

# THE DANGERS OF RED-TAGGING: A 5-STEP GUIDE FOR EMPLOYERS WITH OPERATIONS IN THE PHILIPPINES

Insights  
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Multinational businesses with operations in the Philippines need to be aware of the growing trend of red-tagging, which is the practice of falsely accusing individuals or organizations of being affiliated with or supporting communist or leftist groups. Your business may face increased pressure as lawmakers crack down on labor violations that occur within your supply chains, especially on the heels of a recent Supreme Court decision that raises the stakes in this area. Businesses operating in the Philippines need to be aware of the risks associated with red-tagging and take proactive measures to protect their employees, partners, and stakeholders from unwarranted accusations. Read on to find out more about what red-tagging is and what you need to know to steer clear of it.

## What is Red-Tagging?

Red-tagging is a form of harassment and intimidation that has been used by certain sectors of the government, military, or other influential entities to target and intimidate those who are perceived to be critical of the government or involved in advocacy work for social justice, human rights, or labor rights. Targets of this behavior may face threats to their safety and security, as well as legal repercussions, including arrests, surveillance, or even violence. Being labeled as

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communist sympathizers can also damage their reputations, making it difficult for them to carry out their work or business ventures effectively.

In fact, the Philippines Supreme Court recently described the practice as “a threat to people’s life, liberty and security.” In the same May 8 ruling, the court issued a protection order for activist and former Bayan Muna party member, Siegfried Deduro, due in part to fear for his safety after the military explicitly identified him as having connections to the Communist New People’s Army.

The practice of red-tagging has been a longstanding issue in the Philippines, particularly in the context of political dissent and social activism, but has become more prevalent in recent years. Employees and employers alike often become collateral damage, irrespective of whether their business actually engages in such political stances or causes.

In recent years, the escalation of red-tagging has drawn criticism from local and international human rights organizations, which have called for an end to the practice and for increased protections of individuals’ rights to freedom of expression and association.

## **Social and Cultural Context**

An increasing number of customers are boycotting companies that are perceived to be engaging in unethical labor practices or who support red-tagging. This has put additional pressure on businesses to ensure transparency and accountability throughout their supply chains, even if they do not directly employ anyone in the Philippines.

The greater regional context reveals a growing movement towards labor rights and ethical business practices. In Southeast Asia, countries like Malaysia, Indonesia, and Thailand are also tightening labor regulations and increasing oversight, indicating a broader regional trend.

In the Philippines, the reaction from businesses, lobbyists, and unions has been varied. Business groups have expressed concerns about the administrative burden and costs associated with compliance but generally support the need for fair labor practices. On the other hand, labor unions and activists have welcomed the stricter regulations but are wary of the red-tagging phenomenon, which they argue undermines legitimate labor advocacy and endangers individuals' safety.

## **Practical Guidance for Employers**

For businesses operating in the Philippines, you should consider a proactive approach to combat this problem, including these practical steps:

**1. Conduct Regular Audits:** Regularly audit your supply chains to identify potential risks or violations. This includes checking for compliance with labor laws and any signs of red-tagging. Immediately address any employee disputes as they relate to political topics and discussions, and stay apprised of other red-tagging events or accusations that occur in similarly situated industries and business.

**2. Implement Robust Compliance Programs:** Establish comprehensive compliance programs that cover all aspects of labor laws and ethical business practices. Ensure these programs are well-documented and communicated to all employees and suppliers.

**3. Consistently Train Employees:** Regularly train your employees on labor laws, ethical business practices, and the risks associated with red-tagging, including that such conduct is not condoned and will not be tolerated. This will help create a culture of compliance and awareness within your organization.

**4. Establish and Maintain Grievance Mechanisms:** Set up effective grievance mechanisms for workers to report any labor violations or concerns about red-tagging. Ensure that these mechanisms are accessible, confidential, and provide a clear process for resolution.

**5. Familiarize Your Company With Local Customs and Laws:** Make sure you are familiar with the applicable government entities, unions, works councils, and other relevant stakeholders. They can help you work through and preempt issues that may arise before they become serious problems.

## **Conclusion**

We will monitor developments in this area and provide updates as warranted, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information directly to your inbox. Please contact your Fisher Phillips attorney, the author of this Insight, or any attorney in our [International Practice Group](#) to learn more.