

**2016 NATIONAL PRODUCTIVITY CONFERENCE**  
**Trade Union Congress of the Philippines**  
**Atty. Raymond Democrito C. Mendoza**

*Delivered by Mr. Edsil Bacalso*

Good morning!

I am here to read the message of Raymond Democrito Mendoza who is now in Senate to attend the Senate Committee on Labor discussing the security of tenure.

It would be easy to say that “productivity” is a neutral benchmark by which both labor and employers sector are measured, and when both achieve benchmarks, the rising tides to prosperity will raise the boats of all players. But this allusion to nautical flows has more often than not seen the further ebb and the decline of already perilous economic situation of the Filipino worker.

Indeed, much storied 6.9 GDP growth experienced by the Philippine economy may have raised the yachts of the families of the 40 most economically and politically privileged Filipino families. But for the rest of our countrymen, their bancas were beached and swamped or otherwise overcome by the elements, rendering them to be mere spectators in watching the condominiums being built which they never afford and the onlookers to an urban lifestyle, to which their own crowded, undeserved, and dangerous barangays are the antithesis to.

What I have shared is a cautionary tale which we can reach certain conclusions, which fairly or unfairly, offer a not so flattering perspective on the state of Philippine labor relations, on the inclusive and non-inclusiveness of growth for the 80% of Filipinos at the bottom of the pile, and the sustainability that economic model for ensuring the future of our children and grandchildren of all Filipinos in the society which will be marked by social stability, and a decent quality of life.

In the same manner that I am instinctively skeptical whenever referenced to water events are made to explain economic and political developments. That skepticism grows even more when I hear the economic analogy that water must first fill the glass before it can trickle down to justify delayed wealth or asset redistribution to Filipino workers. It is little wonder that supposedly a Pope commented that he had always wondered that whenever a glass was about to become full and presumably soon allow the trickling-down, the glass-miraculously-grew larger than ever!

So levity aside, it is our hope in the TUCP that we stop approaching “productivity” thru the prism of rising water and the much-ballyhooed “trickle-down” effect. Nor should we approach productivity purely arithmetically or through an artificial formula. In our policies, instead of just pushing productivity, let us allow equal consideration to gainsharing, productivity incentive systems, and the equally taboo, but just, stock dispersal to workers.

Fellow workers, colleagues, and social partners in government and industry, labor and industry government need to craft new strategies in achieving change in the time of President Duterte. The raising of economic tides and the consequent trickle down has only seen the raising of the wealth of the top 20%. The latest Pulse Asia Survey of September 2016 says, as much. The top issues that concerned the Filipinos are directly related to quality of their lives.

Increasing the pay of workers, it's 46%;  
Creating more jobs, 38%;  
Controlling inflation, 37%;  
Fighting graft and corruption in government, 32%;  
Reducing poverty of many Filipinos, it's 42%.

Fighting criminality ranked only at 6 with 31%. And federalism and changing the Constitution still ranks a far at 15 with 2%.

Today, let me therefore reiterate the TUCP position on fundamental labor issues which are directly related to productivity. The first issue is on security of tenure. The worker's right to security of tenure is guaranteed in our Constitution and should enjoy a high priority in the hierarchy of rights but because of contracting and subcontracting, and weak enforcement system, our workers have become increasingly more vulnerable to abuse and exploitation. The violations of workers' right and security of tenure have created a pool of workers who have no social security, no healthcare, no access to housing programs, and other benefits and incentives. The weakening of security of tenure is largely contributed to the expansion of precarious work in our country. Precarious work clashes with the principle of productivity. We believe that workers can only maximize their productivity and competitiveness if they have decent jobs and their rights to security of tenure as well as to the right to self-organization and collective bargaining which are also provided under our Constitution are respected.

This is why we fully support President Duterte's policy to end contractualization and to strengthen workers' security of tenure. By strengthening their security of tenure, they will have an opportunity to partake in productivity sharing and gainsharing with their companies and employers that would eventually lift them up and their families from poverty.

The second critical issue is wages. We urge our social partners - the government and the employers - to comply with the Constitutional provision ensuring Filipino workers the right to a living wage. Our minimum demand is for minimum wages in current terms to be equal to real wages so that our workers can have the capacity to cover at least their basic necessities. We reiterate our hope for the improvement in monitoring of compliance to wage orders; for the immediate prosecution of the non-complying companies; and for the protection of workers from retaliatory actions for reporting violations related to wage orders. We hope that DOLE will be given a higher

budget to hire more labor inspectors and be given the full support of the Duterte administration to completely protect and promote the rights and welfare of our workers.

TUCP lauds and supports the Duterte government's objective to reduce poverty rate from the current 25% to 17% by 2022. The current poverty situation shows that millions of Filipino workers are poor because their wages are not enough to meet their basic needs. Providing living wages to all Filipino workers will be one of the fastest routes to attain that objective. The provision of living wages will ensure that workers and their families will remain at least above the poverty threshold.

We pledge to further increase our workers' productivity and competitiveness but our workers must also receive living wages. The ultimate test of genuine economic progress is providing living wages to all of our employees.

We reiterate our position that workers have the right to get a just from the wealth that they created. We believe that the Duterte government is seems to achieve genuine economic progress and the way to attain it is for our workers to have decent jobs - secured, protected, well-paid, humane, and worthwhile. However, workers today are being subjected to work conditions that are exploitative, oppressive, and which are contrary to the principle of inclusive development as pronounced or propounded by the present Administration.

The practices of contracting and subcontracting, including the existing wage policy for the longest time created an army of poor workers with no hope and no future. This deplorable state of affairs must be change now. We appeal to our government and to our social partners to give justice to our workers. And we promise to always be globally competitive, optimally productive, and will deliver world-class products and services. That's all.

Thank you.