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June 1, 1988

Hon. Clayton Yeutter
U.S. Trade Representative
600 17th St. NW
Washington, D.C. 20506

Dear Mr. Yeutter,

We would like to request the opportunity to present testimony before the U.S. Trade Representative for purposes of determining the Philippine's eligibility to receive trade privileges under the Generalized System of Preferences (GSP).

It is our contention that there has been a serious deterioration in the Philippines' record of labor rights over the past 18 months. Despite strong hopes that the Aquino government would defend the rights and promote welfare of Philippine workers, we must sadly conclude that more than two years after Aquino's rise to power, there has been little or no improvement in the situation for Philippine workers. The new Philippine Congress and the re-organized Labor Ministry established by the Aquino government have re-enacted many of the same laws that curtailed workers' rights under the Marcos government, and have consistently failed to enforce even those legal protections that do exist.

We intend to address our concerns about Philippine labor rights according to the five labor rights standards contained in the GSP legislation, defined and interpreted according to ILO conventions. These are summarized below:

1. Right to association: Aquino's amendments to the Labor Code, issued in February 1987, retains one of the most hated laws of the Marcos era: the restrictions on the right to strike and what Filipino workers call the pro-scab and anti-picketing law. (The ILO conventions consider the right to strike an extension of the rights to associate and to organize.) Although the right of more than one million government employees to organize was restored, they are still not allowed to strike nor to bargain for higher wages, retirement benefits, medical and dental services among others. Besides the restrictions imposed by law, Aquino herself has ordered the use of military force to break picket lines. Members of Philippine Congress and other politicians have called for strict sanctions against striking workers.

FOA

In addition, the rise of private armed vigilante organizations in worker communities and in factories, which have embarked on campaigns of terrorism and assassinations against labor leaders and organizers, pose perhaps the most serious and alarming threat to workers freedom to associate. The annual report of the Commission on Trade Union and Human Rights revealed alarming trends in trade union rights violations: 410 violations in 1986 and 735 in 1987.

FOIA

2. Right to Organize: While there have been a few legal changes which remove obstacles to workers' right to organize and bargain collectively, the labor law in the Philippines still retains many of the provisions promulgated under Marcos government that severely limit these rights. Besides legal restrictions, there are numerous cases in which workers have been harassed, intimidated, threatened, or otherwise discriminated against as a result of their organizing and collective bargaining activity. As a result, there was a marked decrease in the number of employed workers covered by CBAs (collective bargaining agreements) in 1986 (only 1.4% in 1986 compared to 11% unionized workers).

CHILD

3. Child Labor: Although Philippine law does not permit the employment of children under age 16, there are countless cases where violations of this law have been documented. A recent study shows not only an increasing use of child labor in the fishing industry but also severe working conditions and slave-wage labor for these children. Especially in the agricultural sector, children as young as 8 or 9 years old work in order to supplement the family income, usually before completing elementary school. Also, one result of the worsening economic situation has been a tremendous rise in child prostitution, a practice which has been tolerated by the government. In our testimony, we will present a summary of the cases of the abuse of child labor.

MINIST

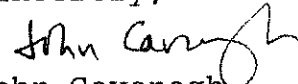
4. Acceptable conditions with regard to minimum wages, hours and occupational safety and health: Although Aquino finally made a minor concession to labor's demands for a higher minimum wage by instituting a small wage increase in December 1987, this gain is considerably outweighed by rising cost of living. The wage increase merely restores real wages to the level of 1984 and does not even bring the daily wages to the minimum level that the Philippine government estimates is necessary to cover a family's basic necessities. Philippine Senate President Jovito Salonga recently remarked that there is cause for concern as the average monthly take home pay for a worker is only Peso 1,940, way below the government's estimate of Peso 4,000 for a worker to meet the demands of supporting a family of 6. Moreover, it is common for employers to use legal loopholes to avoid the minimum wage law or merely to defy the law without fear of prosecution. International surveys have estimated that the Philippines has among the lowest wage levels in the world. Regarding occupational safety and health standards, few legal measures protect Philippine workers from hazardous working conditions. Work-related illnesses and injuries abound in many of the export industrial zones, as well as in some of the plantation economies. In our testimony,

we will provide an assessment of Philippine law and labor relations practice regarding wages and working conditions.

We request that the U.S. Trade Representative review the evidence presented in our testimony for purposes of deciding whether the Philippines should continue to receive trade privileges under the GSP trade agreement. If the USTR agrees that the Philippines has failed to meet the labor standards contained in the GSP legislation, we request that all GSP privileges to the Philippines be suspended until such time that the country brings its law and labor practices into conformity with these standards.

We will await further notification from your office on the schedule and timing of the hearings. Thank you for the opportunity to present our case before you.

Sincerely,



John Cavanagh
Fellow

