Thousands of garment workers laid off in the Philippines

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In the largest retrenchment this year in the Philippines, 4,485 workers at the Mactan Export Processing Zone and the Cebu Light Industrial Park, both located in the central Philippine city of Lapu-Lapu, were laid off in October.

Five companies, Mactan Apparels Inc, Metro Wear Inc., Globalwear Manufacturing Inc., Feeder Apparel Corporation, and Vertex One Apparel Phils, all owned by the Taiwan-based Sports Center International, issued joint notices of retrenchment on September 26, 2022.

The companies, which employed a total of 18,000 workers before the mass firing, blamed the terminations on a world now "on the brink of global recession, with higher-than-expected inflation and the global financial conditions are becoming tighter…"

The announcement continued: "Likewise, the unprecedented situations that our company has been dealing with, the COVID-19 pandemic, Typhoon Odette (International name: Typhoon Rai), supply chain issues, increasing gas prices and the conflict war [sic] between Russia and Ukraine have shaken not only our financial health but as well as having unstable operations."

The retrenchment was closely coordinated with the Philippine government. On September 4 2022, a labour department team at the work sites facilitated the doling out of separation pay and the issuance of termination notices, waivers, and quit claims to head off any legal challenges to the termination. On October 4, the social welfare department handed out meagre food packs and cash assistance, which ranged from PHP 2,000 to PHP 5,000 ($US34 to $US85), depending on the length of the laid-off worker's employment.

In a *Business World* report, the garment industry's Confederation of Wearable Exporters of the Philippines (CONWEP) warned of further layoffs as global demand continued to decline. Executive director Maritess Jocson-Agoncillo stated, "This will be a trend for some factories whose customers are starting to cut their projections, so we expect temporary closures or partial retrenchment of workforce in the next few months."

More than 9,400 workers have already been laid off or placed on forced leave, Jocson-Agoncillo revealed, a figure that represents 3.5 percent of the 270,000 workers in the apparel, shoes, bags, and textile sections of the garment industry. She warned that layoffs could reach 8-10 percent if global demand worsens. She also complained that high costs, including labour costs, were forcing companies to consider moving to lower cost countries such as Vietnam, Cambodia, and Indonesia.

Workers in the international garment industry are paid poorly, and work long hours, often without overtime to meet orders and quotas. According to the latest available data from the International Labor Organization, in 2019, workers in Myanmar were paid $US139 a month, barely twice the 2019 international poverty line of $1.90 a day for a single person.

Workers in Sri Lanka were paid $161 a month, and in the Philippines garment workers were paid, on average, $218 dollars. The figure in the Philippines is barely above the official poverty threshold for a family of five. Despite the repeated complaints by garment corporations of burdensome mandated wages, only 53 percent of the total workforce were actually paid the legal minimum wage.

The International Textile, Garment and Leather Workers Federation (ITGLWF) conducted a study in 2013 into four of the five corporations involved in the recent retrenchments—Mactan Apparels Inc, Metro Wear, Inc., Globalwear Manufacturing Inc., and Feeder Apparel Corporation. It found they adhered only to the bare minimum of labor regulations in pay and benefits and required workers to work 12 hours overtime each week to meet production quotas. The companies also openly threatened workers against taking action to fight for better pay and conditions. An estimated 20 to 30 percent of the workers were employed on a contract or casual basis.

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In an interview for the research study, a production worker, employed for nearly a decade at Mactan Apparel Inc. who nevertheless earned only the minimum wage, stated, “There is no seniority status in our factory, even if you stay in the company for many years, you will only receive minimum wage. That is why we are forced to take overtime work so at least it supplements our take home pay. Otherwise, how can I survive with such meagre income, how can I pay rent for the small room where I stay, cope with my daily necessities, and send some money for my family in the province? At the end of the day, it is zero balance; there are no savings left for whatever uncertain things that may happen to me and my family.”

In the wake of the COVID-19 pandemic, garment corporations globally conducted a massive assault on jobs and conditions. In 2020, over 1 million garment workers lost their jobs in Bangladesh and, in Vietnam, a million were laid off. In Myanmar, 20 percent of the apparel and garment factories closed and over 10,000 workers lost their jobs.

In the Philippines, a total of 40,000 garment workers were laid off by the end of 2021. In the Mactan Economic Zone alone, over 4,420 garment workers at Sports City International factories, 2,000 at the Yuenthai factory, 100 at the FCO international and 67 at Kor Landa were sacked by September 2020. In November 2020, another 300 workers at the First Glory Apparel factory, many PM/Sentro union members, lost their jobs.

Like their class brothers and sisters internationally, the remaining garment workers were quickly herded back to the factories even as the pandemic continued to rage. Revenues in the garment industry, after dropping from $US3.99 billion to $US3.46 billion in 2020, began to increase again to $US3.66 billion in 2021 and are projected to reach $US4.58 billion this year and $US5.66 billion in 2026.

As the 2020 mass firing swept through the Mactan Economic Zone, workers at the Yuenthai factory refused to accept their termination notices. Retrenched workers at the First Glory Apparel factory voted to strike. However, instead of uniting and mobilizing workers in the zone with workers, nationally and internationally, to defend their jobs and safeguard their lives, the Stalinist-aligned labor organizations Partido Manggagawa (PM), Sentro ng mga Nagkakaisa at Progresibong Manggagawa (Sentro), and the MEPZ Workers Alliance helped corral workers back to the factories. They promised to provide “legal assistance,” calling on the sacked workers to seek redress from a labor legal system that explicitly recognizes “retrenchment as a right of the management to meet clear and continuing economic threats or during periods of economic downturn to prevent losses.”

In January 2021, a PM/Sentro union called off a planned strike at First Glory Apparel by the remaining 76 union workers in the factory who had voted to take action to fight for the jobs of the 300 sacked workers. The union accepted the mediation of the local city government without winning a single concession.

The mass sackings in the Mactan Economic Zone are being replicated around the world as corporations seek to impose the burdens of the worsening global crisis of capitalism onto the backs of workers. The basic social and democratic rights of the working class cannot be defended through pro-capitalist unions and political parties, nor within the framework of the nation state.

Garment workers in the Mactan Economic Zone should follow the example of workers in the Koggala Free Trade Zone (KFTZ) in Sri Lanka who, with the political assistance of the Socialist Equality Party, have formed their own rank-and-file action committee independent of the treacherous trade unions and parties of the capitalist political establishment.

Only by taking matters into their own hands can workers in the Philippines, Sri Lanka or anywhere else in the world, conduct a struggle to fight for their class interests and reach out for support from other workers nationally and internationally who face the same relentless assault on jobs and living conditions.

The International Committee of the Fourth International has established the International Workers Alliance of Rank-and-File Committees as the means to unify the struggles of workers around the world on the basis of a socialist and internationalist perspective. Workers who want to build a rank-and-file committee should contact the WSWS.

To contact the WSWS and the Socialist Equality Party visit:

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