



June - July 2016

Report on Workers' Conditions and Labor Standards

Barangay Lawang Bato
Brgy. Punturin, Valenzuela City

BACKGROUND OF THE STUDY

The Center for Trade Union and Human Rights, (CTUHR) with the help of its interns from the University of the Philippines Manila and in partnership with Young Christian Workers (YCW) conducted a survey in Valenzuela City particularly in two barangays – Brgy. Lawang Bato and Brgy. Punturin.

The objective of this study is to know the conditions of the workers in Valenzuela City, one of the few remaining cities where there are still many factories. Prior to the study, we have received reports regarding forced overtime, rampant contractualization, non-payment of minimum wage and unsafe conditions in the workplace.

This research is also in line with CTUHR's monitoring and documentation of violations against human and labor rights and also in line with the organization's advocacy for better working conditions for the workers.

The survey was initiated in June 2016 and 2nd week of July, the results included in this summary are only based on that survey. The research is on going with an objective of gathering more information through case studies.

PROFILE OF THE RESPONDENTS

There were a total of 120 respondents. 106 respondents (88%) said that they work in a Chinese-owned company while still indicating that they are under a Filipino employer. The respondents could not identify whether the Chinese employers are Filipino Chinese or from overseas. The ages of these participants ranged from 18 to 60, 50% of which belong to the age range of 18 to 26 years old.

In terms of gender, there were 76 male and 44 female respondents. There are 66 single respondents, 35 married, 17 with live-in partners, while 2 are widowed.

Respondents are employed in 61 companies and majority are hired by 31 manpower agencies. Companies are manufacturing plastic, paper, furniture, snack foods (junk foods), canned fish etc. primarily for domestic market. Initial information notes that some of these companies are licensees of overseas corporations.

WORKERS' CONDITIONS, length of service

Contractualization is very rampant in the industrial areas in Valenzuela. Out of 120 respondents, 85% are contractual workers. Most of their contracts last only up to 5 months and are renewed accordingly based on their performance. In one company, the management even asks their workers to change their name upon the renewal of their contract. Contractual workers struggle not only with low wages and lack of benefits but also with no security in their jobs. The management can terminate their contracts whenever they want to. During the survey a worker told the interviewer that he left his face mask at home and was terminated. Another one got sick for a week and unable to work but was not even allowed to explain and was immediately terminated upon reporting back to work.

Most (55%) of the contractual workers are hired through manpower agencies. Interviewed workers are from 31 agencies. Upon checking the list of accredited agencies at the Department of Labor and Employment via DOLE's website and not a single agency that hired the workers is in the list.

Out of the 102 contractual workers, 59% are agency-hired while 41% are directly hired by the company.

One alarming revelation in the research is the large number of workers work for 12 hours, 6-7 days a week. (64.2% of respondents said they work 12 hours a day while only 29 work in the prescribed 8 hours. Workers are required to work overtime for 12 hours with no overtime pay. Twelve percent (14%) said that their working hours are indefinite. Only 1 out of the 120 respondents work five times a week.

WAGE AND BENEFITS

The research found out that the average earnings of contractual workers are lower than regular workers. The wages of the workers range from P200 (US\$4.35) to P1,000 (US\$21.73) per day. Only one respondent, a driver receives daily wage of P1,000 (US\$21.73). Sixty six (66%) percent of respondents have wages below minimum, 5.8% have minimum wages while 25% earn above the minimum. The minimum wage in National Capital Region is P481/day or US\$10.45. Out of the 25% with above minimum wage, 22% work overtime every day. Working overtime for at least 2-3 hours is the reason why they get wages higher than the minimum. However, some of them do not receive such unless they work for 12 hours or more. It is important to note that drivers gain a higher wage in exchange for driving at night, with flexible working hours.

The research found that the average wage per day of male respondents is higher than the mean earnings per day of women.

Sixty nine percent of 120 respondents claim that they have mandatory benefits, however, 38 or 31% of them say that they are not sure if their employers remit their SSS/GSIS, PAG-IBIG or PhilHealth contributions.

While 64% (77 respondents) asserted that there are no other deductions aside from those for the benefits, 43 or 36% out of 120 respondents said that cash bonds are deducted from their wages by their agency. 93 (77%) out of 120 respondents said that they do not receive any allowances or benefits.

HEALTH AND SAFETY IN THE WORKPLACE

There are various concerns. Some companies provide personal protective equipment (PPEs), 52 or 43.3% said that they are unsure about health and safety. They complain of heat inside their factories, the poor quality of the machines that they utilize, and the lack of personal protective equipment.

Those who are provided with PPEs deem that they are not enough for protection against accidents and illnesses. Some of the workers interviewed pay for their own PPE, as it is deducted from their salary.

Common accidents in the workplace are wounded hands, allergies from powders used for adding flavor to junk foods, hands and fingers being cut and having burns on the skin. Some said that a lot of workers

are experiencing over-fatigue due to 12 hours of work. One worker witnessed a co-worker die when a large piece of glass pierced and eventually killed his co-worker. One interviewee reported that a lot of his co-workers are having respiratory problems due to the toxins and foul smell of tires, and chemicals needed in products manufacturing.

INDUSTRIAL RELATIONS AND WORKERS RIGHTS

Seventy five (75% or 94 workers) responded that there are no labor unions in their workplace. 27% said that they are being restricted from organizing labor unions. Some workers are also afraid to organize because of the high risk of losing their jobs.

The research revealed that the average wage of workers with labor unions is higher than those without. Workers with labor unions have less problems with their wages than those without.

KNOWLEDGE ON LABOR STANDARDS

Informative questions were also included in the survey questionnaire. They were asked regarding their knowledge about the existing labor standards and their labor rights. They were asked whether they know the minimum wage, the prescribed hours of work, the effect of contractualization, the effect of 12 hours of work to one's health and family, and the importance of labor unions and its legality and being the right of workers.

The research found out that young workers have less knowledge on labor standards and are therefore in need of more knowledge regarding their rights as workers.

RECOMMENDATIONS:

As noted before, the study is ongoing to get much more in-depth conditions inside the workplaces. Though this is initial, it is apparent that violations of labor standards are pervasive: At this stage, it is recommended to:

For DOLE:

1. Inspect (unannounced) and investigate immediately those agencies, which are not listed in the authorized manpower agencies, and therefore most likely illegal and operating as labor only contractor, which is prohibited by law; Impose sanctions and stiffer penalties on the agencies (stop their operations) and companies, but ensure that those workers hired through agencies are absorbed by the principal (factories), so that displacements of workers are avoided
2. Conduct an immediate and thorough inspection on the said workplaces where violations of labor standards, including OSH are rampant, and ensure that they comply with the law;

3. In line with President Duterte's commitment on ending contractualization, while under study on the new law; strictly enforce the ban on labor only contractor; review and inspect the authorization given to manpower agencies, when found violations are found, shut down their operations and companies must absorb all the workers hired;
4. Compliance to labor laws must be mandatory, and therefore, DO 131-13 (voluntary compliance), must be repealed.
5. Conduct/Support labour education in Valenzuela, to bring the services (education, legal and medical) closer to workers particularly in cases where workers do not have day off. This can be conducted jointly with other barangay or with NGOs doing labor education.#

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