



Local Economic Development in Philippines



International
Labour
Organization

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Tripartism for local growth

Marikina is an exemplary city. Looking at its clean market and streets, peaceful river scenery and flourishing business activity, one would not guess that the city once suffered from industrial decline and social unrest. Dialogue among City government, employers' and workers' organizations was a first step in leading Marikina where it is today.

Project Facts

Project title:
Decent Work Country Programme –
Employment generation through local
approaches component

Starting date:
???

End date:
???

Donor:
???

Implementation:
ILO sub-regional office in Manila

Partners:
Department of Labour and
Employment

Location:
Angono, Concepcion, Cotabato,
Davao, Dumaguete, Guimaras, La
Castellana and Marikina

Objectives:
Injecting Decent Work and
employment components into existing
local development plans and
programmes

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In the 1960s, Marikina was the envy of the emerging metropolitan Manila because it was host to big industries availing of incentives Marikina enjoyed as a special industrial zone. Moreover Marikina was home to a flourishing footwear cluster. However, in the 1970s, it lost its special status due to changes in national policy. In the 1980s, Marikina's national status deteriorated further, as it suffered from the harsh competition of the Chinese footwear industry. In addition, the City was plagued by floods and nasty stories on crimes and grime. The negative image was compounded by the chaotic system of industrial relations, when Marikina became a center for militant unionism in the country, with the 'class war' even becoming 'physical' for some management and union officials. As a result, a large number of business and industrial establishments either closed down or

relocated elsewhere. Thus, by the early 1990s, nobody wanted to invest in Marikina.

Box 1

Local development and decent work

In 2002, the Philippines' Decent Work Action Plan was launched. Given the important role of local government units in directing and devising poverty reduction programmes, the Action Plan privileged a local development focus. A "Local Development and Decent Work" (LDDW) resource kit was developed with and for local development planners. In close cooperation with a selected number of local government units, practical approaches to promote decent jobs were piloted. Under the umbrella of the subsequent Decent Work Country Programme, the ILO continued this cooperation and established new partnerships with Marikina and other local champions in mainstreaming decent work into their local development programmes.



Two subsequent mayors, Mayor Bayani Fernando and Mayor Lourdes Carlos-Fernando, did a lot in transforming the City's image, by initiating reforms in the social and physical infrastructures of the city such as the rehabilitation of the Marikina River, instilling civic discipline among the residents, cleaning up the city and improving the overall system of local governance. These City Executives also succeeded in establishing industrial peace and a favorable labour and business climate through social dialogue. To this end, the Mayor undertook the following steps:

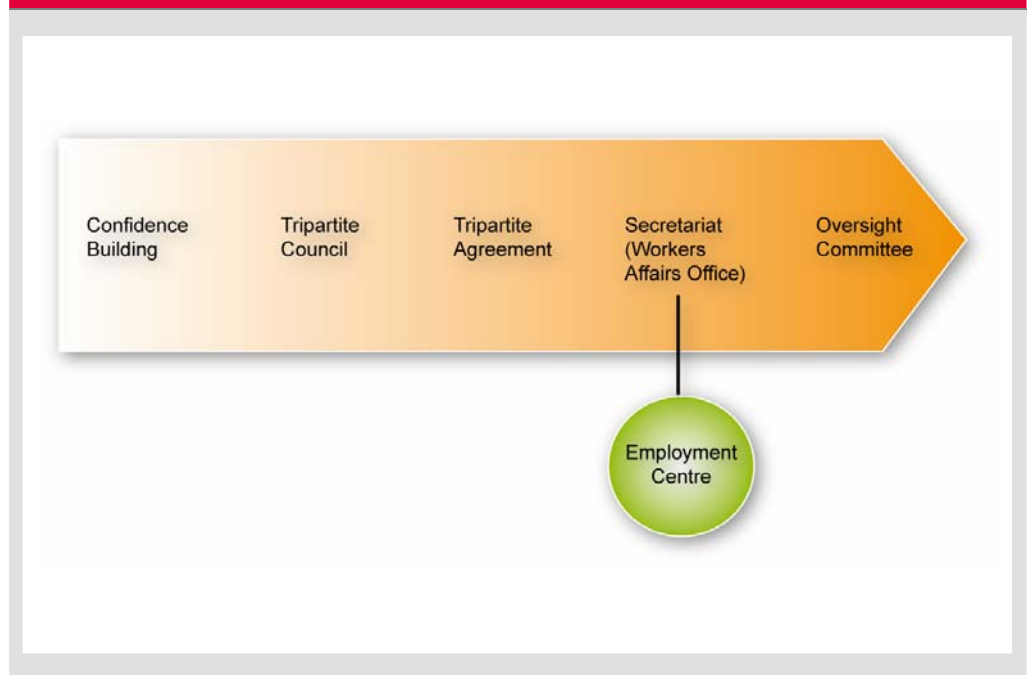
- Making personal contacts with wide range of workers' and employers' representatives. This resulted amongst others in the forging an alliance among the City's fractious unions, i.e. the

Alliance of Trade Unions in Marikina (ATUM). The Marikina Valley Chamber of Commerce and Industry (MVCCI) was acknowledged as the main voice of business as other employers' organizations are represented in its board. This regrouping of workers and employers eventually facilitated the Mayor in convening tripartite consultations in the City based on balanced representation among the parties;

- Arranging a series of formal and informal dialogues, initially facilitated by the Mayor himself;
- Creating an official tripartite body capping the ongoing dialogues and followed by a tripartite agreement;

Box 2

Institutionalizing social dialogue in Marikina



- Institutionalizing the dialogue system backed up by a Workers 'Affairs Office (WAO) financed by the City. Later, the WAO became in charge of an Employment Centre that brings together demand and supply on the local labour market;
- Formulating City policies in line with the tripartite agreement;
- Creating a tripartite Oversight Committee to monitor and assess the implementation of the tripartite agreement.

Through dialogue the City of Marikina was able to settle labour disputes at the tripartite or company level. Dialogue has been a major factor in the enactment of

labour- and business-friendly ordinances such as the creation of a one-stop-shop for business registration. Above all, dialogue has been crucial in inculcating respect and trust between and among the tripartite social partners.

Lessons learned

Political will and commitment

Success in developing a tripartite system depends a lot on the political will and commitment to conduct social dialogue on behalf of all parties. The personal conviction of the two subsequent Mayors was vital in creating a climate of trust and confidence. Additionally, the willingness of workers' and employers' organizations to unite and organize themselves was also key in kicking of the dialogue process.

Box 3

Marikina as Little Singapore

'In planning for the future it is imperative for any community to have a vision in order to guide its development efforts and provide its people with perspective of what lies ahead', says Mayor MA. Lourdes Carlos Fernando. 'In our desire to push our city into higher level of achievements, we thought of coming up with a vision of making Marikina a Little Singapore. There are those who asked, Why Singapore? And we answered back, Why not Singapore? We know it's a toll order but we take cognizance of the fact that Rome was not built in a day; and, in the same vein, Marikina River was transformed from its battered condition years ago into what it is today when hardly anybody believed that it could be done.'



'Our vision is not only a city of beauty and character, but also a city that works. This means more than just providing basic infrastructures. As our economy provides the engine to raise quality of life, we shall take a pro-active role in creating the right environment for a thriving business hub that can hold its own in the global playing field. As jobs are provided closer to homes, Marikina shall no longer be known as a "bedroom community".'

Source: <http://www.marikina.gov.ph/mcf.little.do>



Inclusive and representative dialogue

The legitimacy of social dialogue increases when all workers and employers are represented. In an attempt to reach out to businesses, an Ordinance was passed requiring all applicants of business permits to be a member of any of the business associations in the city. However, the Ordinance only applies to enterprises with 10 or more employees. Consequently, micro

and small enterprises are hardly active or represented in the tripartite system.

Institutionalizing dialogue

The decentralized tripartite system that has developed in Marikina is characterized by continuity and a clear development focus that goes beyond dispute settlement. Its institutionalization was key in making this happen as it avoids ad-hocism and crisis-focused management.

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This story is based on an ILO paper by Dr. Rene E. Ofreneo, Cecilia L. Basa and Leian C. Marasigan, "Arresting stagnation and building a base for the future: tripartism in Marikina City", 2005.

More info on Local Economic Development at the ILO

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