

Filipino Workers as Victims of Globalization

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Globalization of the economy

Globalization of the economy is mainly the evolution of the market and not the distribution of technological know-how (Houtard, 1995). Overproduction brings with it the need for more markets to sell. To keep the products relatively cheap, a market of cheap labor has to be created. It grows into a corporate monopolization of production and markets forcing the whole world to enter in a competition in which the strongest will win and the weakest will disappear. Labor becomes more and more a cheap commodity and not a partner for social progress.

In today's world economy, it has become a fact that we have to deal with neo-liberalism and that we experience the end of the Keynesian state. The principles of the British economist John Maynard Keynes were applied in all Western societies after WW I and even more after WW II. The rise in productivity goes hand in hand with the rise in wages, while the state acts as a mediator between capital and labor.

At the end of the 1980s, the Keynesian role of the state was over. The old social pact fell. New economic facts appeared, one of which is that most Third World countries are excluded from direct participation in the neo-liberal economy. Neo-liberal economy uses the logic of market rent ability¹, productivity and profit in all spheres of human activities, and privatization of what was not yet in the market sector of human activities. It is a new accumulation phase of capitalism.

The World Bank, IMF and the WTO will argue that they have no ideology and their functions are pragmatic. Their pragmatism states that in order to share, one first needs to have something, and to have something one needs to share economic forces. For this, the dynamic forces need more freedom, and obstacles have to be eliminated. Where the state is an obstacle, the role of the state

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¹ The Keynesian interpretation on market rent ability, means that markets in their complexity of being economic, financial, human etc. are not fixed. You do not buy a market, but you rent it, as long as it fits your purpose.

has to be reduced. Thus, the role of social system is being reduced, like education and health care. This creates poverty. The WB-IMF-WTO see this and sugar coats it by creating programs for the state to fight poverty.

Some observations about Filipino workers

The Institute of Labor Rights and Democracy conducted a survey among workers in Metro Manila from March to May 2002. Below are preliminary data gathered:

- ◆ From the survey returns of 209 workers, mainly contractual, 85 percent believed that they have the right to be unionized; 90 percent believed that the unions are necessary to defend workers' rights.
- ◆ Two thirds of the interviewed contractual workers earned only P100 to P250 a day in Metro Manila. The majority did not contribute to the social security systems, thus, were not entitled to benefits.
- ◆ The daily food consumption of a family of four persons was P150 a day. This was also the wage that the interviewed workers earned daily.
- ◆ Looking at the housing, 50 percent lived in one-room houses, with a bathroom annexed; 45 percent had no separate bedroom; 72 percent did not have a dining area; 50 percent did not have running water.

Statistics obtained from the Department of Labor and Employment (October 2001) showed that there were 14.752 million wage and salary workers. From the total, there were an estimated 4 million workers deployed abroad.

Why are Filipino workers living in these conditions? Let us go back to history.

In January 1995, the Philippines became a member of the WTO by signing the General Agreement on Tariffs and Trade. President Macapagal Arroyo, then senator was the main endorser of our membership to the WTO. No serious consultations were held on such an important issue.

The Ramos government boasted that it would create 500,000 jobs in industry and 500,000 jobs in agriculture. In 2001, the Arroyo government promised the same, talking of a repetitive blueprint. Then President Fidel V. Ramos ensured that safety nets were in place. His administration launched an intensified industrial activity, using the Cavite export processing zone as a showcase.

Ramos launched the prescription of the WTO. To pursue industrial development, attract foreign investors and be a player in the corporate globalized world, incentives must be given and a major incentive created was cheap, docile and contractual labor.

The latter was a plus factor against the unions. The unions who used to deal only with regular workers were vehemently opposing contractual labor. Due to the Asian crisis of 1997, many factories closed and lay-offs made. Contractualization became a reality, and in no time, the unions were downsized. The last two administrations have not moved away an inch from the Ramos Medium Term Development Plan. It was even extended beyond the year 2000.

In connection with the above facts and figures, there are five observations I want to make.

First, the full acceptance of the rules of the WTO and neo-liberal thinking pushing for privatization and unrestricted competition accelerated the decline or death of traditional industries like steel, mining, sugar, garments and textiles. We could definitely not compete with the North. In Asia, the Philippines face stiff competition from cheaper labor in neighboring countries. All of a sudden, we see ourselves importing rice and other food items. We have dangerously become dependent on imports. This might be ironically underscored by the fact that our main export are Filipino workers and that they are the ones bringing back the needed dollars.

Second, the government adjusted its role as protector of big local and international business communities. The role of the government as a middle person has shifted to a strong pro capital and anti labor. Rise in productivity does not go hand in hand with rise in wages. Labor is left with empty promises.

Third, the workers are driven into the corner of cheap contractual labor. There are no clear figures on how many workers are contractual or casual. We found out in our research that labor laws are often violated when it comes to contractual workers. The reserve labor on the market is so big, that the companies at random can choose the workers to hire as contractuels. An important concern is that a big labor market also indicates that the population growth is too fast. That in its own, is a problem. If you do not find a job, you join the ranks of the informal labor, which means you are on your own without any protection or a regular income.

Fourth, even if people find jobs, be it in agriculture, services, industry, or as professionals, all seek to leave the country looking for a better paying job. This is the sorry state of the Philippine labor today.

Fifth, this administration, as the four previous administrations, is set to walk the road of neo-liberalism, privatization, open market and free competition. All doors are closed for any alternative. As a competitor in the international playing field with the North, it can only offer cheap docile contractual labor at the home front; cheap docile contractual labor abroad;

and use the local market as a dumping place for surplus products abroad. Moreover, the Philippines is a ready country for further exploitation of mineral and natural resources on land and its seas.

Conclusion

We are left wondering what went wrong. In the 1950s, we were the second fastest growing economy in Asia next to Japan. Now we are at the tail end. As much as we can explain what went wrong in the past, we still have to figure out what economic development we want.

Right now, the Philippines is only a player in delivering cheap labor, opening up its markets, providing infrastructure for foreign companies to come in, selling its seas and fishes to the highest bidder. We have the Mining Act tailored to the dictates of foreign mining companies. We privatize water and electricity.

The working people see only one way out of the misery and that is seeking jobs abroad. They are being supported by the government. What is wrong?

Philippine style neo-liberalism accepts the dictates of the corporate world, a basis for corruption. There is no transparency possible, only the creation of visible illusions. Think of Enron, Worldcom, Xerox in America and Vivendi in the United Kingdom. They all had illusions that bigger is better. They falsified their accounts to the tune of billions of dollars and euros, leaving thousands of workers instantly jobless.

To go back to the survey results, most of the respondents believe that they have the right to be unionized and see that the unions are necessary to defend workers' rights. Labor has a voice but has to stand united in order to be heard. Can they make a difference?