. There was no mention about vulnerable employment and precarious work, more popularly known as “contractualization”, which has become a national issue in the Philippines. The increasing number of vulnerable and precariously employed workers is still a major feature in the labor market. This is manifested in the rise of non-standard or non-regular forms of employment or precarious employment, which include short-term work, agency-hired work, project-based work, seasonal work, and casual work. These forms of non-regular employment also include those that are commonly referred to as “5-5-5” or “endo”.

In 2015, there were 7 million employees in both the private and public sector who are in precarious work in the Philippines, according to household survey data from the PSA (ILO Country Office for the Philippines, 2017: 28). These workers represent 30.7% of all wage and salary employees in the country in the same year. The share of precarious workers in private establishments was even higher at 34%. In the public sector, these workers comprised 14.2% of all employees (ibid).

Of the total number of precarious workers, 6 million precarious workers were employed in private establishments, while 455,000 were employed in the public sector. The rest were employed in private households (553,000) and in own family-operated farm or business (29,000).

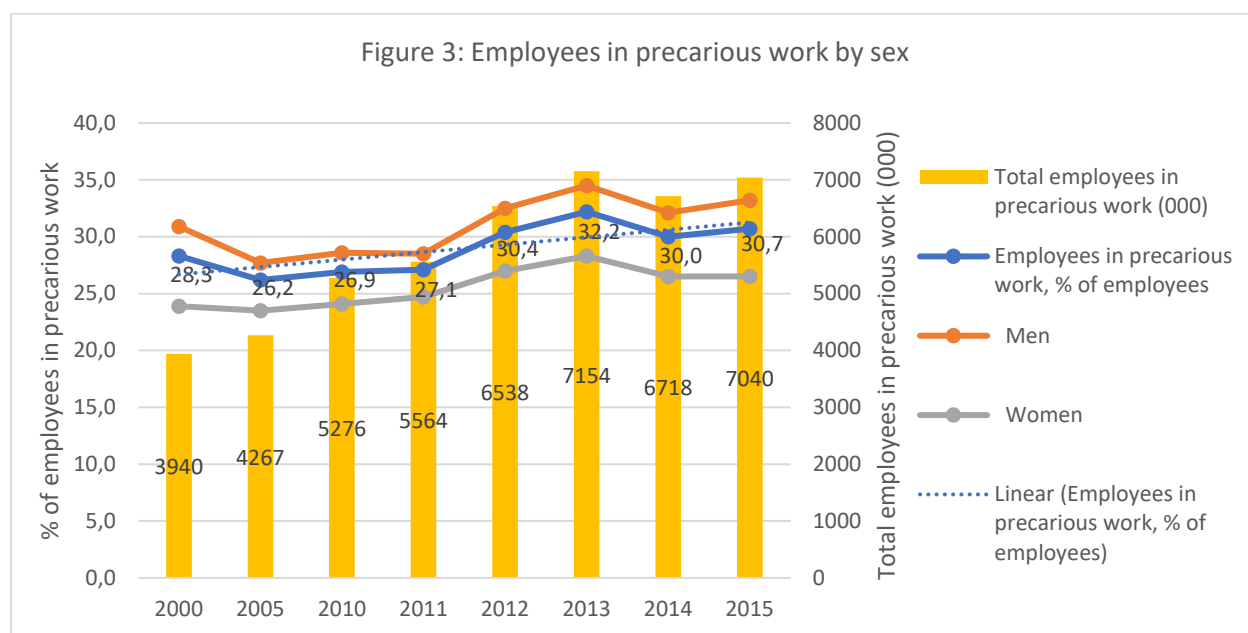
Table 1 lists the various categories of non-regular workers, including agency-hired workers, in the private sector. Based on PSA’s establishment-based Integrated Survey on Labor and Employment (ISLE), contractual/project-based workers comprise the biggest number of non-regular workers in 2014. However, in 2016, agency workers registered the biggest number.

Table 1: Non-regular workers in the private sector in the Philippines (Establishment Survey)

Period	Total Employment	Non-regular workers						Agency-Hired Workers
		Total	Probationary Workers	Casual Workers	Contractual/ Project-based Workers	Seasonal Workers	Apprentices/ Learners	
2014	4,471,785	1,957,578	318,705	207,895	672,279	102,070	34,722	621,905
2016	4,384,678	1,895,949	356,456	159,277	572,034	80,660	22,270	705,252

Source: ISLE-Establishment Survey, PSA.

The extensive use of non-regular forms of employment is an attack to the right of workers to regular employment and security of tenure. In this regard, the report needs to consider including data on employees on precarious work because, while the unemployment rate dropped to 5.7% in 2017, the share of precarious workers of total paid employment has been going up since 2000 (Figure 3). This suggests that the quality of employment generated leaves much to be desired.



Source: Data used for this graph extracted from ILO Country Office for the Philippines (2017: 28).

Meanwhile, vulnerable employment, which is defined as the proportion of total employment of self-employed and unpaid family workers, remains significant as well. These workers form part of informal employment<sup>3</sup> in the country. In 2017, there were 13.6 million self-employed and unpaid

<sup>3</sup> According to the ILO, informal employment comprises persons who in their main or secondary jobs were (a) own-account workers, employers and members of producers' cooperatives employed in their own informal sector enterprises; (b) own-account workers engaged in the production of goods exclusively for own final use by their household (e.g. subsistence farming); (c) contributing family workers, regardless of whether they work in formal or informal sector enterprises; or (d) employees holding informal jobs, whether employed by formal sector



family workers (accounting for 33.8% of total employed persons), down from 14.4 million (or 35.1% of total employed persons) in 2016 (PSA, 2018: 14).

### *Precarious employment in the public sector*

Based on the most recent data available from the Civil Service Commission (CSC), the Philippines had a workforce of 2,301,191 in July 2016. This was comprised of career (1,526,450 or 66.3% of the total workforce), non-career (179,579 or 7.8%), and COS and job order (595,162 or 25.9%) workers.

Career employees comprised the majority, although their proportion of the yearly total was declining between 2008 and 2016. The same can be said about the proportion of non-career employees of the yearly total, especially when comparing the proportions in 2008 and 2016.

Table 2: Workforce in the government, 2008-2016

Year	Total	Career	Non-career	COS/JO
2016	2,301,191	1,526,450	179,579	595,162
	<b>100.0</b>	<b>66.3</b>	<b>7.8</b>	<b>25.9</b>
2012	1,120,191	796,687	117,384	206,120
	<b>100.0</b>	<b>71.1</b>	<b>10.5</b>	<b>18.4</b>
2008	1,595,124	1,153,651	159,887	281,586
	<b>100.0</b>	<b>72.3</b>	<b>10.0</b>	<b>17.7</b>

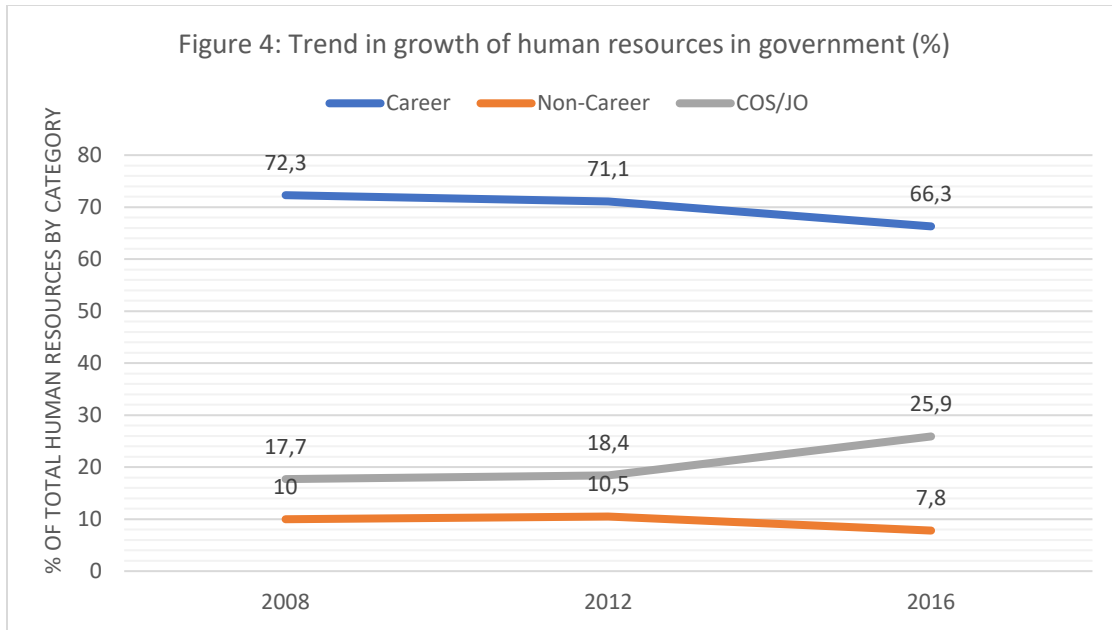
Source: Civil Service Commission Inventory of Government Personnel/Human Resources for 2008, 2012 and 2016 (<http://www.csc.gov.ph/2014-02-21-08-25-45/2014-02-21-08-26-09/inventory-of-government-human-resources-1st-sem-2016.html>).

Meanwhile, according to Serrano (2018), the proportion of the so-called non-government workers—the Contract of Services (COS) and Job Order (JO) workers—of the year-on-year total human resources count trended upward, from 17.7% in 2008 to 25.9% (or over one in five workers) in 2016 (Figure 4). This suggests that precariousness of work has been taking place as well in the public sector.

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enterprises, informal sector enterprises, or as paid domestic workers by households. See <https://ilo.org/public/english/bureau/stat/download/papers/def.pdf>.

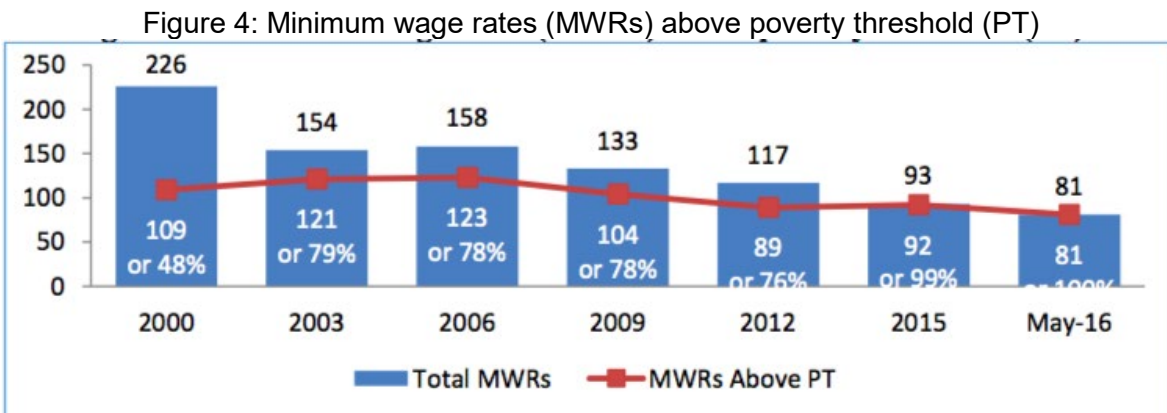




Source: Serrano, M. R. 2018. Contractualization in the public sector: Employment and working conditions of non-regular and non-government workers in selected local government units in the Philippines. Research report submitted to SENTRO. Quezon City, Philippines.

*(In)adequacy of workers' earnings*

The report recognizes that high underemployment rates may be attributed to low wages (p. 56). In 2017, the average real daily basic pay (at 2006 prices) was PhP 279.39. As a way to measure whether workers' wages are adequate for their and their families' basic needs, we suggest to include data on minimum wage rates in relation to the poverty threshold. As pointed out by the ILO Country Office for the Philippines (2017: 82) "until 2015, minimum wage rates were below the poverty threshold" (Figure 4). This suggests that having only one minimum wage earner in a household of six members will not be able to lift the family above the poverty threshold. Figure 4 shows that it was only in 2015 that the minimum wage caught up with the poverty threshold. Still, one wage earner will not be able to lift the household from poverty (ibid).



Source: Reproduced from ILO Country Office for the Philippines (2017: 82).

In addition, the proportion of low paid workers, that is, workers whose hourly earnings from their main job are less than two-thirds of median hourly earnings, as a percentage share of total employed, remained unchanged in the last four years (2014 to 2017). Based on data from ILOSTAT (Undated), in 2017, over one in four (22.3%) of all paid (wage and salary) workers were low-paid workers, from 21.9% in 2014. While there was a slight decrease in the proportion of women in low-paid work (from 30.2% in 2014 to 28.6% in 2017), the opposite trend was observed among men in low-paid work (from 16.9% in 2014 to 18.3% in 2017).

**Target 8.8** *Protect labor rights and promote safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment*

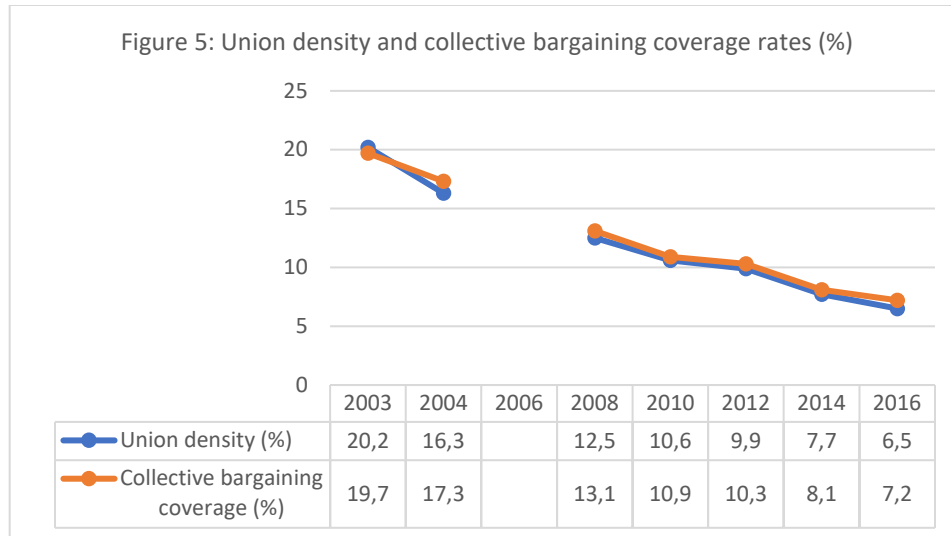
This target focuses on the protection of labor rights, yet the indicators used are limited to occupational injuries and several physical accomplishments of the Department of Labor and Employment (DOLE) on employment preservation and regulation programs (pp. 60-62). Labor rights include the right to organize and join an organization and the right to bargain collectively, among others.

The report briefly mentions the DOLE's labor inspection program which covers establishments with 10 or more workers. However, there is neither discussion nor data on the total number of establishments with 10 or more workers. According to the ILO, there were 95,000 establishments employing at least 10 workers in 2014, with total employment of 5.4 million workers (ILO Country Office for the Philippines, 2017: 82). The ILO further mentions that the DOLE sets its inspection targets on an inspector-to-establishment ratio of one Labor Law Compliance Officer (LLCO) per 120 establishments for a 10-month period. In 2015, there were 536 LLCOs, up from 219 in 2010. With this increase, the LLCOs can cover about 64,000 of the 95,000 establishments, still a shortfall of 31,000 establishments.

The PIDS draft report does not cite the role of trade unions in labor inspection. In 2017, the DOLE launched a 10-day training program aimed at building the capacity of labor leaders and other stakeholders to assist in labor inspection. What has been the accomplishment of this program? How many trade union leaders have been trained and certified to assist in labor inspection? How many of them have actually participated in labor inspection? Surely, the DOLE can provide data for these indicators.

The report says: "The DOLE is also providing training activities and education services on the role of workers and their organizations towards promotion of trade unionism, workers' empowerment..." (p. 62). Yet, data is wanting on the state of trade unionism and collective bargaining in the country. At the very least, this data is important in assessing the impact of DOLE's interventions relating to unionization and collective bargaining.

In 2016, based on PSA data, union membership in the private sector was meagre at 283,000 (out of the nearly 4.4 million paid employees) and a huge decline from 521,000 (out of 2.6 million paid employees) in 2003. The same trend can be observed in the coverage of collective bargaining—from 508,000 in 2003 down to 313,000 in 2016. Figure 5 shows the dramatic decline of union density and collective bargaining coverage rates between 2003 and 2016.



Source: PSA. Graph constructed using data from ILO Country Office for the Philippines (2017: 66).

In terms of union membership by sex, six out of 10 are men. In 2016, men comprised 65% of union membership, whereas women comprised 35%.

Rampant contractualization and informalization of formal work is one of the causes of union decline. These practices stem from management's deliberate disregard of workers' inherent rights to freedom of association and collective bargaining.

A low and declining unionization rate has negative implications for decent work. First, low unionization implies low collective bargaining coverage which, in turn, may drive average wages down. This will cause labor's share in the economy to stagnate (much like the trend presented in Figure 10.10 in page 65). One of the implications of a stagnating labor share in the GDP, according to wage-led growth theories, is that the economy becomes more exposed to deep downturns which hurt household's welfare, limit employment creation, and increase poverty and inequality (Lavoie & Stockhammer, 2013). Stiglitz (2012) notes that inequality causes social division and instability which also has a negative impact on the political system and the economy.

Second, trade unions are active stakeholders in policy making. Low unionization rate can have serious implications for workers' meaningful participation in the enactment of policies that improve the welfare of workers and their households.

Lastly, the absence of trade unions in firms deprives workers of the first line of defense against abuses. We have seen this in the past (e.g. Kentex plant fire, non-payment of minimum wages, non-remittance of social security contribution, etc.). Labor inspectors from the government may not have access to information about company abuses as much as trade unions do because the former are outsiders in a company. The presence of trade unions in firms therefore increases the efficacy of labor inspectors and hence improves the compliance of labor standards in workplaces.

## GOAL 10: REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

The report acknowledges that the robust growth experienced for more than a decade in the Philippines “has taken time to translate into substantial poverty reduction: aggregate poverty incidence stood still at about a fourth of the population from 2003 to 2012, dropping only in 2015 to over a fifth (21.6%) of the country’s population” (p. 66).

*Target 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average*

*Target 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status*

*Target 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality*

Poverty affects women more than men. **In fact, women are more likely than men to be engaged in low-paid work. In 2017, the proportion of women in low-paid work was 28.6%, while for men it was lower at 18.3% (ILOSTAT, undated).** Yet, many of the indicators of the targets included for Goal 10 are not disaggregated by sex (e.g. Figure 8.22, p. 65; Table 10.1, p. 6; Figure 10.2, p. 68; Figure 10.3, p. 69; Figure 10.4, p. 70; Figure 10.5, p. 71; Figure 10.9, p. 74; and Figure 10.10, p. 75).

Figure 6 illustrates significant gender wage gaps across occupations. In 2015, only in two of nine occupational categories (i.e. farmers, forestry workers and fishermen and officials of government and special interest organizations, corporate executives, managers, managing proprietors and supervisors) do women get paid more than men. In fact, even in occupations dominated by women (e.g. service workers and shop and market sales workers), women are paid less than men.

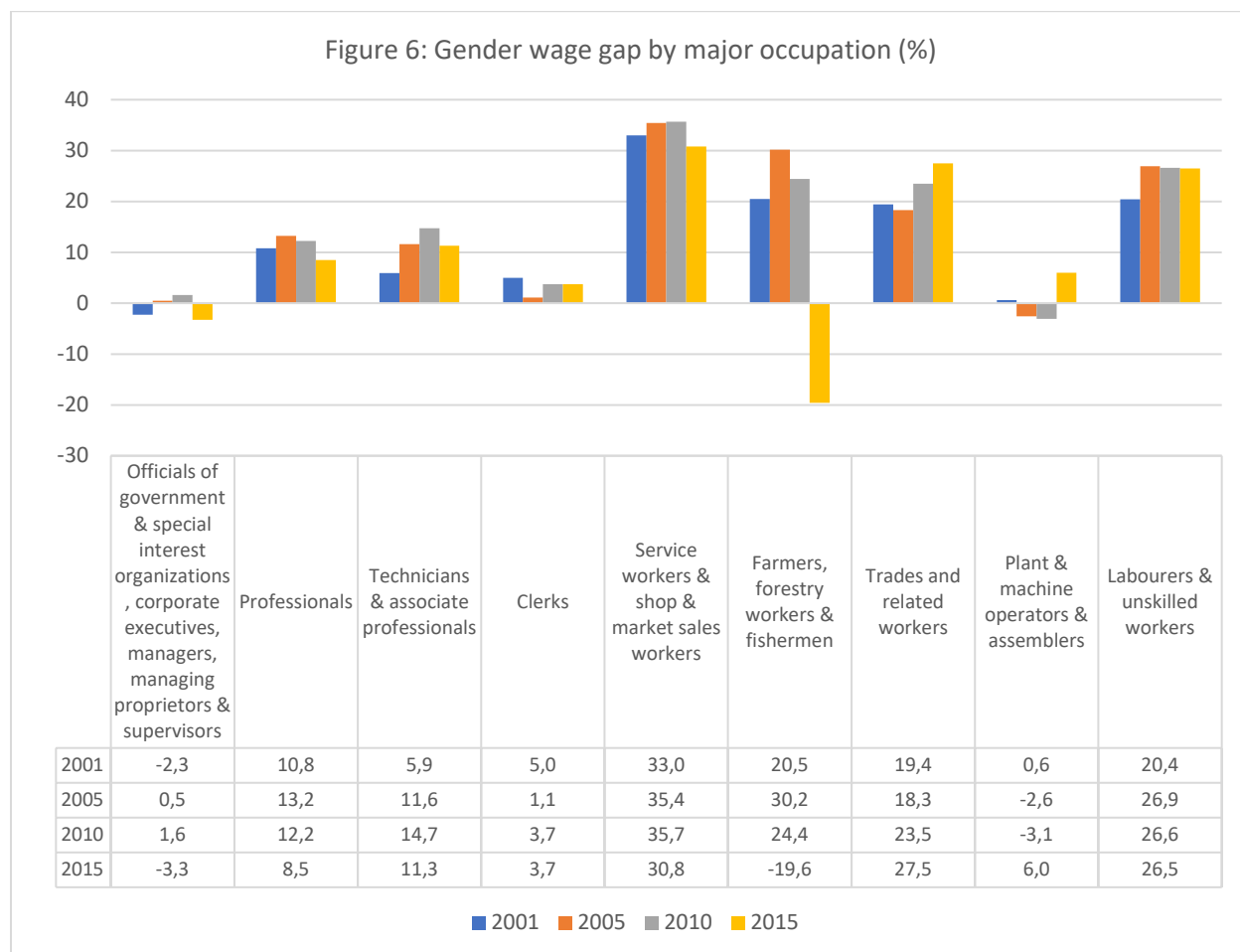
The report states that: “In the period 2009 to 2017, the Philippines has had positive trends in the labor share of GDP...” (p. 74). However, if we consider the period between 2011 and 2017, labor share was stagnant, averaging 35.3%. **One reason for this may be the low minimum wage rates relative to the average or median wages.**

**According to Herr and Kazandziska (2011), in principle, the minimum wage should be between 40% and 60% of average or median wage for the former to be functional, that is, it covers a significant proportion of the working population. In 2016, the median monthly basic pay of time-rate workers on full-time basis was Php12,013 (PSA, 2017). However, no data is available on the average minimum wage in 2016.**

Figure 10.5 (p. 71) provides data on the proportion of Filipinos with incomes below the national poverty line. However, data is missing on the amount of the poverty threshold for the years provided, more so the food and non-food elements of the threshold. **In 2012 and 2015, the poverty thresholds were Php18,935 and Php21,753, respectively (ILO Country Office for the Philippines, 2017: 41, footnote 80).**

According to the report, poverty is more pervasive in rural than in urban areas. A possible contributor to the gap in income between workers in urban and rural areas could be non-implementation of the mandated salary rates under the Salary Standard Law (SSL) in local government units in poorer (2<sup>nd</sup> to 6<sup>th</sup> class) municipalities. According to the Public Services Labor

Independent Confederation (PSLINK), workers in these municipalities receive salaries that are 35% less than what they ought to receive under the SSL.



Source: Graph constructed using data extracted from ILO Country Office for the Philippines (2017: 59).

## GOAL 13: CLIMATE ACTION

**Target 13.1** *Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries*

**Target 13.2** *Integrate climate change measures into national policies, strategies and planning*

The IndustriALL Philippine affiliates are very much aware about environmental issues and climate change as the country is perennially besieged by climate disasters due to storms and tropical cyclones.

Mining unions and workers' representatives in the mining sector take the lead in the proposed network of mine workers unions in the CARAGA region, known as the mining capital in the Philippines. The framework mentioned in Box 1 also aims to reflect the existing tripartite mechanism in the region at the national level by including in the just transition proposal the establishment of the Mining Industry Tripartite Council. To date, the just transition proposal is

being reviewed by the Office of the President, the Department of Environment and Natural Resources (DENR), DOLE and Climate Change Commission.

**Box 1: Trade union proposal on the Just Transition framework for mine workers and communities**

The suspension and closure order of mining firms by the Department of Environment and Natural Resources (DENR) in 2017 due to violation of mining and environmental regulations shows the vulnerabilities of workers and communities and the need to have a comprehensive and coherent policies and measures to address the multifaceted challenges as well as to pursue an environmentally sustainable growth, while ensuring a “just transition”, which has a potential to become a strong driver of job creation, job upgrading, social justice and poverty eradication.

Keeping in mind the potential contribution of mining sector, if harnessed properly, could have significant contribution to economic growth and development by spurring employment, household income generation, tax revenue generation, exports, and aggregate income growth.

The trade unions led by IndustriALL Philippine affiliates and workers representatives in the mining sector formulated a “*Just transition proposal/framework for mining communities towards a sustainable and inclusive economy and society*” that outlines strategies in key areas aiming to attain decent employment and social justice for all.

There is a link between decent work, particularly the provision of adequate income, and strengthening workers’ resilience and adaptive capacity to climate-related hazards and natural disasters. If people are provided with adequate economic opportunities, it is less likely that they will engage in income-earning activities that are harmful to the environment (e.g. slash-and-burn, dynamite fishing, charcoal production, etc.).

**GOAL 16: PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS**

There is yet no comprehensive policy of the Philippine government to develop the economy in a sustainable and green way. Green and decent jobs should be an integral part to ensure a just transition. In fact, instead of lowering greenhouse gas emissions, the government plans to build 26 more coal-fired power plants.

For workers and trade unions, peaceful and inclusive societies are possible when workers are able to find decent work (fair wages, secure job, safe workplaces, social protection and right to organize, to collectively bargain and to strike freely without fear from state and private corporations). This also entails promotion of other fundamental freedoms of workers and their families.

**Target 16.1** *Significantly reduce all forms of violence and related death rates everywhere*

Just and lasting peace, economic prosperity, and security in our country is in peril; there are more than 200 victims of extra-judicial killings, half of whom are from the peasant sector since Rodrigo Duterte was elected president in 2016. A total of 42 labor rights defenders were killed, 20 alone

were murdered in 2018 and no one was served justice (CTUHR, 2019). We remain far from significantly reducing all forms of violence and related death rates everywhere in the country.

Vulnerabilities and instabilities that workers face directly affect their participation in society. Apart from gross human rights violations and neglect of fundamental freedoms, workers are also experiencing worsening conditions at work despite increasing labor productivity and high economic growth rates. World Bank figures and official labor statistics show that the minimum wage workers do not feel any economic improvement under Duterte as there is no substantial increase in minimum wages amidst inflation and rising costs of goods and services (EILER, 2019). For almost three decades, workers' real wages growth remained stagnant, and wages are lowest in the poorest regions in the Philippines. Meanwhile, the PSA's Annual Labor and Employment Estimates for 2018 show an alarmingly poor employment record. The statistics indicate that while the working age population in 2018 increased by 1.4 million, 776,000 (54.6%) Filipinos of working age were simply discarded from the labor force. The prevalence of labor rights violations and poverty is seemingly worst in rural areas and in the agricultural sector.

Overall, access to legal aid, financial assistance, and unemployment security remain poor and workers do not benefit equally from governance systems. Workers, including informal workers, are increasingly vulnerable as the labor sector continually experience frequent and alarming attacks on their rights and security. Noting the above serious concerns, we have yet to see a significant improvement on the impact of the government's action plans in relation to workers' participation and voice in policy-making. It is therefore very clear that there is an urgent need for the action plans of the Philippine government to be thoroughly reviewed and assessed.

There is no clear mechanism for monitoring labor and human rights compliance at any level (local, regional or national) in order to identify areas for legal aid intervention, such as cases where workers need to have access to justice.

The legal system is expensive and circuitous that few unionists and labor rights defenders can afford lawyers. The situation is far worse for workers who are not organized. Unaware of their rights, these workers cannot access legal support and instead are forced to admit to offenses they did not commit or are forced to compromise with employers for small compensation for labor standard violations committed by the former.

The war on drugs, war on terrorism, and war on insurgency have negatively impacted the trade union movement in the Philippines. Trade unionists, labor leaders, and organizers are labelled as destabilizers or are tagged as 'communists'. Data gathered by the Center for Trade Union and Human Rights (CTUHR) show that labelling workers' organization as 'communist fronts' not only results in union discrimination but also endangers the safety, liberty and lives of those accused or mistaken for the accused.

Since June 30, 2016, 42 workers, unionists and labor organizers have been killed or nearly killed. In addition, the CTUHR reports:

- In 11 cases, 153 workers are facing criminal offenses in the course of their work as unionists, organizers/labor rights defenders. In the Southern Tagalog region alone, 60 are facing various charges filed by the employers, police and military.
- In 13 labor actions and strikes of unions, 4,470 members were violently dispersed openly by combined police, military, company goons, and guards resulting in more human rights violations. The most violent involved two dispersals in the Nutria Asia Corporation in Bulacan where 43 were arrested, detained and charged, and more than 100 were injured.



This is on top of 32 unions, with a total of 10,107 members, which were busted in 2017. Three of the union leaders were re-arrested in March 2019.

Militarization characterizes some workplaces in Mindanao under Martial Law. Soldiers guard plantations and mining sites in Mindanao. Since February 2018, KMU members have been visited at their houses, hounded and forced by the military to present themselves and surrender as NPA rebels. In December 2018, soldiers belonging to 61<sup>st</sup> IB-PA burned to ashes a union president's house which was also used as a union office. KMU unions in plantations are not the only ones targeted. At the Japanese-owned Rubbertex Plantation in Bukidnon, an attempt to abduct the president and vice president of the union, which is affiliated with the Associated Labor Unions-Trade Union Congress of the Philippines (ALU-TUCP), in September last year was also reported to CTUHR.

A report by the Ecumenical Institute for Labor Education and Research (EILER) narrates how Coca-Cola has used the TRAIN law to bust the union in 2018. The Philippine National Police used excessive force by deploying more than 20 SWAT members, 40 policemen, 30 Task Force Davao and 30 Police Auxiliary to disperse workers who were demanding an increase in wages and an end to contractualization. Some of the workers dispersed sustained severe injuries.

**Target 16.7** *Ensure responsive, inclusive, participatory and representative decision-making at all levels*

The report states that: "Inclusive representation in decision-making is viewed as both an end-in-itself and a means of ensuring that resources and economic opportunities are made available for everyone, especially to sectors that have been historically marginalized." (p. 120) Yet, it does not include an indicator of the number and proportion of union representatives in public institutions that require tripartite representation, such as the Social Security System, Government Service Insurance System, Philippine Health Insurance Corporation, Philippine Overseas Employment Administration, Overseas Workers Welfare Administration, National Wages and Productivity Commission, Regional Tripartite Wage Boards, Philippine Economic Zone Authority, Civil Service Commission, Local Development Councils of local government units, and others. To meet Target 16.7, tripartism should be institutionalized in public institutions, including the National Economic and Development Authority.

**Target 16.8** *Broaden and strengthen the participation of developing countries in the institutions of global governance*

On p. 123 of the report, the following is stated: "Countries should have stable and accountable institutions especially given the context of the challenges and opportunities brought by globalization, especially in terms of trade and financing. Furthermore, as the world faces various global issues like climate change, disease and poverty, it is essential that all countries, especially developing countries who are in the frontlines of these global issues, be involved in the deliberation and decision on possible courses of action." A list of international organizations that are involved in global governance and of which the Philippines is a member does not include the International Labour Organization (ILO). The ILO, as the only tripartite body in the United Nations, performs a key role in setting international labor standards which are key in the regulation of global trade. Through the ILO, workers' organizations can have a voice in global governance.

**Target 16.10** *Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements*

Violations of fundamental civil liberties of workers and labor activists have been recorded in the Labour Rights Indicators (LRI) of the Global Labour University and the Center for Global Workers' Rights at Penn State University. The LRI provides comprehensive numerical and textual information on country-level compliance with freedom of association and collective bargaining rights and civil liberties rights that is comparable between countries and over time. The LRI uses a normalized scoring range from 0 to 10, the best and worst score, respectively.<sup>4</sup> Therefore, an increasing LRI score means cases of violations of the rights of freedom of association and collective bargaining in law and in practice are increasing.

In 2016, the Philippines' LRI score was 6.39, down from 7.68 in 2015.<sup>5</sup> However, the LRI score in 2016 was still higher than score of 6.20 in 2012. In 2016, the LRI listed the following cases<sup>6</sup> of violations of fundamental civil liberties, among others, in the Philippines:

- Killing or disappearance of trade unionists and trade union officials in relation to their trade union activities
- Lack of guarantee of due process and/or justice in the killing or disappearance of trade unionists and trade union officials in relation to their trade union activities
- Arrest, detention, imprisonment, charging and fining of trade unionists and trade union officials in relation to their trade union activities
- Attacks against trade unions', trade unionists' and trade union officials' premises and property

**Target 16.a** *Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime*

Box 2 provides a good example of a partnership between a labor-oriented non-government organization and an international UN-based organization in building the capacity of labor rights defenders.

**Box 2: Building the capacity of labor rights defenders**

The CTUHR, in partnership with ILO, has conducted a Mindanao-wide paralegal training to enable unionists/labor rights defenders to gain knowledge of national and international legislations. These workers were also trained to meet the basic requirement to legally protect their rights at work and civil liberties. The training workshop also enabled them to help monitor labor law compliance at various levels. This experience was duplicated in the Visayas and Luzon in partnership with the National Anti-Poverty Commission under its Sectoral Support and Gender and Development program.

<sup>4</sup> For more information about the LRI, see <http://labour-rights-indicators.la.psu.edu/country/608>.

<sup>5</sup> <http://labour-rights-indicators.la.psu.edu/country/608>.

<sup>6</sup> For details of these cases, see <http://labour-rights-indicators.la.psu.edu/country/country/country/608>.

## GOAL 17: STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

The report states the premise of this goal: “Achieving the SDGs in the Philippines and across the world will require effective and cohesive partnerships among various actors such as national and local governments, the development community, civil society, the private sector and other organizations. Each stakeholder has a role to play given the scope, breadth and complexity of the Global Goals and targets. Increased investments in data, and in supporting mechanisms to ensure that no one is left behind are necessary to attain the Sustainable Development Agenda.” (p. 130).

In light of this, we reiterate the need for an effective and genuine social dialogue through the institutionalization of tripartism in all public institutions as mentioned in Target 16.7.

*Target 17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress*

The concessional loans<sup>7</sup> from the Chinese government and Chinese banks bear higher interest rates (between 2% and 3%) than loans offered by other countries (e.g. loans from the Japanese government bear interest rates between 0.25% and 0.75%). With massive Chinese loans pouring into President Duterte’s Build-Build-Build program, debt service as a proportion of exports of goods and services may eventually go up, reversing the overall declining trend since 2010. The high interest rates of loans from China, coupled with the lack of transparency surrounding many China-financed projects, concerns relating to the quality, bankability, economic feasibility of some of these projects, and the poor environmental record of Chinese-funded projects may affect the country’s overall long-term debt sustainability.

In light of this, indicators relating to debt servicing of Chinese loans, among other loans, should form part of Target 17.4. The Philippines should take all necessary measures not to fall into China’s “debt-trap diplomacy” towards poorer countries.

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<sup>7</sup> These loans come with conditionalities, such as the use of Chinese contractors and the hiring of Chinese workers in infrastructure projects.

