

excluding land and building; 7) drivers of modes of transportation on land and at sea whether motorized or not, including vehicles with two wheels such as habal-habal and calesa; three wheels such as pedicabs and tricycles; four wheels such as jeepneys and buses; and boats one ton and below; this includes ‘barkers,’ fare collectors, dispatchers and other workers who share income with self-employed or unincorporated operators; 8) operators of jeepneys, tricycles, pedicabs, taxi, and other vehicles or transportation whose capitalization is not more than one million pesos (P1,000,000.00) excluding land and building; 9) “on-call” domestic workers, which refer to persons who provide services to households such as maids, cooks, family drivers, gardeners, and baby sitters on a live-out basis and “on-call” arrangement only; 10) non-corporate construction workers; 11) small scale miners doing their own product processing, including those involved in small scale mining and quarrying with capitalization of below one million pesos (P1,000,000.00); 12) workers of Barangay Micro Business Enterprises (BMBEs); 13) disorganized cargo handlers; 14) workers engaged in producing seasonal products; 15) “on-call” workers in the entertainment, movie, and media such as bitplayers, stuntmen and women, crew, make-up artists, etc.; 16) volunteer workers in government and non-government entities who only receive allowances or honoraria. These include, but are not limited to, barangay health workers (BHW), *barangay tanod*, barangay nutrition scholars (BNS), barangay daycare workers, and volunteers in non-government or people’s organizations; and 17) unpaid family members, or workers receiving allowances and seasonally hired workers who are engaged in micro-enterprises or assist unincorporated household enterprises.

The proposed law also seeks to 1) promote gender equity and equality, and protect women workers in the informal economy against gender-based discrimination, exploitation and abuse; 2) advance women’s social, economic, political, and reproductive rights; and 3) improve their access to social protection and participation in decision-making bodies.

9. CONCLUSION

The results of this study validate the premises by which it was conducted, to wit:

- That women are over-represented in sectors where the crisis has caused huge job cuts, e.g., export manufacturing, garment industry, electronics, and services;
- That women tend to be employed in precarious jobs where they are more likely to be fired first or experience aggravated working conditions – e.g., as migrant workers and in the garment industry; and
- That women tend to be responsible for family welfare and so, will be adversely affected by cuts in public spending on safety nets and reduction in remittance income.

They also confirm the assertion that Oxfam made in a March 2009 briefing paper entitled, “Paying the Price for Economic Crisis” that “women workers are the backbone of industries that have been hit hard by the global economic crisis: export manufacturing, garments, electronics, and services.” According to the paper, “women constitute around 60-80 percent of the export manufacturing workforce in developing countries, a sector the World Bank expects to shrink significantly during the crisis. These women are concentrated in insecure jobs with meager earnings and few rights; they tend to have few skills and only basic education. When the going gets tough, they are the first to be fired.”

The validation comes by way of the specific effects of the global financial crisis on Filipino women workers that the study was able to track using qualitative methodologies (FGDs, interviews, and case studies). The crisis has been particularly hard on the low

income classes to which many of the unskilled, mainly women workers in the semiconductor and electronics, and textile and garment industries belong. Their loss of primary income sources has translated to a heightening of poverty and hunger.

The crisis, though, is testifying once again to the ability of Filipino women to come up with creative and ingenious ways of coping and surviving. This, with great help from the informal economy, which continues to provide women with alternative platforms for income generation and/or supplementation, and from the extended family, which, consistent with Filipino norms and values, remains a reliable source of psycho-social and material support during times of crises. Such refuge and support, however, cannot be enough. There is a need for policy changes to make existing poverty-mitigation programs more effective. There is also a need to address squarely the issue of casualization and other abuses of workers' economic and political rights that are being perpetrated and tolerated in the name of business survival. This has placed Filipino workers in general and women workers in particular in a state of indignity and insecurity that, in a way, could also be interpreted, albeit negatively, as a source of their "resilience," i.e., being inured to perpetual haplessness to the point of resting content and coasting along without complaining until the next job opening and until the loans fall due, and recourse to desperate and risky measures become inevitable.

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ANNEX

THE STORIES BEHIND THE FIGURES

This section includes stories told by selected FGD participants and interview respondents. The first two stories give us a glimpse of how the recession has drastically affected the lives of workers and their families. The third story explores an area that continues to manifest robust growth despite the recession, and other policy changes recommended by the business-processing industry association to improve workforce productivity and enhance the competitiveness of the Philippines as a BPO site. The last story examines the gruelling process of retrenchment and shut down undergone by one of the world's largest manufacturers of chip sets for computers and networking devices.

It is hoped that, through these stories that provide a concrete picture of the recession's impacts on real lives, the reader will gain a deeper appreciation of the effects of the problem and the measures necessary to better address these.

Story 1.

Ellen: Single Parenting without a Job

Ellen was already the main breadwinner even in the 14 years that she and her husband were together. When her husband lost his job, Ellen was even able to lend him capital for a small car-rental operation, on top of shouldering the major household expenses, including the tuition and school expenses of their son, and mortgage payment on their house. The husband attended to the smaller expenses such as the groceries, a set-up Ellen did not mind because she then had a stable job that allowed her to do this.

Ellen soon experienced trouble with her husband who became addicted to drugs. The addiction led him to pawning off their belongings, starting with the home appliances. "Slowly, the house was being turned upside down, which saddened me because I was taking good care of it," she said.

This was only the tip of the iceberg. Soon, they were defaulting on their utilities bills and even their mortgage payments. Whenever the husband was asked for payment receipts, he could not find them, or the account was not settled because a relative borrowed the money. The fear that one day, the addiction would cloud his judgment and goad him to hurt her prompted the separation.

"Two things were on my mind. First, his addiction would push us into debt. And second, one day, he will come home so addled by drugs he will hurt me and my son. I didn't want to wait for that, so I decided a separation was best. I was moreover confident of being able to support my child through school," Ellen said.

Ellen soon gained the strength that came from being a single parent. Other than the difficulty of explaining the new set-up to her son, life was manageable, comfortable even. Her job as a customer service representative (CSR) allowed her to maintain an apartment after she lost her home because of unpaid mortgage, and send her son to a good school.

"My son and I could eat out during weekends. I could take care of myself," she said.

But shortly thereafter, in 2005, she was terminated from her job of 17 years, which she never imagined would happen considering her loyalty to her employer and the leadership position she held in the union. She continued to brave the situation when the union challenged the illegal dismissal in court. The labor department issued a return-to-

work order, but she never fully got her job back. She was restored in the payroll, true, but she was confined to the company clinic when she was reinstated. There was no pride or joy felt in regaining her job. She tried to stand her ground and wait for a positive resolution of the union's case, but a sibling was stricken ill and in 2008, Ellen was forced to settle with her employer to be able to support her brother's medication.

Today, Ellen is experiencing all the challenges of being jobless and a single parent at the same time. For one, already in her 40s, Ellen is out of the job market's preferred age range. At the same time, she still misses the comfortable life she and her son used to enjoy. And now that she is having difficulty raising money for her son's tuition, she had to give up their apartment and move into a sister's house.

"I can't buy my groceries in big batches as I used to, but buying retail is even more expensive!" she complains. "It's very hard. At this very moment I'm worrying about the money I need for our food today. How can I even plan for groceries for future consumption?"

Ellen has had to let go of treats for herself that she could afford in the past such as the parlor and spa, and mall outings with her son. "I'm worried about the effect of all these changes on me and my son. It's a different kind of stress. I noticed how I've become cranky. I'm also concerned about my son because now that his spending allowance has shrunk, he has learned to snatch money from me so he can still buy the things he used to buy," Ellen shared.

Ellen is kept afloat by the generosity of siblings and friends. Meantime, a higher social consciousness brought about by her union involvement has inspired her to do volunteer work for a workers' organization while she finds another job or hopefully, with the remainder of her settlement money, a small business venture.

"There are lessons I learned from my involvement with the union that I will never pick up anywhere else – this sense of reality I have now, you know," she said.

Story 2.

The Necessary Capital: A Strong Marriage and Friends' Goodwill

In the beginning of her marriage, Beth used to work as an assistant teacher in a Christian school. But she and Joven, together for 17 years now, agreed that she would stop teaching so they could have a baby. Joven was confident they could survive on his income from selling cable TV subscriptions. At the time, with his basic salary and commissions, they could afford the basics – the rent of a small studio apartment, food, utilities, and occasional dates at the mall.

After 17 years, the child was not to be. But their difficulties began when Joven's employment was transferred to a paymaster in 2007, which reduced his take-home pay by half. The situation made it impossible for them to meet all their expenses, particularly the rent on their apartment, and the light and water bills. Only a strong partnership has allowed the couple to weather the difficulties.

"That's why now, I join Joven on his sales trips so he will have more deals to close and we won't default on our other obligations," she said.

But Beth is a skilled cook, a talent that she is now honing as a possible source of income. "The only time I don't join Joven is when I'm cooking. I've been thinking about it, yes, maybe I'll be a cook for hire because that assures us not only of getting paid for the day, but also that we will have food."

The couple also gets by because of the goodwill of friends, family, and a generous landlady. "Our landlady knows that in easier times, we were never late with our rent. In

the past, she didn't have to come to the house to collect the rent. We brought this to her on time. My husband and I are just banking on that kind of capital to ride us through this crisis."

What saves the day for Joven and Beth is a sense of humor – the ability to make light of their problems. "Instead of arguing about our problems, we joke about them, so that things aren't too heavy."

Beth also falls back on a strong religious faith. At the same time, the couple is entertaining the option of Beth's migration to Ireland.

"At first, we thought we would stick it out here. But the options are fast running out. Maybe I'll go first, then, when I'm settled, Joven can join me. What's important is we're together," Beth concluded.

Story 3.

In Defiance of Recession Trends: Offshoring and Outsourcing

As if the industry exists in a bubble, last year, business processing grew 26 percent while the other sectors of the economy struggled with the global recession and finished the year with zero or negative growth rates.

The industry, however, is not used to such slow performance rates. According to the Business Processing Association of the Philippines (BPAP), between 2004 and 2006, the industry was posting a year-on-year growth average of 49 percent. Revenues of US\$100 million in 2001 had risen to US\$3.3 billion by 2006.

"Actually, the slowdown was mostly with the call centers," said Gigi Virata, BPAP's director for research and information, "but there are other factors for that, not just the crisis. It's because it's the largest [of the five sectors represented in the association], and it's kind of maturing. So, it's steadily slowing down even though the numbers are still big."

BPAP is the umbrella organization of five separate associations that provide what is generally known to be Offshoring and Outsourcing services (O&O). The five O&O subsectors composing BPAP are the Contact Centers Association of the Philippines, Philippine Software Industry Association, Medical Transcription Industry Association of the Philippines, Animation Council of the Philippines, and most recently, the Games Developers Association of the Philippines. O&O also includes engineering, architecture, and interior design services, although the main work, BPAP qualifies, remains customer service and call centers account for two-thirds of the industry.

"But even the call centers are diversifying their services and we think this is caused by the financial crisis. With that sense of softening in demand for existing services, the companies responded by offering new products to offer to companies looking to outsource," Gigi explained.

The resilience of O&O to the recession can also be attributed to the nature of its clients – companies abroad that depend on BPO services as a cost-saving strategy. "The effect for our industries goes both ways – there are accounts that closed but because of the slowdown, there are precisely new companies looking to outsource," Gigi explained. In all, the industry accounts for more than 300,000 jobs, found mostly in the National Capital Region, but also in the second-tier cities of Angeles in Pampanga, Cebu, Bacolod, Cagayan de Oro, and lately, Davao. The prognosis for the industry is continued growth despite the global recession, with some entertaining the possibility of investing in O&O units that will offer services requiring much simpler skills such as data encoding in sites such as Zamboanga City.

This is because the Philippines continues to be an ideal O&O site, especially for call centers. “Actually, we did not have a breakthrough marketing strategy that finally brought O&O clients here,” Gigi noted. “They first went to India, where it worked, so they looked where else there was a large, educated, English-speaking population and lower labor cost. The only other country was the Philippines.”

The Philippines is India’s strongest, and perhaps, at this point, its only competitor in the call-center business not only because of the population’s ease with the English language, but more so, because of the people’s patient disposition—a trait ideal for one engaged in providing customer service. In fact, call centers are on a constant search for workers because although Filipinos might have a facility for English, the quality of basic to tertiary education across the country does not equip students with the skills that will allow them to communicate or speak in English for them to cut the industry’s hiring grade. Call centers, therefore, remain a jobseeker’s market, and the only retrenchment that recently took place was Accenture’s layoff of 500 out of its 15,000 call center agents.

Call centers will, therefore, remain an area of brisk growth and continue to generate a significant volume of jobs, especially if some policy interventions take place. At the top of the agenda is more flexibility in the schedule of non-working holidays. The Philippines has more holidays than most other countries. The jobs in call centers, however, are dictated by the holiday calendar of the offshore client. It has been estimated that every non-working holiday Malacañang declares costs the call centers at least P1 million.

Another area of concern is the prohibition on night work specified in the Labor Code. To be sure, call centers are exempted from this prohibition that is designed to enhance the protection of women. The gender ratio of employment in the industry is slightly in favor of women over men, and an unprecedented number of women employed by the call centers are working unusual hours. In the end, unless this provision in the Labor Code is repealed, women become a less attractive employment option because of the paperwork needed to put them on the night shift.

Story 4.

Anatomy of a Shutdown: The Intel Experience

Intel was one of the world’s largest manufacturers of chipsets for computers and networking devices. Hence, it was a day the employees thought would never come—the announcement of a total shutdown of the company’s plant in Gen. Trias, Cavite.

Moreover, the company has been in operation in the Philippines for more than 35 years, and its sprawling manufacturing and warehouse facility in Gateway Business Park houses the most advanced technologies in electronics manufacturing.

Admittedly, many of the 1,800 employees foresaw the shut down. The last quarter of any year was always the best for Intel, because this was when sales take on an upsurge, yanked up by strong demand for consumer electronics come Christmas time. But no such last-quarter hurrah took place. Instead, because of the global financial crisis and depressed computer sales, the company’s revenues of P444 million in December 2007 plummeted by almost half to a little over P250 million in December 2008, cited Arlita Narag, Intel’s corporate affairs manager.

“But it’s different when you’re actually told [of the company’s shut down],” Arlita said.

The shut down was a painful decision, but one that the company had to make as a responsibility to its shareholders, she explained. Already 10 years with Intel, Arlita herself is being retrenched. “Intel’s existing manufacturing network will suffice for present demand.”

In a word, Intel was shutting down because of overcapacity.

Besides the factory in Cavite, four other Intel sites were closing shop – those in Penang, Malaysia; Pudong, China; Hillsboro, Oregon; and Santa Clara, California – as part of Intel’s cost-cutting measures amid the global recession.

“But we Filipinos are a proud people. And the people of Intel Philippines have every reason to be proud,” Arlita said, “because they gave the company 35 years of glorious history.”

An exit plan was hatched by the management executives and submitted to headquarters for approval, a plan that would allow every employee to leave the plant on their last day with head held high, pockets lined with a “very generous” severance pay, and on the whole, fulfilled to have served the company. Thus the tagline for Intel Philippines’ shut down process has become: “One Proud Story, One Glorious History.”

Even the announcement of the shut down was prepared for. Three executives from Intel’s head office in Silicon Valley flew over for a face-to-face dialogue with the employees in the company auditorium. There, many cried and demanded whether all options were exhausted to prevent the shut down from happening.

Later, the details of the shut down plan were disclosed, including a separation package consisting of cash and non-cash benefits. The last paycheck of an Intel employee is such that “you’ll want to be first in the retrenchment process [spread out over a year] so you can get hold of the money and invest it already,” Arlita said. “It is way more than what the law requires.”

The separation package was based on two factors: length of service to the company and salary level. So, people who have been with the company for 15 years would be getting a lot, especially if they performed well, and were promoted and given pay increases over the years.

Didn’t the top honchos resist the shut down plan when they saw the figures? “If we must retrench people, let’s do it right,” Arlita replied.

As of writing this, midway into the shut down plan, one colleague already has a meat-shop franchise, while a couple who both used to work for Intel have already set up their photography shop. Two fellows have enrolled in a culinary school – no cheap undertaking – because they realized they want to become chefs as their second career.

The exit plan also included attendance of a three-day transition and change-management workshop – a kind of debrief and re-skill session that included psycho-social counseling and training in enterprise development as an encouragement to employees looking to venture into their own businesses. The senior executives freed up their schedules to listen to co-workers hurting over the retrenchment. “As managers, it is our responsibility to be there for the employees. Some of them have been with the company for 35 years. Of course it’s painful any way you look at the retrenchment,” Arlita said.

Intel also organized at least three job fairs for the workers – one within the Intel group and the two others with the other electronics firms based in the country. Other Intel units have already absorbed some of the engineers.

A survey management conducted in February has indicated that the employees were generally satisfied with the shut down process despite the loss of jobs. “We asked not only about the separation package, but also about the other components – the communication part of it, the livelihood training. And we got very good feedback – at least 97 percent or 98 percent expressed satisfaction with the company’s closure plan,” Arlita said.

The Asian Institute of Management is about to conclude a case study of the Intel Philippines shut down process – an ironic exercise for a business school.

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