

On Equity, Development and Decent Work¹

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The 2006 WB Report defines equity and links this to development as follows:

“By equity we mean that individuals should have equal opportunity to pursue a life of their own choosing and be spared from extreme deprivation in outcomes. The main message is that equity is complementary, in some fundamental respects, to the pursuit of long-term prosperity.”

Equity is good but Decent Work is better, because the latter is a more encompassing framework for human development than the former.

The Copenhagen Declaration on Social Development once asserted that employment is key to eliminating poverty and preventing social exclusion.

In a sense, the Copenhagen Declaration in this respect was inadequate. In the Philippines, as in other developing countries, many workers who are employed remain poor because the *quality* of their employment neither allows them to rise above their poverty nor does it give them the means to participate collectively and effectively in development; and so they also remain socially excluded.

In a review of poverty literature commissioned by the Asian Labor Network on IFIs/Philippine chapter (ALNI/P) in 2004, the author identified the most prominent determinants of poverty to be:

- Rural location and work in agriculture
- Informal sector employment
- Educational attainment of the household head
- Family size and number of dependent, and
- Absence of other household incomes, especially remittances and pension.

The first two most important determinants refer directly to quality of employment. The third determines what kind of employment the household head will have, if he will have any at all.

Thus, to workers and their unions, decent work, not merely employment, is the better way out of poverty and towards social inclusion.

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Decent work has been defined by the ILO as “opportunities for women and men to obtain decent and productive work under conditions of freedom, equity, security and human dignity.”

In that definition are contained six dimensions:

- That there is work, because without work there cannot be decent work.
- That work is productive both for enterprises and workers, in order for work and enterprise to become more sustainable and to continually grow.
- That work is freely chosen, in occupations or professions that are necessary for economic and social development and for wholesome human development as well. It also means the elimination of child labor.
- That there is equity in work, meaning that fairness reigns in workplaces, that is, all types of discrimination at work are eliminated; likewise, there is balancing of work and family responsibility, since one should not be achieved at the expense of the other.
- That there is security at work, preferably job security but occupational security and generalized social protection or “citizenship security” can do as well.³ Security in one’s employment is deemed necessary in promoting financially sustainable and dynamic social protection schemes.
- That human dignity is respected at work, principally workers’ participation in decision-making, requiring voice, which in turn requires respect and guarantees for the rights to freedom of association and free collective bargaining.

Developed by the tripartite social partners, the Philippine Labor Index captures the state of Decent Work in the years that it was computed:

Table 1: The Philippine Labor Index

Dimension	2001	2002
Overall Index	58.42	58.67
Opportunities for Work	72.46	71.89
Freedom of choice	54.67	53.71
Productive Work	60.31	59.29
Equity in Work	65.15	66.17
Security at Work	72.24	72.78
Representation at work	15.36	19.94

Source: BLES-DOLE

Accordingly, the Philippine is a little past halfway up the road to Decent Work. Between the years 2001 and 2002 when the statistical indicators were most complete, there were slight deterioration in the dimensions of opportunities for work, freely chosen work and

³ See also Standing, Guy, “Global Labour Flexibility: Seeking Distributive Justice”, Mcmillan Press Ltd., 1999

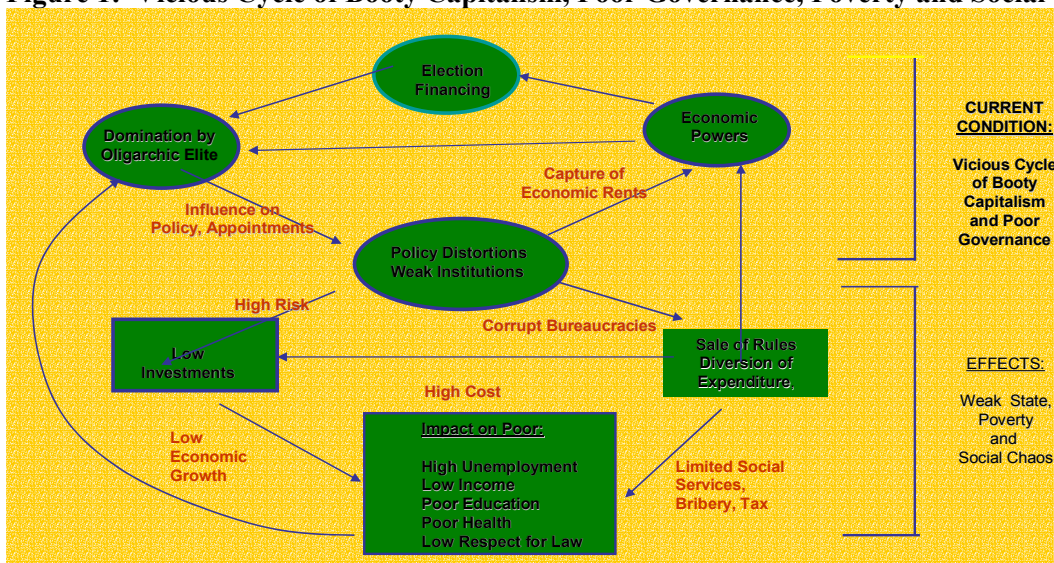
productive work but there were slight increments in the dimensions of equity in work and security at work.

However, even as the index on representation at work has substantially increased, its index points were still so low that it has pulled down the overall performance.

Decent work is not possible when there is asymmetry in the three types of labor regulations: by the state, by the market, and voice. In the Philippines, the collusion between state regulation and market regulation has sidelined voice regulation.

Former NEDA Secretary Neri's figure in describing the functioning of an "oligarchic state" or "booty capitalism" in the Philippines says it all. (See Figure 1). The economic elites who are the dominant market players can buy and write the public rules for their own benefit to the detriment of the rest of the people. The result is a weak state, continuing poverty, social chaos and under-development, distorted markets, and indecent work.

Figure 1: Vicious Cycle of Booty Capitalism, Poor Governance, Poverty and Social Chaos



Source of Slide: Romulo Neri, 2003

Equally important in development is that workers have voice and can exercise the power of voice, to work themselves out of poverty and to gain for themselves the possibilities and opportunities for wholesome human development. In other words, through the power of voice, workers become active participants in development.

These same thoughts were expressed thirty years ago by the late founder of the FFW, Johnny Tan, in these words:

“On the level of principle, it is not difficult to secure agreement of all sectors of society to the concept of participation. Particularly in these times, when development consciousness is reputedly deeper and more integral than ever, no society would expressly deny the need to involve the working masses in the processes of national development. Employers and governments, and workers all the more, would agree to the vital importance of workers’ participation as a factor in development.

“Our problem and inconsistencies arise when participation is considered in its concrete application. For participation is not just abstract principle of development, it is also a strategy and policy.

On the part of the workers, participation as strategy connotes an active element emanating from them. They must participate in development not as recipients of subsidies or aid, not as clients of prescribed programs. Rather, they are called to play an active role that starts with their awareness of themselves and of their capacity to improve their collective and individual existence.

“Such participation, as strategy, is what social organizations and other movements of the people seek to translate into reality. It is what the workers’ movement in particular, through organization and concerted action, seeks to promote and develop. The workers’ movement pursues this commitment in the bigger context of its hope that in the end such participation shall redound to the more organized and equitable pursuit of development by all society.

“This thrust from below, however, requires a counterthrust from above. Participation as strategy, initiated by the workers must be complemented by policy, initiated by government. After all, policy is the essential matrix of participation. Policy determines the conditions under which participation as strategy operates and gives it its distinct orientation. If policy is hostile, and encroaches on the workers’ rights and freedom, participation as strategy is correspondingly antagonistic. If policy is based on freedom, then it promotes trust, and participation is responsive.

“Policy, then, as the conduct of public affairs vested in the government, is vital to the promotion of workers’ participation in development...

It determines to a great extent whether participation shall be substantial factor in development or another uncontentious platitude.”⁴

Equity and Development is all about people in a given state and market organizing themselves to improve the decency of their living and working conditions. This way they gain the power of voice, not only to demand and defend their rights but also to protect and promote their interest and those of their members against the more powerful mechanisms of state and market.

As social organizations necessary in all democratic societies, workers’ unions and other forms of peoples’ organizations supply that voice.

⁴ Juan C. Tan, “Statement to the International Labour Conference”, 1975