Executive Summary

1. The people's right to work, other labor rights, right to adequate housing and other rights surrounding the right to adequate standard of living is continuously undermined by government and public-private partnership projects under the Philippine Development Plan (2011-2016) and other long-existing laws such as RA 6715 (Herrera Law), RA 6727 (Wage Rationalization Act of 1989) and Urban Development and Housing Act (UDHA).

2. Despite government claims of steady economic growth, wages remain at the bottom of the ladder compared to the rest of the world. Sweatshop-like factories continue to freely operate. The previous administration also continued the practice of forced evictions and violent demolitions, contributing to the further degradation of the people's living conditions and disregard to economic, social and cultural rights.

Objectives

3. This report aims to highlight cases of serious violations of economic, social and cultural rights of workers and other vulnerable groups such as urban poor and women living under slave-like conditions in sweatshops and communities gravely impacted by forced evictions and demolitions. In particular, it aims to suggest to the UN Human Rights Council to recommend to the State-party under review to specifically raise the following questions:

> **Is the state aware that sweatshops are operating in Valenzuela City?**
> **Is the state aware that workers in these factories are under slave-like conditions?**
> **What immediate, concrete and substantive steps can the state take in order to protect the rights of these workers especially the women?**

4. This report welcomes the strong stance against contractual labor or contractualization of work of the new administration of the state under review. Truly, R.A. 6715 or Herrera Law—the law that legalized short-term contractual labor and even labor-only contracting, runs counter to the State's international human rights obligation as it clearly violates not only the right to job security but all other workers' rights. On the other hand, the report wants to take the discussion and actions to the next step. Thus, this submission also suggests to the Human Rights Council to ask for the State-party's clear and concrete plans on how to stop contractualization and to ensure security of tenure and other rights of workers.

5. This report underscores the many cases of forced eviciton in different cities of Metro Manila and one in Batangas Province from 2012-2016, four years after the second cycle. Thus, this report requests the Human Rights Council to raise concern on the continuing practice of forced eviction and demolition to give way to mega development projects under the Public Private Partnership, a flagship program of the Philippine Development Plan (2011-2016).

6. Finally, this report hopes that the members of the Council will remind and recommend to the state under review to refrain from the practice of evictions and demolition, with our without relocation, and

focus instead on developing the existing urban communities.

Philippine Government's Obligations Related to Right to Work and Right to Adequate Housing

7. Philippine Constitution. Declaration of Principles and State policies. Section 9. The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.

8. Philippine Constitution. Social Justice and Human Rights. Labor. Section 3. The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

9. Philippine Constitution. **Social Justice and Human Rights. Urban Land Reform and Housing.** Section 9. The State shall, by law, and for the common good, undertake, in cooperation with the public sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlements areas.

Context of Right to Work and Labor Rights and Right to Adequate Housing in the Philippines

10. In the Philippines, although promotion of workers' rights is clearly enshrined in the Philippine Constitution, two domestic laws systematically violate workers' rights-- Herrera Law (RA 6715) or Contractualization Law and Wage Rationalization Act (RA 6727). The enactment of these laws is in accordance with the flexibilization of labor under the globalization framework.

11. Herrera Law, enacted in 1989, legalized contractualization of labor. Subsequently, the Department of Labor and Employment issued orders allowing the legalization and proliferation of job contractors and manpower agencies, including Department Order 18-A series of 2011. In practice, workers are hired by manpower agencies or third parties and they are considered employees not of the company but of the agency or third-party service provider. As a result, they are poorly paid, with no benefits and no union rights. The law deprives the workers not only of job security but all other workers' rights-- fair wages, benefits especially maternity benefits, health and safety standards and union rights. There are also cases that employers forced workers to leave for a month and sign for another contract come next month. In other cases, workers are forced to sign blank papers on their first day of work and later, these papers would turn out to be their contracts, waivers and resignation papers.

12. Parallel to Herrera Law, Wage Rationalization Act of 1989 pulled workers' wages down to one of the lowest in the world. Under this wage law, wage rates are set by regional wage boards. Right now, the highest minimum wage rate is in Metro Manila at P491/day or $10.6/day while the lowest rate is in Autonomous Region of Muslim Mindanao (ARMM) at P250/day or $5.5/day. These rates are a far cry

from the family living wage of P1086/day or $23.6/day in 2014, according to Ibon Research Foundation. But even with these very low wage rates, many companies are not paying the legally mandated minimum wages such as those in Valenzuela City.

13. While wages are pushed to the bottom and precarious work is rampant, profits of top 1000 corporations and billionaire business tycoons skyrocketed.

14. According to the Labor Code, the normal workday of an employee shall not exceed eight (8) hours a day and may extend work beyond that provided that the employer will give an overtime pay. In the case of Valenzuela workers, the common workday is twelve (12) hours per day for a daily wage of $3-6. Interviews and documentations also noted that workers in these factories are contractual, deprived of benefits, especially maternity benefits and even those mandated by the government such as enrolment to social security, health insurance and housing program. Women workers also serve as domestic helpers in their employers' houses.

15. This slave-like condition of Valenzuela City workers was exposed after the tragic fire in Kentex footwear factory in killed 72 workers, mostly women and including a few children. But more than a year after the tragic fire, factories of sweatshop working conditions continue to operate freely and reap profits.

16. On another note, since the enactment of Urban Development and Housing Act in 1992, economic, social and cultural rights of workers, women, children and other vulnerable groups living in urban communities have been gravely impacted by forced evictions and demolitions. Vulnerable as they already are, they were even pushed further to the margins, even to the brink of death and starvation.

17. Section 28 of the said law allows evictions and demolitions in circumstances such as when government infrastructure projects with available funding are about to be implemented. However, majority of the affected communities have existed in the areas for such a long time and were developed from idled lands to vibrant and organized ones. Contrary to the usual excuse, many of the areas are not classified as danger areas. Nevertheless, homes and livelihoods are destroyed; access to work and social services is cut off.

18. The relocation housing program for affected families becomes an additional burden rather than adequate social housing service for the vulnerable population. Relocatees, or those relocated as they are called by the government, are thrown in far-flung relocation sites; hours from their work or livelihood. To make things worse, access to affordable and ample supply of electricity and clean water, health and education services are at far reach. In many cases, relocatees would only find substandard, unfinished structures lying above or just around an earthquake faultline, dumpsite or water creek.

RIGHT TO WORK

Valenzuela Workers: Inside Deadly, Profit-Reaping Boxes

19. Based on the documentation and research conducted by Defend Job Philippines conducted in June-

August 2015, Valenzuela workers are gravely trapped in fast-degrading, inhumane working conditions in sweatshop-like factories in Valenzuela.

20. In the survey conducted among workers in Barangays Ugong, Mapulang Lupa, Parada and Maysan, 116 participated mostly by answering the questions of an interviewer. The participants came from 48 companies, mostly operating in the said vicinity producing plastic and kitchen wares, plastic bags, plastic cutlery, food, toys and assemble of appliances mostly for domestic consumption and scrap metals. One hundred and three (103) of them are working in companies based in the said barangays; five in companies based in other barangays of Valenzuela, including two in the local government of Valenzuela; three in Caloocan City; and five in other cities. Most of the participants are male and most came from far provinces of the Visayas and Mindanao who went to the country's capital to look for jobs.

21. Sixty three (63) of them work beyond the eight-hour work day, most up to 12 hours a day. This practically meant no rest day and no quality time for themselves and their families. Yet and worse, workers enjoy no security of tenure, no benefits and, practically, no right to organize. Fifty nine (59) of them are contract-based workers while 53 claimed they are regular workers and six did not give any answer. Twenty seven (27) out of 59 are direct-hired, 23 work under a manpower agency and six work in piece-rate system or *"pakyawan"*[1].

22. Regardless of working hours, 55 were found to be receiving a daily wage of P150-449 ($3.3-10)[2] only. Ten are paid on piece-rate or *"pakyawan"* system. Most of those 28 workers receiving around P450-549 receive the P481 NCR minimum wage[3] while a few more receive a little over that. Only four are paid higher than P500 a day. Twenty seven (27) of them get overtime pay while the rest do not. The fact that most are working 12 hours a day for wages lower than the minimum explains much about this. Initial documentation also showed that workers are of higher proportion in these factories where they are paid less than men.

23. The concept of benefits, because of its absence, has also become alien to the workers. They often refer to the government-mandated social security and health insurance entitlements when asked if they receive benefits from their employers. Fifty five (55) said they are not entitled to any benefits while 19 receive 13th month pay, 13 are entitled to paid sick leave, six to vacation leave and 11 fortunately get other entitlements such as food allowance and occasional bonuses. Despite enacted laws obligating employers to share social security, health insurance and housing loan program premium contributions, 26 of them are not enrolled to any of it. Only half or sixty four (64) are enrolled to SSS, 57 are enrolled also to government housing loan program, PAGIBIG and 58 are enrolled also to Philhealth. A few said they enrolled and contribute on their own.

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1 *Pakyawan* (in Filipino) is a colloquial term referring to a work set up in which a worker contracts out an agreed number or amount of work; s/he shall be paid in bulk for that agreed amount of work.

2 $1=P45

3 Until before April 2016

24. Obviously, like in Kentex, occupational health and safety are disregarded. Workers complained the absence of protective equipment and apt orientation and training on handling machines, chemicals and emergency situations. Some also revealed that fire exits and fire extinguishers were only installed after the tragedy in Kentex. Despite their "tragedy-waiting-to-happen" situation, only two of them said they have functional clinics inside their workplace. Because of these, many complained that minor accidents have become a normal day occurrence while company managements do not account for it and compensate the workers appropriately. Many of them also revealed that major accidents that have impaired workers or have claimed a few lives happened in their workplaces yet employers accounted for it on very minimal ways.

25. Despite the awful situation they have revealed, only one among the 116 said that they have a workers organization or union that is meant to protect their rights as workers or, at the very least, a support system that they can go to whenever they encounter problems in the workplace.

26. Most of the time, these factories are owned by Filipinos, Filipino-Chinese and Chinese nationals. The local government of Valenzuela estimates that there are around 300, 000 workers in different kinds of establishments in the city.[4]

RIGHT TO ADEQUATE HOUSING
Filipino Urban Poor: Is there home in the Philippine Development Plan?

27. The information on forced evictions and demolition is documented through the Demolition Watch program of Defend Job Philippines. From May 2012 to May 2016, forced evictions and violent demolitions took place in Guatemala Street, San Isidro, Makati City; Factor Compound, Almanza Uno, Las Pinas City; Lakeshore Area Taguig City; Barangay Bignay, Valenzuela City; Road 10, Tondo, Manila; Floating Community, San Dionisio, Paranaque City; Sitio San Roque, North Triangle, Bagong Pag-asa, Quezon City and Laiya, Batangas.

28. In January 27, 2014, more than 1000 forces of the Philippine National Police and demolition team forcibly evicted and demolished the homes and livelihoods of more than 200 residents of Sitio San Roque, North Triangle, Quezon City.[5] According to documentations, the demolition team used guns, tear gas and brute force. Several children reportedly suffocated, as a result of the tear gas and were brought to hospitals with signs of trauma. The demolition is to give way to the construction of Vertis North project as part of the Quezon City Central Business District.

29. In Taguig Lakeshore communities, more than 130 homes of poor fishermen, vegetable planters, workers and urban poor were forcibly demolished by more than 300 joint forces of Philippine National Police, Public Order and Safety Office (POSO) and demolition team in April 2015. Nothing was left in the houses of the affected residents. Everything was shattered down to pieces. The team was headed by

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4 See more at the Parallel Report submitted to the United Nations Committee on Economic, Social and Cultural Rights, Philippines, 59th Session (19 Sep 2016 - 07 Oct 2016).

5 See https://demolitionwatch.wordpress.com/statements-and-documentation/page/2/

Mr. Agapito Cruz of the Urban Poor Affairs Office of the Taguig City Government. The Taguig Lakeshore is part of Laguna Lake, the largest lake in the Philippines. Ironically, the demolition is aimed to give way to the full implementation of the reclamation and the Laguna Lakeshore Expressway Dike, a host of public-private partnership projects approved during the Aquino government.

Recommendations

30. Based on the assessment made in this report, Defend Job Philippines request the United Nations Human Rights Council to raise the immediate need of the Philippine Government to:

31. Make clear and concrete action plan towards the scrapping of R.A. 6715 (Herrera Law) and putting a stop on the policy and practice of contractual labor in the country;

32. Take action in addressing the demand of workers to scrap the Wage Rationalization Act of 1989 and the demand for National Minimum Wage and substantial increase of wages.

33. Take immediate and substantive actions to stop the sweatshop-like operation of factories in Valenzuela City and make adequate programs for the improvement of their working conditions and protection of the rights of every worker in the area;

34. Take meaningful steps in raising people's awareness on workers' and women's rights in and make a clear plan of action to make decent work a reality for the workers, especially women workers;

35. Review development and public-private partnership projects in relation to its implications to the enjoyment of the affected communities' right to work, adequate housing and standard of living; and

36. Refrain from the practice of forced evictions and demolition, with our without relocation, and focus instead in utilizing and providing resources and programs to further develop suitable, sustainable and safe urban communities.