



## Hanjin Workers Campaign Briefer 25 January 2019

On January 8, 2019, Hanjin Heavy Industries and Construction Co., Ltd. Phils filed for voluntary rehabilitation before the Olongapo City Regional Trial Court Branch 72 under Republic Act 10142 or “Act Providing for the Rehabilitation or Liquidation of Financially Distressed Enterprises and Individuals,” citing its massive debt of \$412 million in outstanding loans from the five biggest Philippine banks and \$900 million from Korean lenders.

This bankruptcy, as Hanjin claims, is the result of unpaid and cancelled orders, the expiration of its governmental perks such as the preferential power rate and tax breaks, and the slackening demand of cargo vessels in the world market.

Hanjin is a large Korean Shipbuilding Company with a plant located in Subic Bay, Zambales. Known as the Rising Star of Subic, Hanjin’s Subic plant is the ‘4<sup>th</sup> largest shipbuilding plant in Asia complete with state-of-the-art facilities and equipmentsuch as an ultra-large dock (550 meters in length, 135 meters in width); ultra-large gantry cranes; automated assembly lines with 600,000 Dead Weight Tonnage (DWT) annual shipbuilding capacity. It is a foreign direct investment clinched by President Arroyo and has enjoyed full governmental support from preferential power rates to tax holidays.

The entire manufacturing stint of Hanjin has produced for export 124 vessels of various types such as cargo vessels, bulk carrier, suezmax and aframax tankers, very large crude oil carrier (VLCC), liquefied petroleum gas carrier (LPG) and floating docks—including, even, the construction of the world’s largest commercial vessel, the Antoine De Saint Exupéry, a 20,600 twenty-foot-equivalent unit (TEU) class container vessel measuring 400 meters in length, 59 meters in width and 33 meters in depth whose deck is at least three football fields combined. Behind these top-of-the-line vessels are Hanjin’s 30,000 skilled and semi-skilled Filipino shipbuilders who are victims of contractualization under 21 subcontracting agencies.

These workers are subjected to subhuman working conditions with their lives at stake as the company refuses to implement occupational health and safety standards, recognize basic workers’ rights, and comply with construction and shipbuilding standards. In fact, 52 deaths as well as 28 injuries ranging from minor to severe and 12 cases of maltreatment have been recorded from 2008 to 2018. Access to information about shipyard accidents, however, remain under lock and key with Hanjin management exerting all effort for it to remain confidential. The recent incident is the collapse of a scaffolding last May 12, 2018 involving ten (10) workers, leaving two dead and another two comatose, while the others sustained minor and temporary injuries if not physical or mental trauma.

Hanjin has also been despotic with regards to worker’s rights. It has refused to recognize the worker’s right to unionize such as in 2009 when 30 workers who were members of the Hanjin Heavy Industries and Construction Phils. Inc. Workers Union (HHICPIWU) brought to the attention of the Senate Labor Committee the actual conditions of the workers. This was met with retaliation through coercive means of termination. Subsequently, in 2011 when Hanjin workers formed the Samahan ng mga Manggagawa sa Hanjin Shipyard<sup>i</sup> – Workers for People’s Liberation<sup>ii</sup> (SAMAHAN-WPL) and lodged a fight for job security, clean and healthy meals at the canteen, higher wage, workplace safety, and recognition of the workers’ association, Hanjin responded with forced resignations through coercion and enforcement of penalties

Moreover, Hanjin compels its workers to work overtime, overnight, and “overday” just to rush the construction of a cargo vessel within 3-months’ time. After it has finished or just before the completion of its orders, it would cut costs and massively reduce its workforce, such as back in 2017 when workers were

cut down from 33,000 to 16,000. It employs a boom and bust cycle tied with its production of cargo vessels. Naturally, as Hanjin never cared for its workers, and operates with a cycle of massive hire and fire seeking to maximize profit, it has sacrificed the quality of its produce with the loss of its skilled core workers.

As such, the contradictions inherent in Hanjin's contractualization scheme which has facilitated the massive reduction of its highly competent and skilled core workers, its non-compliance with international construction and shipbuilding standards, and its notorious record for accidents, have marred its credibility and consumer-trust in its products.

Hanjin's transgressions have finally returned to haunt it. But even now that it is on the edge, it remains indifferent to the condition of the workers. Prior to filing for voluntary rehabilitation, Hanjin immediately began cutting corners and started to lay off 7,000 of its workers last December 2017, with an additional 3,000 workers early this year until only 300 Filipino workers and 7 Korean nationals remain by March, leaving just enough people for facility maintenance. Even when Hanjin's petition for receivership was granted by the court last January 15, 2019, there has been no change in its plans for the workers, still leaving them in uncertainty. Aside from this, the community and small businesses such as food stalls, houses and dormitories for rent have suffered and have now closed shop due to Hanjin's massive retrenchment policies. Even the workers living in Hanjin village now face the threat of losing their homes through the default on their housing loans. In the end, because Hanjin enjoys its status as an FDI, it knows that it will be protected by the Philippine government and can weather this storm.

Together with the Hanjin workers, it now falls to us to demand and to fight for their rights. It is only through our collective action and unity can we assert for their rights and effectively lobby their demands. We must call on the Department of Labor and Employment (DOLE) Secretary Silvestre Bello to respect the demands of the workers as follows:

1. The affected workers receive the separation pay that they are due;
2. Refund the 3% bond taken from the worker's salary by Hanjin management.
3. The workers be given unemployment subsidy enough to cover food, lodging, educational, and medical expenses to tide them over until they find new employment, and;
  - a. Enforce a moratorium on housing loans without penalty for workers residing in Hanjin Village and its resumption only on the re-employment of the worker.
4. Ensure that the former workers are prioritized for reinstatement once the shipyard is returned to normal operations through a legally binding contract between the DOLE and whatever entity may possess the rights to the shipyard by the end of this crisis.

The time is ripe for the working people, different sectors of society i.e., students and youth, lawyers and professionals, women, and LGBT, etc., and revered institutions i.e., academia, mass media, arts, religious groups, legislative sector, etc., must come together again for solidarity work for Hanjin workers to amplify their calls and demands as well as put an end to the vulnerabilities of contractual work.

Things that can be done are as follows:

1. Lodge letters of urgent appeal to the President and the Secretary of DOLE.
2. Request the Senate and Congress to conduct an inquiry on the case and form resolutions urging the Executive branch to heed the call.
3. Form advocacy and campaign alliances for the workers.
4. Gather financial, logistical and non-financial support.
5. Spread information and conduct in depth studies of the crisis to be published for further reach.

The active arousing, organizing and mobilizing that Hanjin workers through the leadership of Samahan are doing on the ground would gather more supporters and advocates of the campaign. The combination of collective actions in the home front of the Hanjin workers together with their families and community and the reverberating support nationally and globally of the advocacy forces will pave the way toward decisive victory of our struggle.#####

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<sup>i</sup> Samahan ng Manggagawa ng Hanjin Shipyard (SAMAHAN) is a duly recognized worker's association of Hanjin shipbuilders.

In 2011, SAMAHAN-WPL lodged a fight for job security, clean and healthy meals at the canteen, higher wage, workplace safety and recognition of the workers association. The SAMAHAN initiated an All-Leaders Assembly attended by 160 leaders from different departments of Hanjin Shipyard, they decided to unify the whole workforce and commenced the campaign on April 29, 2011.

SAMAHAN formalize their demands by way of a demand/appeal letter submitted to the Hanjin management. Afterwards, series of mass actions ensued. -- Labor Day march that ended in a demonstration in the center of Subic was attended by 3,000 workers. Followed by series of spontaneous action inside the shipyard, among this was the walk-out of a shift in one department due to non-stop work and forced overtime. The high-point of the series of actions were two consecutive "noise barrage" on May 26 where in the workers make noise using their plates, spoons and forks during lunch break and on June 6 where in they use all metal steel they lay their hands on to make noise right inside their work area during short breaks. Eighty five percent (85%) of the total workforce during that time participated in the noise barrage that "shocked and awed" the Korean management.

Finally, a Workers Caravan from Manila was attended by workers from different parts of Manila and Central Luzon and "Friends of Hanjin Workers", a network of advocates composed of students, teachers, lawyers and church people i.e., priest, nuns and lays. The caravan stopped and held rally in front of the gate of the shipyard. These bold actions compelled the management to sit in a dialogue with SAMAHAN leaders facilitated by DOLE and in the presence of Hanjin workers supporters.

Through the unyielding demand of the workers under the leadership of SAMAHAN, improvements in the working conditions were preliminarily achieved. The Management was compelled to give the workers free three (maggot-free) meals. They were also obligated to comply with the defined health and safety standards of the industry via DOLE Memorandum Circular No.1 series of 2009 on the implementation of OHSS in Shipbuilding and Ship Repair. As an initial step, the safety committee were formed of which DOLE representatives, the Management and SAMAHAN leaders were asked to be part of. Respite in the cruelties of Korean foremen towards Filipino workers became observable as well.

But the management, in all his intent not to give workers legitimate platform to exercise its rights blocked the quest of the workers to register their association, Samahan ng Manggagawa sa Hanjin Shipyard or SAMAHAN via DOLE registration/accreditation. It contested for years, in the Bureau level up until it reached the regular Courts - until it finally reached the Supreme Court and ruled favourably for SAMAHAN and released its decision on October 14, 2015. (*SAMAHAN-WPL Briefing Paper*, 30 August 2018)

<sup>ii</sup> Workers for People's Liberation (WPL) formerly MAKABAYAN is a trade union and political center of unions and other organizations of workers and informal workers or semi-proletariat in the Philippines that are pursuing the struggle against capitalist exploitation and oppression and at the same time advancing the Filipino people's struggle against imperialist domination of the country.

Formed in first quarter of 1998, it had its interim Executive Officers in Dec. 2002 and launched its first Congress in October 20 – 21, 2006 which was attended by 120 delegates from among its union and association members and local affiliates.

Its members are workers' unions and other workers' organizations from various lines of industry and manufacture, services and community-based associations of formal and informal workers all over the Philippines such as the workers union and associations in Philippine Long Distance Telephone (PLDT), Star Performance, and Hanjin Heavy Industries and Construction Co. Ltd., (HHIC-Phils. Inc.)

Among the major local struggles, WPL supported are the Manggagawa ng Komunikasyon ng Pilipinas (MKP) PLDT strike vs mass lay-off cum contractualization in Dec 2002 to Jan 2003; the MKP PLDT 2007 hunger strike vs Mass lay off cum contractualization; the Star Performance (a Triumph International Subsidiary) 3-day strike; the Worker's Caravan in support of the Hanjin struggle vs unsafe work place and contractualization in 2011; and in March 2013, a Digital Employees Union (DEU) 5-month long protest picket in front of PLDT main at Makati vs share swap between Digitel & PLDT that resulted to mass dismissal of Digitel workers replaced by contractual thru manpower agency.

WPL coordinates and leads sectoral struggles through the formation of broad workers' alliances like the formation of a broad labor coalition vs contractualization such as the Labor Consultative Council against Contractualization (LCCC) in 2003; the Koalisyon Kontra Kontraktwalisasyon (KONTRA) in 2007; and the Kilusan Kontra Kontratwalisasyon (KKK) in 2016. It also formed sectoral organizations such as the Pormasyon ng mga Mangagagawa Kontra Globalisasyon (PUMIGLAS) in 2000. Moreover, it took part in the formation of Solidarity of Unions and Labor Organizations for a New Government (SULONG) in 2004 amidst the backdrop of the Hello Garci Scandal.

It also engages in the political campaigns and activities of its multi-sectoral political center, Kilusan para sa Pambansang Demokrasya KPD) such as the Scrap VFA Campaign and the Anti-Bases Campaign, No to EDCA Campaign, the NO to Cha Cha from the Erap administration until the present Duterte Administration, the Anti Globalisation Movement, Anti-Tyranny Campaign and more.