

## Labor Relations Overview

### I. Unions

Unions in the Philippines are classified into two (2):

1. PUBLIC SECTOR UNION or PUBLIC EMPLOYEES ORGANIZATION refers to any organization, union or association of employees in the agencies of government which exist in whole or in part for the purpose of collective negotiations or mutual aid, interest, cooperation and protection.
2. PRIVATE SECTOR UNION or LABOR ORGANIZATION refers to any union or association of employees in the private sector which exist in whole or in part for the purpose of collective bargaining or mutual aid, interest, cooperation, protection or other lawful purposes.

Labor Organizations are further classified into the FORMAL and INFORMAL sector. The former refers to an organization with employee-employer relationship, also known as Enterprise-Based Unions it is composed of Chartered Local, Affiliate and Independent Unions. The latter refers to an organization without a definite employer.

As of June 2013, a total of 16,638 unions were recorded existing at the enterprise level with reported members of more than 1.39 million workers. Union registrations increased by 1% from 16,466 last year.

**TABLE 1. NUMBER OF EXISTING UNIONS BY TYPE BY REGION**

Region	PRIVATE		PUBLIC		PRIVATE		PUBLIC	
	No. of Unions	Percent (%)	No. of Unions	Percent (%)	No. of Members	Percent (%)	No. of Members	Percent (%)
<b>PHILIPPINES</b>	<b>16,638</b>	<b>100</b>	<b>1,765</b>	<b>100</b>	<b>1,391,621</b>	<b>100</b>	<b>462,835</b>	<b>100</b>
NCR	9,899	59.5	392	22.2	793,685	57.0	275,616	59.5
CAR	60	0.4	63	3.6	11,296	0.8	8,169	1.8
I	85	0.5	91	5.2	6,355	0.5	13,460	2.9
II	47	0.3	83	4.7	13,605	1.0	10,184	2.2
III	1,068	6.4	98	5.6	98,057	7.0	14,559	3.1
IV-A	2,119	12.7	116	6.6	180,285	13.0	16,489	3.6
IV-B	25	0.2	70	4.0	1,148	0.1	7,989	1.7
V	158	0.9	104	5.9	9,734	0.7	12,858	2.8
VI	620	3.7	98	5.6	41,423	3.0	22,290	4.8
VII	965	5.8	113	6.4	57,726	4.1	14,705	3.2
VIII	216	1.3	141	8.0	12,141	0.9	13,036	2.8
IX	107	0.6	71	4.0	9,824	0.7	7,926	1.7
X	360	2.2	82	4.6	41,239	3.0	9,353	2.0
XI	467	2.8	104	5.9	48,874	3.5	19,577	4.2
XII	214	1.3	85	4.8	46,824	3.4	10,867	2.3
XIII	109	0.7	51	2.9	16,565	1.2	5,548	1.2
ARMM	23	0.1	3	0.2	2,520	0.2	209	0.0
<i>For Verification</i>	96	0.6			320	0.02		

*Source of Data: Bureau of Labor Relations (BLR); Union Registration data as of June 2013*

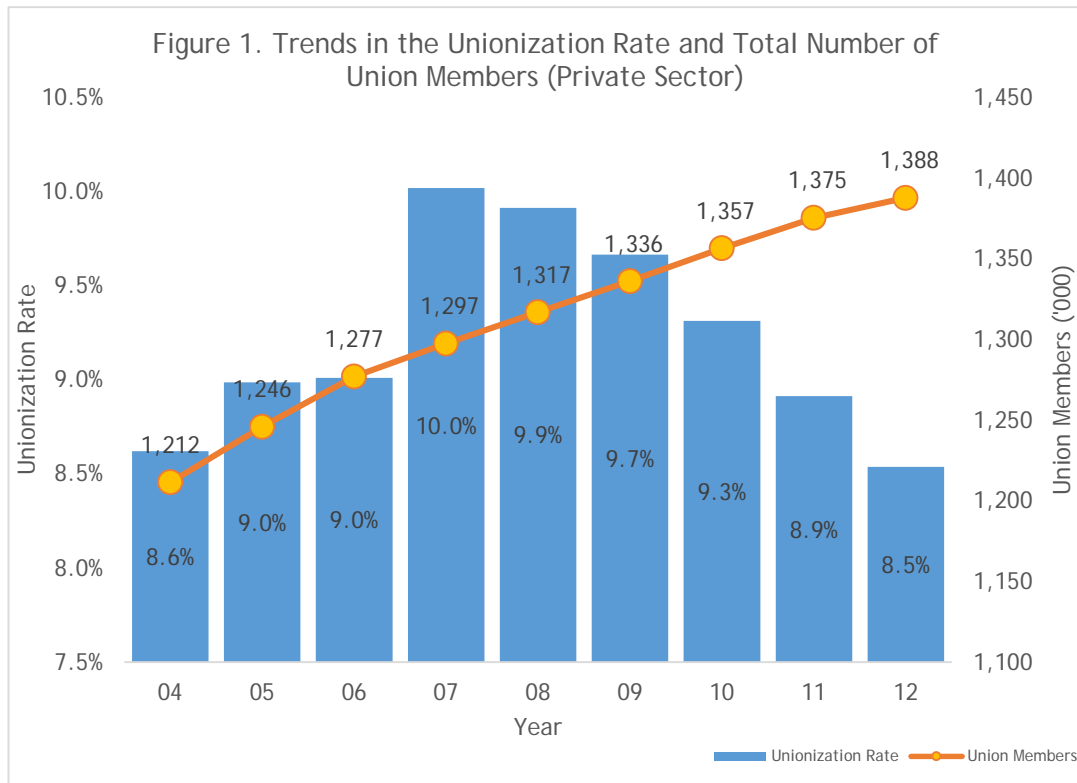
As shown in the Table 1, the bulk of the unions are in NCR it covers almost 60% of the total unions nationwide with 9,899 followed by Region IV-A with close to 13% or 2,119 unions. In terms of union memberships, NCR and Region IV-A also recorded with the most with 57% (793,685 members) and 13% (180,285) respectively.

For public sector union registrations, a total of 1,765 unions were existing nationwide, with 462,835 reported members. Registrations in the public sector unions increased by 2.5% compared to the 1,722 registrations recorded last year, also the volume of union members increases by 5.8% from 437,518 union members last year.

NCR had the most number of public sector unions amongst regions covering 22% or 392, followed by Region VIII with 8% or 141 unions. Membership wise, almost 60% (275,616) of the total union members in the public sector were situated in NCR, followed by Region VI with 4.8% or 22,290 members. (See Table 1)

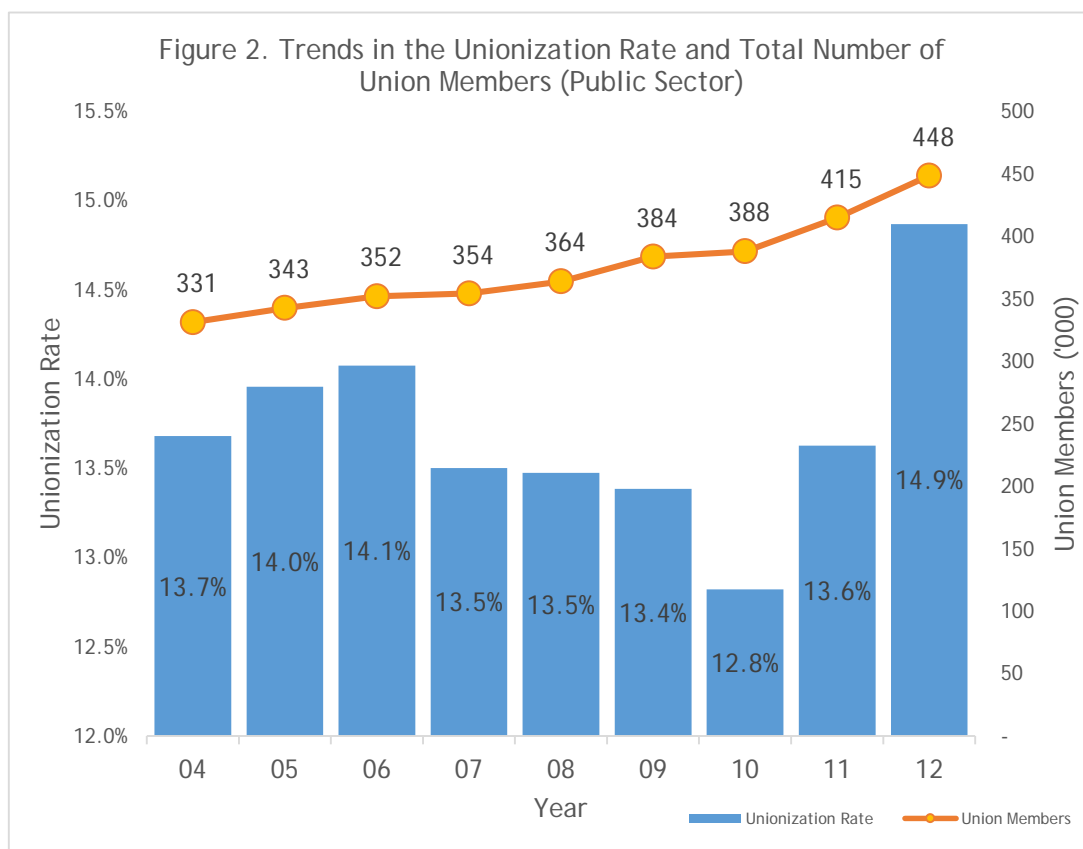
**TREND IN UNIONIZATION RATE**

From 2004-2012, unionization rate peaked in 2007 for the private sector with 10%, while the lowest was recorded in 2004 with 8.6%. Over the time period it gradually decreased from 9.9% in 2008; 9.7% in 2009; 9.3% in 2010; 8.9% in 2011 and 8.5% in 2012. (See Figure 1)



Source of Data: Bureau of Labor Relations (BLR); Union Registration data as of June 2013  
Bureau of Labor & Employment Statistics (BLES); Employment Data 2004-2011 and 2012 (Preliminary)

Over the same period, public sector unionization rate recorded its highest in 2012 with 14.9%, while the lowest was in 2010 with 12.8%. A growth in union membership is seen over the past years due to the registrations of unions under the national government agencies. (See Figure 2)



Source of Data: Bureau of Labor Relations (BLR); Union Registration data as of June 2013  
 Bureau of Labor & Employment Statistics (BLES); Employment Data 2004-2011 and 2012 (Preliminary)

## Federations

A federation is defined as a group of legitimate labor unions in a private establishment organized for collective bargaining or for dealing with employers concerning terms and conditions of employment for their member unions or for participating in the formulation of social and employment policies, standards and programs, registered with the Bureau of Labor Relations (BLR).

Currently, there are 135 existing federations, wherein its locals/affiliates comprises the 55% (9,289 out of 16,638) of the total unions and 46% (640,641 out of 1,391,621) of the total union members in the private sector.

Table 2 shows the 10 federations with the most number of locals/affiliates, these federations covers the 41% of the total federated unions (3,781 out of 9,289) in the country. The Associated Labor Union (ALU), a federation registered since 1954 had the most locals/affiliates amongst federations with 872 locals/affiliates.

Table 2. FEDERATIONS WITH THE MOST NUMBER OF LOCALS/AFFILIATES

Federation	Locals/ Affiliates	Members
ALU	872	64,024
FFW	439	29,891
SUPER	437	26,856
LAKAS	363	6,720
FSM	318	9,973
NAFLU	302	29,217
PTGWO	289	80,725
ADLO	279	9,882
TUPAS	261	10,833
ANGLO	221	13,894

Source of Data: Bureau of Labor Relations (BLR); Union Registration data as of June 2013

Table 3 shows the 10 federations with the most number of union members, The Philippine Trade and General Workers Organization (PTGWO), registered since 1967 recorded the most membership among federations with 80,725.

Table 3. FEDERATIONS WITH THE MOST NUMBER OF UNION MEMBERS

Federation	Locals/ Affiliates	Members
PTGWO	289	80,725
ALU	872	64,024
FFW	439	29,891
NAFLU	302	29,217
SUPER	437	26,856
NFL	189	22,052
NAFLU-KMU	138	15,059
ANGLO	221	13,894
AWATU	167	13,031
AGLO	129	11,380

Source of Data: Bureau of Labor Relations (BLR); Union Registration data as of June 2013

The registration of labor organizations is governed by the Labor Code as amended and DOLE Department Order No. 40-03.

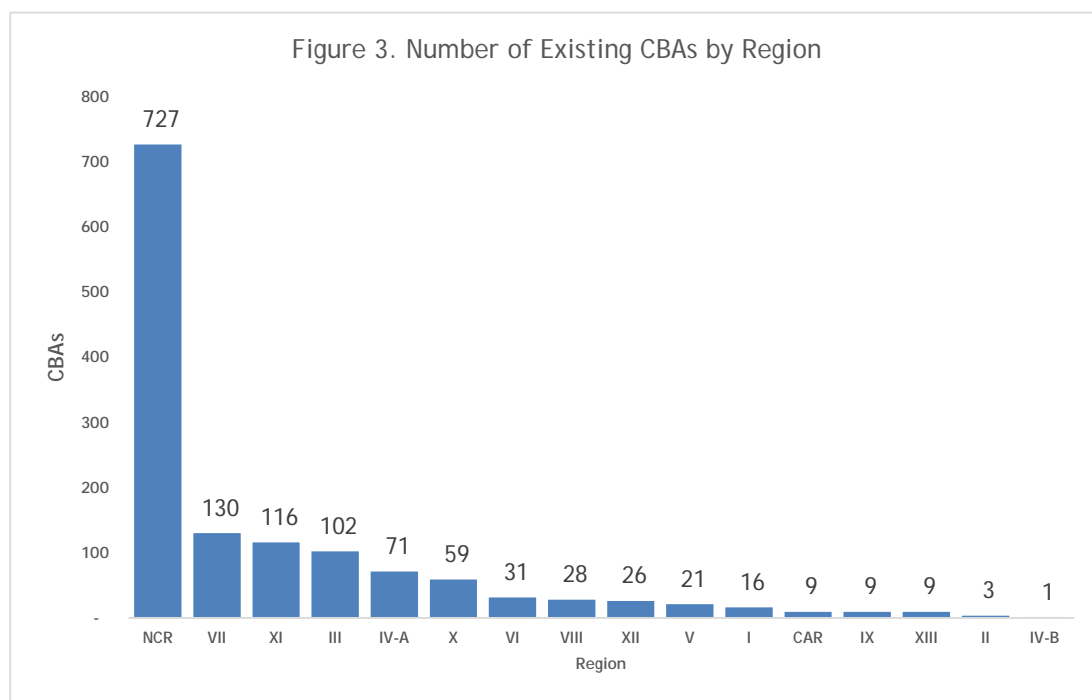
## II. Collective Bargaining

Collective bargaining is the process of negotiations between employers and a group of employees aimed at reaching agreements that regulate working conditions. The interests of the employees are commonly presented by representatives of a trade union. The Collective Bargaining Agreement (CBA) is the contract resulting from the negotiations.

In the Philippines, collective bargaining can be done through single enterprise level negotiations or through the creation of a mechanism by which different employers and recognized or certified labor unions in their establishments bargain collectively (multi-employer bargaining).

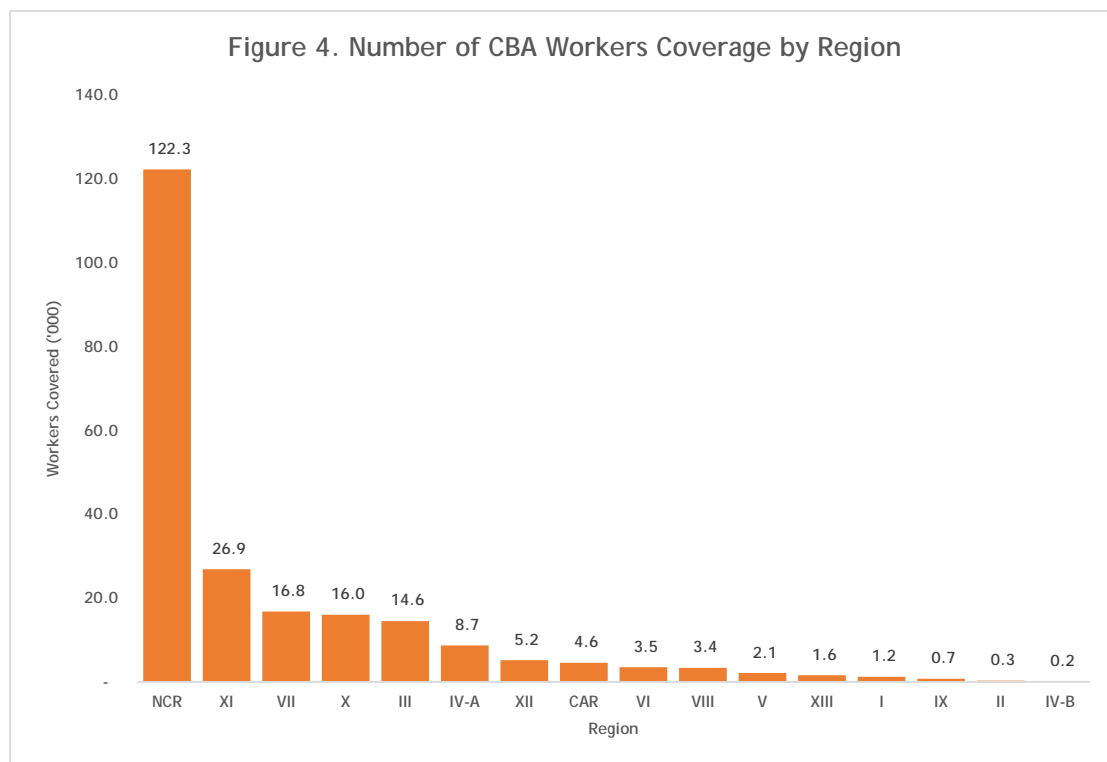
The registration and procedure of collective bargaining is guided by DOLE Department Order No. 40-03, as amended.

As of June 2013, a total of 1,358 CBAs existing in the country, wherein more than half or 54% of the existing CBAs were situated in NCR with 727 CBAs. Three other regions also recorded more than 100 existing CBAs, these are Region VII with 130, Region XI with 116, and Region III with 102. (See Figure 3)



Source of Data: Bureau of Labor Relations (BLR); CBA Registration data as of June 2013

In terms of CBA workers coverage, a total of 228,131 workers were covered by the 1,358 existing CBAs. The National Capital Region (NCR) covers 54% of the total workers coverage with 122,325. While four other regions recorded more than 10,000 workers coverage, namely, Region XI with 26,865, Region VII with 16,781, Region X with 16,007 and Region III with 14,550. (See Figure 4)



Source of Data: Bureau of Labor Relations (BLR); CBA Registration data as of June 2013

The registration of CBAs is governed by DOLE Department Order No. 40-03, as amended.

### III. Industrial Action (Strikes and Lockouts)

DOLE Department Order No. 40-03, as amended defines strike as any temporary stoppage of work by the concerted action of employees as a result of a labor or industrial dispute. Meanwhile, a lockout is referred to the temporary refusal of an employer to furnish work as a result of a labor or industrial dispute.

The right to strike is a constitutional and legal right of the workers as the employers have the inherent and statutory right to lockout, all within the context of labor relations and collective bargaining. It is a means of last resort and presupposes that the duty to bargain in good faith has been fulfilled and other voluntary modes of dispute settlement have been tried and exhausted. The law recognizes two grounds for the valid exercise of the right to strike or lockout, namely: unfair labor practice and bargaining deadlock. In order to be valid, the notice of strike or lockout on grounds of unfair labor practice, shall state the specific acts complained of. In case of bargaining deadlock, the notice must specify the unresolved issues and must show proof that the parties have exhausted all efforts to resolve the deadlock.

The National Conciliation and Mediation Board, an attached agency of the DOLE, is the agency that mediates and arbitrates between labor and management in case of a labor dispute concerning strikes and lockouts.

For 2012, the peaceful industrial peace climate was maintained by keeping the actual strikes and lockouts at a minimum with only three (3) work stoppage declared during the year. The said

strikes were resolved through amicable settlement benefiting 209 workers with P41 million in monetary benefits<sup>1</sup>.

#### IV. Labor Management Council

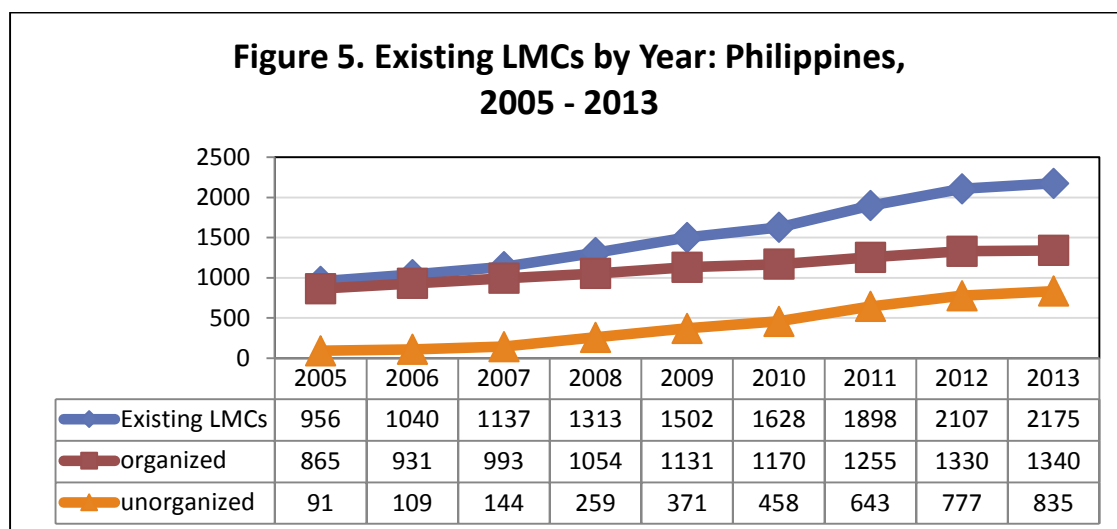
Under Republic Act No. 6715 or “An Act to Extend Protection to Labor, Strengthen the Constitutional Rights of Workers to Self-Organization, Collective Bargaining and Peaceful Concerted Activities, Foster Industrial Peace and Harmony, Promote the Preferential Use of Voluntary Modes of Settling Labor Disputes, and Reorganize the National Labor Relations Commission, Amending for These Purposes Certain Provisions of Presidential Decree No. 442, As Amended, Otherwise Known as The Labor Code of the Philippines, Appropriating Funds Therefore and for Other Purposes”, the operating mechanism of labor-management cooperation program in organized establishments is called a Labor-Management Council (LMC). In unorganized establishment, the mechanism is called Labor-Management Committees (LMC).

The LMC aims to foster better relations between labor and management, to supplement the grievance process when necessary and to supplement the CBA.

While there are no set rules, an LMC commonly has the following organizational features:

- Composed of an adequate number of representatives from labor and management.
- Labor representatives shall be elected by at least the majority of the workers in the establishment.
- Management is represented by top level officials, the personnel or industrial relations manager, the production manager and other officers including supervisors.
- There are two co-chairmen -- one from labor and one from management who serve concurrently or on a rotating basis. A secretary is also appointed.
- A third party facilitator acceptable to labor and management may assist the committee particularly in the early stages of its operation
- Sub-committees may be formed to address specific concerns.

The National Conciliation and Mediation Board, an attached agency of the DOLE provides promotional and technical services for the LMC. For the first semester of 2013, a total of 2175 LMCs are existing, 1340 LMCs in organized establishments and 835 in unorganized establishments. (see Figure 5)<sup>2</sup>.



<sup>1</sup> <http://ncmb.ph/Situationer/Strike1.html>

<sup>2</sup> NCMB Planning Tool. DOLE MYPA 2013.

## V. Social Dialogue<sup>3</sup>

Social dialogue is primarily indicated by how much workers are being organized, how many collective bargaining agreements are concluded and how labor education services are being extended. It also refers to a labor relations system which encourages less adversarial modes of settling disputes and ensuring speedy disposition of labor cases. In general, the Philippines has been recognized for its labor relations environment that fosters strong tripartite mechanisms and processes for social dialogue.

Tripartism, a program strategy employed to address the concerns of the social partners – labor, employer and government sectors – through various kinds of interaction, including information sharing, consultations, fora and dialogues, has been one of the mechanisms to promote social dialogue. It has been a declared state policy as enunciated in the Labor Code.

In line with Department's thrust to promote and strengthen social dialogue, the Tripartite Industrial Peace Council (TIPC) and its various subcommittees are consistently working toward setting workplace standards and protection of labor and employers rights.

### *Legal Bases*

- Executive Order No. 403 (s. 1990) Establishing the Tripartite Industrial Peace Council
- Executive Order No. 25 (s. 1992) Amending E.O. No. 403 and Further Strengthening the TIPC
- DOLE Department Order No. 8 (s. 1995) Guidelines in the Constitution and Institutionalization of National Industry Councils, Regional TIPC's, and Regional or Local ITCs under the National TIPC
- Executive Order No. 383 (s. 1996) Reorganizing and Strengthening the TIPC
- DOLE Department Order No. 14 (s. 1996)
- Executive Order No. 49 (s. 1998) Amending E.O. No. 383 for the Purpose of Reconstituting and Expanding the Membership of the TIPC
- Executive Order No. 97 (s. 1999) Amending E.O. No. 49, Further Expanding the Functions of the TIPC
- Department Order No. 111-11 (s. 2011) Guidelines in the Creation and Institutionalization of Coordination among National, Regional and Local TIPC's and/or ITCs
- Republic Act No. 10395: "An Act Strengthening Tripartism, Amending for the purpose Article 275 of the Labor Code

### *Functions*

- 1) To monitor the full implementation and compliance by concerned sectors with provisions of all tripartite instruments, including international conventions, codes of conduct, and social accords;
- 2) To participate in national, regional or industry-specific tripartite conferences which the President or the Secretary of Labor and Employment may call from time to time;
- 3) To review existing labor, economic and social policies and to evaluate local and international developments affecting them;
- 4) To formulate for submission to the President or Congress, tripartite views, recommendations and proposals on labor, economic and social concerns including the presentation of tripartite positions on relevant bills pending in Congress;
- 5) To advise the Secretary of Labor and Employment in the formulation or implementation of policies and legislation affecting labor and employment;
- 6) To serve as a communication channel and a mechanism for undertaking joint programs among government, workers, employers and their organizations toward enhancing labor-management relations; and
- 7) To adopt its own program of activities and rules, consistent with development objectives.

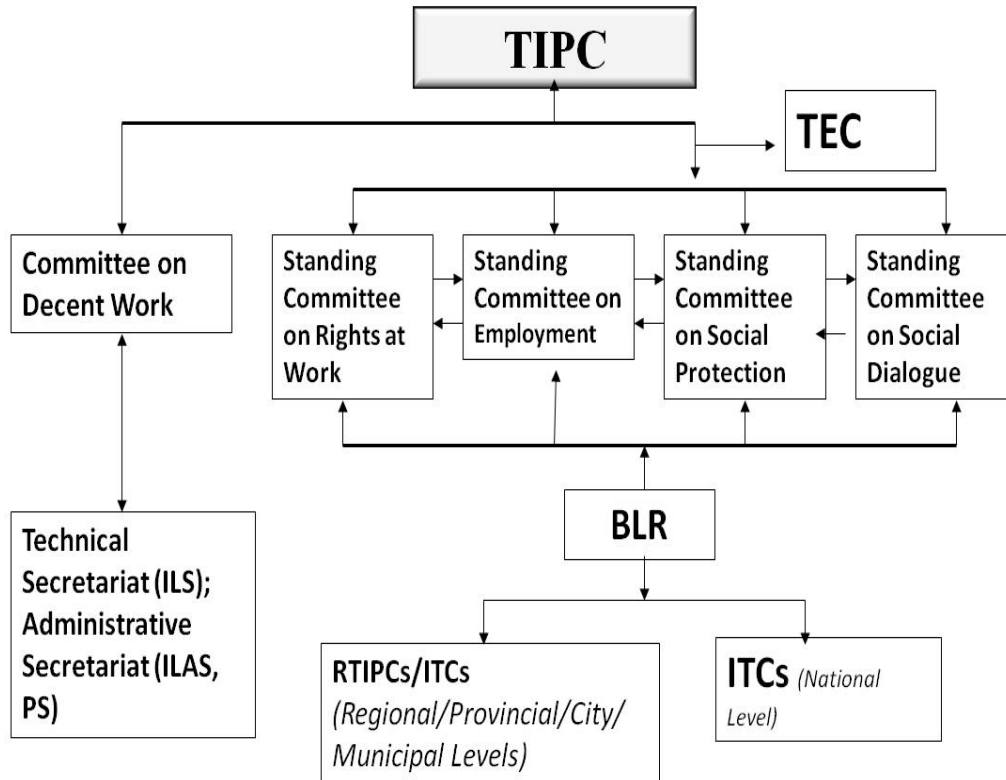
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<sup>3</sup> [www.blr.dole.gov.ph](http://www.blr.dole.gov.ph)

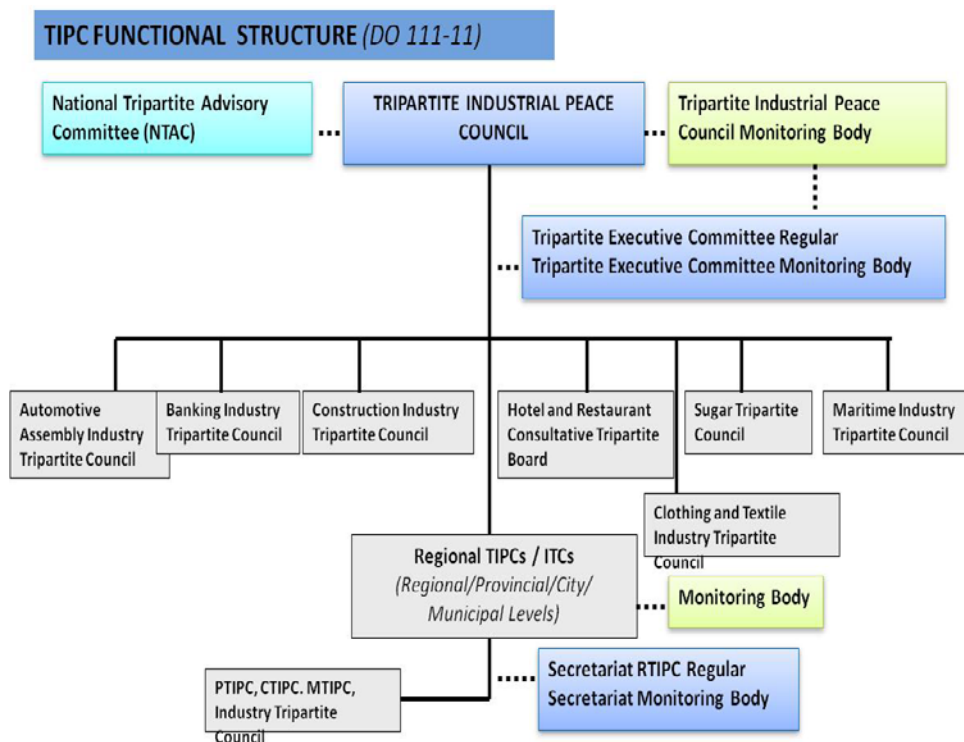




## TIPC Structure (Organizational)



## TIPC Structure (Functional)



### *Voluntary Codes of Good Practices (VCGP)*

A Voluntary Code of Good Practices (VCGP) is a set of guidelines establishing voluntary minimum standards on the social and employment aspects in the industry. It is a step towards industry self-regulation allowing the social partners of the concerned industry to voluntarily self-regulate their engagement and cultivate a culture of social responsibility. The promotion of the crafting and adoption of the VCGP is embodied under the DOLE's package of reforms. It is one of our commitments under the Philippine Labor and Employment Plan 2011-2016 as a thrust for self-regulation, addressing industry-specific issues, and eventually toward industry self-governance.

The TIPC, through TIPC Resolution No. 3-D, series of 2010, has affirmed the promotion of VCGPs and encouraged the Regional TIPCs and Industrial Tripartite Councils (ITCs) to formulate and adopt them. As of June 2013, a total of eighty-five (85) VCGPs were developed in the following industries identified as Key Employment Generators (KEGs) by the DOLE Project JobsFit 2020:

- Agribusiness
- Cyberservices
- Health and Wellness
- Hotel, Restaurant and Tourism
- Mining
- Construction
- Banking and Finance
- Manufacturing
- Transport and Logistics

### *Recently Processed Issuances:*

Major DOLE issuances and issues on labor and employment are being processed in the TIPC the most recent are the following:

1. Department Order No. 40-G-03, series of 2010, Amending Rule XXII of the Implementing Rules of Book V of the Labor Code of the Philippines;

This issuance is an interim measure which addresses the perceived arbitrariness in the exercise of the assumption power. The D.O. provides that the Secretary of Labor may assume jurisdiction over the dispute and decide or certify the same to the NLRC for compulsory arbitration.

2. Department Order No. 107-10, series of 2010, Guidelines on the Single Entry Approach (SEnA) Prescribing a 30-Day Mandatory Conciliation-Mediation Services for All Labor and Employment Cases)

This Guidelines seek to provide a speedy, impartial, inexpensive and accessible settlement services for unresolved issues/complaints arising from employer-employee relations and uses conciliation-mediation as the primary mode of settlement. From the time of its implementation, SEnA has been used as a mode to prevent labor disputes from escalating into labor cases.

3. Department Advisory No. 5, s. 2010, Guidelines for the Implementation of a Workplace Policy and Program on Hepatitis B

The advisory requires all private workplaces to implement a rights-based policy and a program on Hepatitis B that incorporated human rights standards and principles. It also covers all workers regardless of their employment status. It requires

vaccination to all occupations with a conceivable risk of Hepatitis B transmission in the workplace such as health care workers and other workers whose occupation involves the potential exchange of bodily fluids. It also encourages all establishments to provide Hepatitis B immunization for all its workers.

The advisory also requires firms to include a policy on non-discriminatory, confidentiality, work accommodation, and arrangements for workers with Hepatitis B status.

4. Department Order No. 109-11, Creation of Efficiency and Integrity Boards in the Department of Labor and Employment;

The DOLE Efficiency and Integrity Boards are the Department's contribution to the Aquino administration's fight against corruption.

5. Department Order No. 111-11, Guidelines in the Creation and Institutionalization of Coordination of National Industry Councils, RTIPCs and Regional or Local ITCs;

This Guidelines was created to ensure better coordination of the national and regional TIPCs. To further strengthen the capacities of the TIPC, capacity-building seminars with TIPC, ITC, and Regional TIPC monitoring bodies secretariats were done.

6. Department Order No. 112-11, Guidelines Governing the Implementation of the Special Leave Benefits for Women Employees in the Private Sector"

Under the Republic Act 9710, otherwise known as "The Magna Carta of Women", a woman employee shall be entitled to a special leave benefit of two (2) months with full pay based on her gross monthly compensation following surgery caused by gynecological disorders. As guidelines for the implementation of special leave benefits for women in the private sectors, the Department of Labor and Employment issued this Department Order.

7. Department Order No. 115-11, "Guidelines on the Implementation of the Incentivizing Compliance Program (ICP)";

The Incentivizing Compliance Program (ICP) converges DOLE programs on labor law compliance and awards a tripartite seal of excellence on compliant companies and their products. Tripartite Certification Committees (TCC) were created and oriented in the Regional Offices. A total of eighty (80) establishments were enrolled under the ICP.

8. Joint DOLE-PNP-PEZA Guidelines in the Conduct of PNP Personnel, Economic Zone Police and Security Guards, Company Security Guards and Similar Personnel During Labor Disputes;

The Guidelines was jointly issued by the DOLE, PNP and PEZA on 23 May 2011 to ensure proper coordination in responding to cases of a strike/lockout/picket or any labor dispute within or outside the economic zones.

Seventeen (17) advocacies for the Joint DOLE-PNP-PEZA Guidelines were done for the following: Security guards under PNP-SOSIA, MMDA personnel, PEZA security agencies & HR personnel, and PMAP members.

9. Department Order No. 18-A, The Rules Implementing Articles 106-109 of the Labor Code, as Amended;

The track of this issuance is to curb abuses and ensure full compliance with workers' rights to security of tenure, labor standards and occupational health and safety standards by tightening the requirements for legitimate subcontracting.

10. Department Order No. 118-12, Rules and Regulations Governing the Employment and Working Conditions of Drivers and Conductors in the Public Utility Bus Transport Industry.

The D.O. introduces the two-tiered wage systems on the Bus Transport industry. This was issued on 13 January 2012. The D.O. contains specific provisions on entitlements of drivers and conductors, such as: employment agreements, minimum benefits, hours of work and hours of rest, right to security of tenure, self-organization and collective bargaining, compensation and occupational safety and health, and social protection, among others.

11. D.O. 112-A, Supplemental Guidelines on the Implementation of Special Leave Benefits for Women;

To respond to the numerous queries received relative to the implementation of DO 112-11, or the Guidelines on the special leave benefits for women, a Supplemental Guidelines was issued. The D.O. generally clarified on the common concerns raised, such as the definitions of two (2) months special leave and competent physician, frequency of availment, special leave vis-à-vis sickness or maternity benefit under the Social Security System (SSS), and whether or not the special leave can be taken from existing statutory benefits as mandated by law, among others. D.O. 112-A was signed on 22 May 2012, published on 25 May 2012 at the Philippine Star and took effect on 09 June 2012.

12. D.O. 119-12, Implementing Rules on RA 10151 (An Act Allowing the Employment of Night Workers, thereby Repealing Art. 130 &131 of LC)

The D.O. was issued to serve as the implementing rules of RA 10151. It covered provisions on the employment and D. O. 119-12 was signed on 20 January 2012, published on 28 January 2012 at the Philippine star and took effect on 12 February 2012.

13. Guidelines on the Conduct of the DOLE, DILG, DND, DOJ, AFP and PNP Relative to the Exercise of Workers' Rights and Activities

During a ceremonial launching held on 07 May 2012 at The Bayleaf Intramuros, Manila, the "Guidelines on the Conduct of the DOLE, DILG, DND, DOJ, AFP and PNP Relative to the Exercise of Workers' Rights and Activities" or AFP Guidelines, for brevity, was officially adopted and signed by the stakeholders led by top officials from DOLE, DILG, DND, DOJ, AFP and PNP. Considered as a significant undertaking responsive to the needs of the time, especially in day-to-day dispute settlement, the Guidelines has been developed and prescribed to govern the official conduct of all members of the Armed Forces of the Philippines, the Philippine National Police, the

Local Chief Executive, company security personnel, and the Barangay Tanod in security/police operations during labor disputes. The AFP Guidelines is a product of a series of national, regional and area-wide consultations involving all relevant stakeholders. About 90 guests coming from the TIPC, TEC, DOLE, DILG, DND, DOJ, AFP, PNP and the ILO were in attendance.