

Cavite (Philippines) : Strike at Korean factory ends with agreement on wages and benefits

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Strike at Korean factory ends with agreement on wages and benefits

Press Release

February 13, 2015

The two-day strike at Tae Sung Philippines, a Korean-owned metal factory at the Cavite economic zone, ended late last night with an agreement between the union and management for wage increases and additional benefits. Just before midnight, more than a hundred jubilant strikers held a “victory march” from the factory to the main gate of the export zone.

The union got a substantial pay hike which was the most contested part of the deadlocked bargaining. Management also agreed to other benefits demanded by the union such as additional leaves and annual Christmas package.

Since the strike broke out last Wednesday morning, marathon mediation meetings have been held by the Department of Labor and Employment (DOLE) and the National Conciliation and Mediation Board (NCMB). Apparently recognizing the importance of the Tae Sung dispute, no less than the national executive director of NCMB, Reynaldo Ubaldo, together with the OIC’s of the NCMB-NCR and NCMB-Calabarzon, and the head of the DOLE-Calabarzon, facilitated the mediation.

“The workers of Tae Sung and even other companies in the ecozone have learned a valuable lesson. That they will have to unionize and fight to get a decent share in the fruits of their labor. They cannot depend on the bankrupt two-tiered wage scheme of the government,” stated Wilson Fortaleza, spokesperson of Partido Manggagawa (PM).

In the two-tiered wage scheme implemented in Calabarzon since 2012, the minimum wage is replaced by a floor wage that is set low and unchanged for five years. Increases above the floor wage will depend on negotiated productivity-based pay.

“But at Tae Sung, despite annual profits of more than USD 14 million, management did nothing to share productivity gains to its workers. Thus before the strike, most Tae Sung workers earned no more than the floor wage despite their company supplying metal parts to big electronics and auto multinationals like American Power Conversion, Honda, Caterpillar, Mitsubishi, Siemens and Deif of Denmark,” argued Fortaleza.

He added that “The Tae Sung union owes its victory to the determination of its members and to the solidarity of the labor movement in the country and abroad. The assistance of international groups

was a key factor in putting pressure on Tae Sung's multinational clients so that a fair resolution of the dispute is reached."

Strike at Korean factory reveals myth of APEC's "inclusive growth"

Press Release

February 12, 2015

The labor group Partido Manggagawa (PM) today slammed the Asia-Pacific Economic Cooperation (APEC) theme of "inclusive growth" as a myth as it cited the strike at a Korean factory in Cavite as microcosm of labor's plight. An APEC senior officials meeting just concluded last weekend in Clark, Pampanga.

"APEC, which includes the Philippines and South Korea, is all about investor rights and none about labor concerns. Thus its call for inclusive growth is just a marketing gimmick in the face of worsening inequality amidst economic development. A case in point is this Korean investor in the Philippines which refuses to share productivity gains to its struggling workers," insisted Wilson Fortaleza, PM spokesperson.

The strike at Tae Sung Philippines Co. Inc. in the Cavite economic zone entered its second day. A marathon mediation meeting yesterday failed to break the deadlock in negotiations. The union Tae Sung Employees Association asserts that management remains intransigent in bargaining and refuses to meet workers demands halfway. Another mediation session is scheduled this afternoon.

Fortaleza explained that "Tae Sung is earning more than USD 14 million (PhP 600 million) annually since 2011 but it is merely offering its 250 unionized workers a pittance of P3 million in wages and benefits or just half of one percent of the fruits of their employees' labor !"

He added that "Tae Sung is the rule not the exception among investors in Philippine export zones and all across the industrial areas of Asia and the Pacific. Cheap labor and precarious work means a regime of exclusion and belies APEC's lip service of inclusive growth."

Production at Tae Sung remains paralyzed as regular workers are outside the factory picketing. Aside from bad faith bargaining, the union alleges that Tae Sung is attempting to weaken the union by firing eight union members, including one union officer, and suspending others including the union president and vice president. Workers have set up tents and a picketline outside the Tae Sung factory.

"Most of the Tae Sung workers earn just the floor wage of P315 plus allowance of P25.50 which is not even half of the cost of living in Calabarzon, which hardly differs from Metro Manila which we estimate is at least P1,000 per day for a family of five," Fortaleza argued.

Strike at Korean factory exposes bankruptcy of new wage system in Calabarzon

Press Release

February 11, 2015

A strike broke out today at a Korean-owned metal factory inside the Cavite Economic Zone, the biggest in the country, due to a dispute over wage increases during collective bargaining negotiations. The militant Partido Manggagawa (PM) explained that the dispute exposes the bankruptcy of the two-tiered wage system being implemented in Calabarzon for the past few years.

“The two-tiered system pioneered in Calabarzon sets a very low floor wage—the new name for the minimum wage—and only productivity-based schemes allow workers to receive above the floor wage. But at Tae Sung and other export zone factories, despite yearly profits, capitalists refuse to share productivity gains to its workers. Thus most Tae Sung workers earn no more than the floor wage despite their company supplying metal parts to big electronics and auto multinationals like American Power Conversion, Honda, Caterpillar, Mitsubishi, Siemens and Deif of Denmark,” argued Wilson Fortaleza, PM national spokesperson.

Production at Tae Sung is now paralyzed as all regular workers for the 6:00 a.m. morning shift are now picketing company gates. Tae Sung’s human resource manager has talked to the picketing workers and she was told that only a collective bargaining agreement will make them go back to work.

Fortaleza added that “How can a two-tiered wage system work—in which productivity-based pay are dependent on negotiations—when the vast majority of workers are unorganized and the few unionized are disadvantaged by weak enforcement of labor laws and the willing connivance of government officials—from the Labor Department to the local government units—with foreign and local capitalists ? No wonder inclusive growth remains elusive and instead inequalities prosper despite the much-vaunted economic growth that is monopolized by big capitalists.”

The Tae Sung Employees Association, the union at the Korean factory, alleges that the company has been engaged in bad faith bargaining for the past seven months of negotiations. The union has reduced its wage demand from P100 each year for three years to P25 in a bid to reach an agreement but the Tae Sung management has barely moved from insisting on no increases to offering merely P5 each year for three years. Aside from wages, almost all provisions in the union contract proposal have been rejected by Tae Sung. Since 2011, Tae Sung has been earning annually more than USD 10 million, according to the union.

Aside from being hardline in negotiations, the union claims that Tae Sung is attempting to weaken the union by firing eight union members, including one union officer, and suspending others including the union president and vice president.

P.-S.

* <http://www.partidongmanggagawa2001.blogspot.fr>