

Philippines: Labor yearender: Incomes and jobs crisis pummeled workers in 2022

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Despite the economy sustaining its recovery from the recession induced by the pandemic, workers faced a worsening incomes and jobs crisis in 2022. Thus, while businesses were slowly recuperating, formal and informal workers continued bleeding from wage and income erosion, job losses, and a fall in employment quality.

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Eroded wages and incomes

Inflation ratcheted up for the whole year, from 3.0% in January 2022 to 8.0% in November, the highest recorded since December 2008, which was the onset of the global financial crisis. No doubt prices rose even more in December. The P570 minimum wage in NCR was just worth P494 by October 2022. Before the P33 minimum wage hike in June 2022, the minimum wage was P537. The P76 shaved off the real value of the minimum salary means that not only has the P33 been effectively wiped out by inflation, workers' wages have pushed back even further. Inflation was even worse outside Metro Manila. By the last quarter of 2022, there was a clamor from the labor movement for a new salary hike.

Partido Manggagawa called for a P100 nationwide across-the-board legislated increase. Early this month, the group Kapatiran ng mga Unyon at Samahang Manggagawa filed a petition at the NCR wage board for a P100 minimum wage hike. This demand was just for recovery of lost purchasing power and not even an increase in real wages. The Employers Confederation of the Philippines opposed a wage hike using the disingenuous argument that MSMEs cannot afford it, along with horror scenarios of business closures. Meanwhile, the government played deaf to the demand and stuck to the myth that there was no supervening condition—despite runaway inflation—that existed to warrant a new round of wage hikes within a year's time.

Workers are not yet claiming a just share in the fruits of their labor. From 2001 to 2016, real wages stagnated but labor productivity increased by 50% and the GDP doubled. Employers are crying that they are suffering from the economic crisis even though they monopolized the gains of the decade and half-long business boom. Not only does the government owe workers due to unabated inflation but also employers are obligated to share the wealth created by the labor of the working class.

Declining job quality

The government trumpeted the return of employment figures to pre-pandemic levels. By October 2022, unemployment was at 4.5%, exactly the same rate as in October 2019 before COVID-19 struck. But while the quantity of jobs may have returned, the quality of jobs worsened. More people were in part-time instead of full-time jobs.

Underemployment—measuring the number of people wanting more hours of work—jumped from 13.0% in October 2019 or 5.62 million Filipinos to 14.2% in October 2022 or 6.67 million. This translates to more than a million Filipinos working as casual, contractual or informal in 2022 or a rise of 19% compared to pre-pandemic levels of underemployment. Those who worked less than 40 hours per week comprised 60.5% of the underemployed in October 2019. In comparison, that cohort had risen to 63.3% of underemployed Filipinos by October 2022.

As part-time employees working as casual, contractual or informal, they would be suffering from lower remuneration, not enough benefits, less job security, lack of social security and unsafe working conditions. In other words, these employed but vulnerable workers in the post-pandemic context are still harmed by decent work deficits. More Filipinos are back to work but in bad jobs.

The plight of delivery riders reflects this phenomenon. No doubt, there were more of them as essential workers during the pandemic. An upsurge of protests starting in late 2020 among delivery riders bared the decent work deficits of Filipinos working as independent contractors rather than as full-time regular employees. Almost all of these protests emanated from grievances over steep declines in incomes as apps arbitrarily cut “commissions” while the cost of fuel rose continuously. This contradiction exposed the unfair nature of the app-based business model—part of the operating costs has been passed on to so-called freelancers while platforms continue to exercise control over their misclassified workers. This year, Grab riders in General Santos, Cebu and Pampanga, together with Grab cyclists in Metro Manila, all held mass actions to highlight their demands. In a pioneering initiative, the Iloilo Grab Riders Union was formed in November, which will be a litmus test of the employee-employment relationship between workers and the apps.

While the unemployment rate may have returned to normal—which is not saying much—the hemorrhage of jobs continues. In September 2022, some 4,000 workers across the five factories of the Sports City group of companies in the Mactan Economic Zone were laid off, arguably the biggest mass termination this year. That the mother of all layoffs at Sports City was not a one-time, big-time event was confirmed by the industry association CONWEP which stated in October 2022 that up to 4% of the 270,000 workers in the apparel industry—or more than 10,000—have been laid off this year. Export zone workers such as those in garment and electronics are especially at risk due to global supply chain disruptions arising from the pandemic.

Deaf to workers' demands

Undoubtedly, many Filipino workers voted for President Bongbong Marcos in the 2022 national election. The second half of this year was a test whether that mandate could translate into better policies and better outcomes for those working-class voters. Organized labor crafted a “Labor Agenda” as a basis for engaging with the government. In response to soaring prices, deteriorating quality of jobs, and chronic unemployment problems, the Nagkaisa labor coalition asked for a wage hike, a public employment program, an end to contractualization, affordable and quality public services, and mechanisms for a continuing policy dialogue on structural reforms. To protect labor rights, Nagkaisa demanded a renunciation of the Duterte administration’s policy on extra-judicial

killings, as well as the abolition of state agencies involved in red-tagging like the NTF-ELCAC and the Alliance for Industrial Peace and Program Office of the Philippine National Police and the Philippine Economic Zone Authority.

Unfortunately, no relief was forthcoming from the current administration. The State of the Nation Address in July was the occasion for President Bongbong Marcos to finally reveal his platform of governance as some sort of belated miting de avance. The State of the Nation, the President declared, is sound. But the SONA was deafeningly quiet on wages, endo, and full employment. Thus, the speech was primarily intended for legislators, investors and diplomats, not for the working people. Militant workers gave President Bongbong Marcos a grade of "F1" during the SONA, in reference to his infamous trip to watch the car race in Singapore. Later, on Bonifacio Day, protesting workers held a "blank paper protest" to convey the message that the administration lacks a labor agenda.

With the threat of a government dipping its fingers on their pension funds and prospects of a global recession ever higher, Filipino workers face bad rather than good tidings next year. Our task as class conscious activists is to ensure that workers' illusions with the current administration will start to fade. We must formulate tactics and slogans that will transform these objective conditions into a favorable situation for the advance of the subjective elements.

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