



# **Targeted Surveys on application of core labour standards Philippines**

**Written by Ergon Associates  
August 2018 (Revised)**

---

**Ergon**

---



**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion  
Directorate D — Labour Mobility  
Unit D.3 — International Issues

E-mail: [empl-d3-unit@ec.europa.eu](mailto:empl-d3-unit@ec.europa.eu)

European Commission  
B-1049 Brussels

# **Targeted Surveys on application of core labour standards Philippines**

Directorate-General for Employment, Social Affairs and Inclusion  
EU Programme for Employment and Social Innovation

2018

EU [Number] EN

***Europe Direct is a service to help you find answers  
to your questions about the European Union.***

**Freephone number (\*):**

**00 800 6 7 8 9 10 11**

(\*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

#### **LEGAL NOTICE**

The information and views set out in this survey report are those of the author(s) and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein

More information on the European Union is available on the Internet (<http://www.europa.eu>).

# Targeted Surveys on application of core labour standards, Philippines

This report has been developed to provide a picture of the application of core labour standards in the Philippines. The report is based on a combination of desk research and stakeholder interviews. The assessments of the issues covered in the report are based on the views of credible international organisations, national governments, employer organisations, trade unions, experts and other stakeholders.

## Progress

- Investment in and re-design of labour inspection, and domestic 'Accreditation' initiative for garments sector
- More stringent preventive and deterrent OSH measures set to be adopted
- Some legislative and administrative action on 'contractualisation'
- Protection of Overseas Filipino Workers
- Progress and goals in tackling child labour
- New legislation on age discrimination, and draft law on multiple bases of discrimination

## Challenges

- Extra-judicial violence and Violence against trade unionists
- Capacity of labour market to absorb new entrants
- Collective bargaining coverage and trade union membership
- Limited, slow access to legal remedy for labour disputes
- Low levels of women's participation

## Key context

The Philippines is one of the fastest growing economies in Southeast Asia; economic growth has not translated to sufficient creation of quality jobs, however. This is reflected not only in sustained levels of under-employment, but also the prevalence of forms of informal and precarious employment, including high rates of disguised employment and contracting practices serving to circumvent obligations of 'regular' employment (so-called 'contractualisation'). The President's July 2018 State of the Nation Address urged Congress to pass legislation ending unlawful contractualisation 'once and for all'. The industrial relations environment is characterised by low union density and disparate collective bargaining. There remain serious concerns around of anti-union harassment and violence, and in its most recent country rankings on workers' rights, ITUC assigned the Philippines the lowest score: '5 – No Guarantee of Rights'.

While labour inspection capacity is increasing, and some new impetus gained under the new administration, resources remain under-requirement. There is a new domestic initiative to mandate labour standards accreditation for garment sector enterprises seeking preferential tariffs under US and EU GSP (+). Further, following a series of fatal factory fires in Special Economic Zone (SEZ) facilities, the Department of Labor and Employment (DOLE) has revoked an agreement under which labour inspection responsibilities for SEZs were delegated to the Philippine Economic Zone Authority (PEZA).

Migration plays a structural role in the Philippines economy. Overseas Filipino Workers (OFWs) contribute 10% of GDP through remittances. While the Philippines has developed a robust model for deploying labour overseas, and mechanisms of support and protection have advanced, OFWs – and domestic workers in particular – remain vulnerable to exploitation.

## **Freedom of association and collective bargaining**

ILO CEACR and other international observers have flagged numerous shortcomings in the legal framework relating to freedom of association and collective bargaining. There are some indications of recent legislative progress. The Government has initiated a range of legislative reforms to align national legislation with C87 and C98. Most of these reforms are still pending before Senate, however. In 2017, the government ratified ILO C151 – Labour Relations (Public Service); transposing legislation is still awaited.

The government also cooperates closely with ILO. Supported by the EC (DG Trade), ILO is engaged in a number of focused activities reflecting the priority concerns of the Supervisory Machinery (CEACR and CAS), working with national and local government, workers and employers to build capacity and awareness of rights, improve measures on investigation of violations of trade union rights, develop approaches to monitor any violations, and promote effective social dialogue.

There remain serious concerns relating to the situation in practice. Two cases are currently active with the ILO Committee on Freedom of Association (CFA). Extra-judicial killings and other forms of violence and harassment against trade unionists are a significant concern. Trade unions also report restrictions on formation, harassment and intimidation. There have been significant declines in both union membership and collective bargaining coverage in recent years.

## **Forced labour**

The legal framework on forced labour is broadly adequate and consistent with C29 and C105. The Philippines has not ratified Protocol 29. Concerns relate to the enforcement of legal provision as well as corruption and official complicity in trafficking and forced labour cases. In practice, forced labour is reported to occur within the Philippines in industry, fisheries, agriculture, construction and domestic work and other areas of the informal sector. Particular concerns also relate to cases of labour trafficking and abusive practices of private agencies recruiting workers for placement overseas.

Authorities have pursued a range of measures to better protect Filipino migrant workers from forced labour risks, and draft law is currently before Senate to strengthen information provision and legal assistance for migrant workers. The government highlighted the protection of migrant workers during its presidency of ASEAN in 2017 and ratified the ASEAN Convention Against Trafficking in Persons (ACTIP) in 2017. The US Department of State ranks the Philippines in Tier 1, recognising the government's 'serious and sustained efforts' to eliminate trafficking.

## **Child labour**

The legal framework regarding child labour is considered broadly adequate, although there are some concerns regarding the protection of children in informal labour relationships.

Child labour persists in the Philippines. Labour Force Survey statistics from 2016 indicate that 1.5 million working children were in situations of child labour. Most working children were aged 15-17 years, of which 60% were not in full-time education. Child labour occurs mostly in rural areas and primarily involves agricultural work. Thirteen products from the Philippines are included on the US Department of Labor's list of goods produced with child labour, including bananas, coconuts, fashion, sugarcane and tobacco.

The Philippine Development Plan commits to reducing cases of child labour by 30% by 2022, reflected in an Administrative Order establishing a goal of withdrawing at least 630,000 children from child labour from 2017-2022. However, difficulties in enforcing child labour laws, persistent household poverty and insufficient access to education remain important constraints on further progress.

## **Discrimination**

Philippine law does not contain an overarching anti-discrimination instrument, but a number of regulations which prohibit discrimination on defined grounds – including age, race, gender and disability. This fragmentation has led to legislative gaps, including the absence of a legal prohibition of all forms of discrimination specific to employment and occupation. The government has indicated it is committed to promoting gender equality and eliminating all forms of discrimination: a more comprehensive legal framework for tackling discrimination is pending before Senate, not for the first time, but faces staunch opposition.

The Philippines is considered a front-runner in Asia in promoting gender equality; however, in practice, gender discrimination and inequality of opportunity for women persist. Women are over-represented in vulnerable employment and are less likely to participate in the labour force. Although the aggregate gender pay gap is negative, women tend to be paid less in occupations where they are over-represented. Discrimination in employment is also reported on the basis of age, against people with disabilities and people with HIV. Progress is constrained by ineffective enforcement of existing anti-discrimination legislation, as well as low levels of awareness about rights and persistent socio-cultural norms.

## **Other working conditions**

There are a number of structural deficits in the labour market – primarily the prevalence of informal employment, including precarious and disguised employment, and inadequate enforcement – impede the effective application of labour standards. Key issues include:

**Occupational health and safety.** Enforcement of OSH legislation is a concern, particularly in the context of informal and non-standard forms of work. National OSH standards require safety and health committees and trained OSH officers in all companies; in 2013, only around 60% of companies had established committees and around 70% had assigned officers. Fines for the violation of OSH provisions are reportedly too low to act as an effective deterrent. New legislation (Senate Bill 1317) is awaiting Presidential signature: this would mandate higher penalties and require compliance with substantive and procedural OSH standards economy-wide, including SEZs.

**Working time.** ILO reports that the incidence of excessive working hours has decreased. However, national figures suggest parallel trends of both significant levels of under-employment, alongside excessive hours in some occupations. In January 2018, full-time

workers (working at least 40 hours weekly) comprised only 63.6% of the total labour force; of these, 20.7% worked more than 48 hours weekly.

**Social security coverage.** While the government strives for universal coverage, and the social security enrolment rate is high (for the formal sector), de facto coverage rates are low, as only a fraction of registered members contribute on an active basis.

**Employment protection legislation.** Trade unions and civil society highlight the negative impacts of 'contractualisation' – entailing both precarious fixed-term employment, or disguised employment through use of contractors - while employer organisations maintain the importance of flexible work arrangements for a competitive economy. To date, reforms have centred on limiting the use of labour contracting, with less focus on precarious fixed-term employment.

## Status of ratification and reporting

The Philippines has ratified all eight ILO fundamental (core) labour conventions without reservations and maintains their ratification. It has also ratified two out of the four ILO governance (priority) conventions (C122 and C144). There is ongoing discussion around ratification of C81. The Philippines is up-to-date with all of its reporting obligations to the monitoring bodies of the ILO in relation to these conventions.

		Application issues - latest ILO CEACR observations and direct requests on core conventions
Freedom of association & collective bargaining	C87	(2017): Legal provisions relating to public authorities' right to act during labour disputes can lead to compulsory arbitration.  (2017): The Labour Code excludes certain public servants and managerial employees as well as migrant workers without a valid work permit from joining or establishing a union. Labour Code provides for excessively high requirements to the registration of federations or national unions; further minimum membership requirements to form a trade union may still be too high. Expressed concern that, despite numerous allegations of anti-union violence, there has been a lack of progress in investigating such cases, and that legislative reforms had not been adopted.
	C98	(2016): National Electrification Administration provides for collective agreements to be ratified by entities other than those specified in law.  (2016): Collective bargaining negotiations in the public sector are limited in scope and do not include wages, benefits, and working time.
Forced labour	C29	<i>No specific application issues raised</i>
	C105	(2017): The Human Security Act foresees for the crime of terrorism 40 years imprisonment involving compulsory labour.  (2017): The Penal Code provides for penalties involving compulsory labour for expressing dissident political views. The Labour Code provides for penalties involving compulsory labour for the participation in illegal strikes.



<b>Child Labour</b>	C138	(2017): Children working in the informal economy or on a self-employed basis do not receive adequate protection.
	C181	(2017): Given the prevalence of child trafficking and the low number of trafficking court cases, concerns regarding the enforcement of anti-trafficking legislation and corruption are raised.
<b>Discrimination</b>	C100	(2015): The definition of 'work of equal value' in the Labour Code is too restrictive, limiting comparability to identical or substantially identical tasks.
	C111	(2016): Prevalence of sexual harassment is difficult to assess objectively, due to the lack of a centralised reporting system.

## References

ILO CEACR, [Observations and Direct Requests for the Philippines](#)