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PASCN Discussion Paper No. 2000-07

Reassessing Tripartism and the Role of the State in a Period of Restructuring under Globalization

Virginia A. Teodosio



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Virginia Teodosio

University of the Philippines School of Labor & Industrial Relations

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ABSTRACT

This paper shows how the tripartite discourse and practice have evolved in the 1990s in the context of state governance and globalization. Against the background of intensified internationalization of production and distribution, unions face a profoundly different structure of labor and management relations. Tripartism has played a central part in mediating the structure and dynamics of Philippine industrial relations. Accordingly, a framework for understanding its changing form and character is examined. Lessons are drawn for a broad range of organizational capabilities requirements on the part of the state, labor and employers. Policies and mechanisms are proposed that would be useful in promoting and implementing a broad based sectoral representation that focuses on capabilities and their enhancement.

Executive Summary

In the 1990s, a combination of factors has transformed the nature of work and work relations. Increasingly, organizations are operating in global rather than national or regional markets. In many developing countries, economic restructuring has provoked social tensions largely because of the displacement of labor. Tripartism as both an analytical concept to describe structural changes in labor and management relations and as aspirational term describing state policy objectives and interventions is examined. To appreciate the role of the state in industrial relations is to recognize the broader rules of institutional formation and influence of economic resources and their respective interests.

Tripartite consultations have never ceased to evolve in the light of changes in economic and social needs. The overall effect of the change is well illustrated by examining the national agreements. An evaluation of the tripartite agreements reveals a continuing pattern of contending issues on the loss of bargaining power and effectiveness of unions. Increasingly, adjustment issues of flexibility and higher productivity raised by management and on the part of labor, enforcement issues of the right to organize, were heightened.

With the advent of globalization and its ramifications, the Philippine state has been influential in modifying the perspective of tripartism in the country. Essentially an instrument of macro economic management, tripartism has now begun to confront issues and key elements of distribution, job creation and livelihood. Under globalization, distributional outcomes in terms of property and labor relations and the subcontracting system have interacted with larger macro structures and processes. Needless to say, they now present themselves as urgent concerns and have therefore become legitimate issues for tripartism to address. The mainstreaming of these issues has gained support and have now penetrated the tripartite agenda.

Institutions, relationships and norms shape the quality of a society's social interactions. The tripartite experience of the past should move beyond traditional negotiation which starts from a limited conflictual set of positions to a principles one, where legitimate interests are recognized, people are held accountable for their actions and mutual interests are met. The role of the state has been to create the overall environment conducive to social cohesion and competition.

**TRIPARTISM AND THE ROLE OF THE STATE
IN A PERIOD OF RESTRUCTURING UNDER GLOBALIZATION**

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COMMON ABBREVIATIONS

CBA	Collective Bargaining Agreement
DOLE	Department of Labor and Employment
ECOP	Employers Confederation of the Philippines
FDIs	Foreign Direct Investments
ITC	Industry Tripartite Council
LACC	Labor Advisory Consultative Council
LMC	Labor Management Council
MNEs	Multinational Enterprises
NAPC	National Anti-Poverty Council
OFW	Overseas Filipino Workers
PCCI	Philippine Chamber of Commerce and Industry
PMAP	Personnel Management Association of the Philippines
POEA	Philippine Overseas Employment Administration
RTWPB	Regional Tripartite Wages and Productivity Board
SMEs	Small and Medium Enterprise
TESDA	Technical Education and Skills Development Authority
TUCP	Trade Union Congress of the Philippines

TRIPARTISM AND THE ROLE OF THE STATE IN A PERIOD OF RESTRUCTURING UNDER GLOBALIZATION

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July 2000

1. Introduction

Since the 1970s, the continuity of tripartite processes has acquired a broader representation and participation. With a better appreciation of the role of the state in a period of restructuring under globalization, the institutional development of tripartism that has taken place may prove to be a more enduring achievement in terms of prospects for reforms. However partial the tripartite experience has been at various times, the nature of relationships between labor, employers and the state remains to be critical. The domain of tripartism essentially requires mobilization of organized interests around an agenda that can usher in a broad consensus building impetus. The complex interplay of interests with widespread restructuring are still being shaped by the demands coming at the firm, industry and national levels. This paper aims to provide a background and contextual analysis of the concepts and issues surrounding tripartism and the role of the state and narrows its focus on a comparative, contrasting basis the responses, rationales and outcomes forwarded on behalf of labor and employers within a rapidly changing economic environment. The integration of markets around the globe has intensified in the past decade understood in terms of the ascendancy of economic and industrial restructuring aimed at raising efficiency levels and enhancing market competitiveness in the international arena. But such concerns do not arise in a vacuum. The interests of capital and labor are of obvious importance. In many developing countries, economic restructuring has provoked social tensions largely because of the displacement of labor. In the Philippines, this has exerted tremendous stress on the state's capacity to manage its industrial relations system.

1.1 The Scope of the Data

The overall program of research is primarily based on historical documentation of tripartite agreements in the 1990s. To draw a representative picture on what was happening at the firm level as a result of flexible work arrangements, a separate survey each for labor and management was conducted in September 1999. The main types of work arrangement that were used in the survey instrument for management respondents are set out in Annex I and were adapted from the work of Gottlieb, Kelloway and Barham (1998). To elicit a more definite set of understanding about the essential nature of changes in the labor market, the flexibility scan of Volberda (1998) was also utilized as complementary questions.

1.2 What is Tripartism and Why is it Important in a Period of Restructuring?

In retrospect, the practice of tripartism in a number of ways has not really mobilized commitments for a shared future. Tripartism is conceived here as the interaction between the state, employers and labor as social partners in the development of industrial relations policies

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that seek solutions to issues of common concern. While collective agreements are continually forged, however, the tripartite agenda failed to deliver, among others, employment, job security and an effective enforcement of labor law. Any attempt to engage in an evaluative discussion of tripartism becomes caught up in the larger question of its inability to close the gap between policy statements and practice in a society where there exists real divisions. If anything, contentious problems were intensified rather than resolved. But in the face of profound social and economic transformations brought about by globalization, tripartite arrangements could assume significance in an environment of rapid change in the area of industrial relations. These changes include the automation of labor processes and transactions, greater use of flexible production patterns and multi-skilling. The effects of work restructuring and flexibility have resulted in new work rules broadly defined to include job classifications, sub contracting rules, production standards linked with productivity which might as well serve as the contending issues between labor and employers in the years to come. Most important, however, the formal mechanisms of tripartism have increasingly highlighted a much more multidimensional view of an open, contested terrain in which interest groups are made aware of opportunities, develop confidence and make them believe that they can have an impact on an issue.

The capacity of the state to protect the various interests in society is constantly challenged because in the process of structural adjustments, these same interests are themselves being transformed as needs and aspirations are being met. With transnational capital serving as the primary agent to an integrated circuit of production, marketing and finances unrestrained by national territories, nation states are now linked to a global economy and society in an unprecedented scale. In short, globalization is part of a broad process of restructuring the state and civil society. The redemocratization of the Philippines has encouraged the establishment of a political arena where demands of various groups can be put forward as a collective response and strategies for social change mediated and negotiated. The wide range of conflicting interests will have to be managed by a functioning state that has a capacity for genuine dialogue and sufficient control over the economy to be able to allocate resources. Conceptually, tripartism's new institutional features should help develop operational mechanisms that could distribute gains and losses, process demands and implement policies that are monitored and evaluated. The nature and extent of mutual support organizations and self help initiatives have brought society closer to itself because poverty cannot be defined solely in terms of income. With the new kinds of community networks outside the traditional structure that have tried to correct and compensate for the pernicious effects of the market, the process of conflict resolution could prove constructive. Negotiation has become the norm rather than imposition. The state should find a new lease of life in the social and economic accords of the new tripartism.

1.3 Globalization and the State

To appreciate the role of the state in industrial relations is to recognize the broader rules of institutional formation and influence of economic forces and their respective interests. The emergent globalized economy seems to indicate a bias towards capital at the expense of labor. Globalization has located capital owners in a strategic position in all levels of industrial relations (Hechscher, 1996). Capital owners, within the context of a globalized economy, seem to have been significantly empowered to dictate the price of labor within geographic regions or seek areas with abundant labor supply and therefore lower labor costs. Secondly, flexibility in the production process has centralized decision-making with respect to issues of employment and wage levels in the hands of capital owners to the exclusion of labor.

Meanwhile, the power of labor within this emergent economic order has vitiated. Foremost, the introduction of technology in the workplace undermined labor's traditional sources of power. The potency of strikes, for example, as a bargaining tool has been significantly diminished with the mechanization of the workplace and the use of sophisticated manufacturing machines (Rifkin, 1995). Trade union membership too is consistently decreasing as a result of the adoption of advanced production machines (Ozaki, 1992). Secondly, the resort to flexible labor arrangements by many companies – lately by local enterprises being swamped by competition in the liberalized domestic economy – promoted high work-turnover and discouraged unionism (Verma, 1995; Barranco-Fernando, 1996).

All in all, the general picture that emerges in the advent of a globalized economy is one of capital owners strategically empowered to manipulate the conduct of industrial relations and of workers at the mercy of both a highly mobile capital and a labor-displacing technological revolution.¹ What is noticeably absent in this picture, however, and one that is obviously important – is the locus to be occupied by the state in the new map of industrial relations.

Liberalization has opened up the economy of many nation states and increased competition among market players. This competitive environment has necessitated labor-saving and flexibilization strategies to raise efficiency levels which translate to employment and income insecurity. Also, deregulation to some extent signals the retreat of the government in industrial relations thereby disturbing the precarious balance of power in the tripartite consensus. By the mid-1990s, significant legislation congenial to labor have been withdrawn across countries (Erickson and Kuruvilla, 1998) and most governments – under the aegis of international organizations and financial intermediaries, most notably the International Monetary Fund and the World Bank – have assumed a less interventionist role in the labor market (World Bank, 1995). This is especially true in most developing countries whose debt burden have placed them under the influence of such institutions and permitted the latter to significantly influence the directions of their policies.

Globalization interweaves problems of state power in both the domestic and international arenas. The transference of political costs as manifested through the states has sometimes shifted the burden to domestic sectors, though at times domestic interests have been given priority. The capacity of the state to develop successful strategies and policy alternatives is enhanced by their ability to displace the effects of economic problems from vulnerable groups while at the same time appeasing those able to mobilize claims most effectively. A political order is the outcome of a complex web of interdependencies between political, economic and social institutions and activities which divide power centers and wield multiple pressures on the state. It appears that political costs have tended to be transferred to the state level as unemployment and deregulation have all been imposed as necessary adjuncts of the drive for international comparative advantage. In large part, the so-called crisis of the state is a product of its shouldering the political costs of globalization.

Precisely how the balance between globalization and fragmentation will be adjusted depends on the new role that states are able to forge for themselves, and how successfully they manage to mediate between increasingly potent international pressures and domestic concerns. The nation state is central to the maintenance of a national economy and in the face of tendencies towards its disarticulation, the state has had both to support private capital and intervene in its reconstruction (Scott, 1997). The displacement into the state of economic dislocations produced by concentration and internationalization might be expected to make state policies contradictory and shifting but an enhanced role for the state can not be avoided.

Not all versions of globalization concentrate exclusively on developments in the international economy. Some theorists emphasize evidence from political change and the development of a global society. Political globalization refers to a growing tendency for issues to be perceived as global in scope, and hence requiring global solutions, and to the development of international organizations and global institutions which attempt to address such issues. More tentatively, the concept also suggests the development of a global society in which local groups and grassroots organizations from all parts of the world interact. This notion of globalization as both a domestic and international political process prevents us from succumbing to a technical and depoliticized notion of globalization trend and allows us to recognize the reality that it has been shaped and carried forward by the most powerful states for their own ends. It also brings to fore the importance of the state and its ability to forge critical political bargains to mediate between domestic and external pressures. These political bargains determine the social sectors that will carry the heavy costs globalization imposes. They are therefore precarious and require a sophisticated strategy from the part of the state to minimize discontent from those to be adversely affected. A viable strategy of conflict minimization at the disposal of many developing countries is an interest intermediation framework that is basically corporatist in nature.

1.4 Corporatism and Interest Intermediation: The Missing Link on Tripartism, State Theory and Globalization

Philippe Schmitter's definition of corporatism is the classic one (Teodosio, 1990):

A system of interest intermediation in which the constituent units are organized into a limited number of singular, compulsory. Non-competitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.

In this context, corporatism is noteworthy for its system of interest groups, restrained political power that offers consensus as a means to adjust to changing economic requirements. In exchange for political stability, such interest groups are reassured of direct representation with the government on policy formulation.

Essentially, two main interpretations inform the corporatist paradigm. One is that corporatism (imposed from above) as characteristic of fascist authoritarian regimes; the other is societal corporatism (shaped from below) which takes on the liberal democratic tradition of, for example and specifically, Western Europe. The emphasis of corporatism is on the system of interest intermediation rather than that of interest representation as in pluralism.

Under corporatism, industrial relations is fashioned by state efforts at effecting a social compact with peak associations of labor and capital. In the form of formalized tripartite bodies, selective assemblage of interest groups are granted access to government decision-making. The political exchange would be for the interest groups to guarantee observance of legislative measures by its members. Historically, the pattern has been most obvious in economic policy-

formation, particularly that relating to income shares. Generally, the main purpose of an incomes policy is to control wages and prices. Presumably, through direct intervention by the state in wage and price determination, labor can be persuaded to practice wage restraint, capital to stabilize prices and the state to restore economic growth, full employment and social policies.

At the same time, while the state is considered an autonomous agent on a general level, Schmitter's explanation quickly becomes a matter of differentiating societal from state corporatism. The changing conditions of interest groups and their relationships with the state and vice versa indicate a shifting power base, hardly a manifestation of stability which Schmitter has implied. The overwhelming evidence is that union movement in general is too fragmented to exert any real power to influence policies. The coercive tendencies of monopoly representation would ultimately precipitate more conflict. In other words, there is no clear-cut exposition as to the nature of control over interest groups and the results of the privileged power position of such groups.

Panitch (1980) presents the case that:

Corporatism could be seen as a political structure within advanced capitalism which integrates organized socio-economic producer groups through a system of representation and cooperative mutual interaction at the leadership level and mobilization and social control at the mass level.

Being narrowly founded on groups which are class-based, wage labor and capital are to be defined in terms of their structural and historical relationships. Thus, fractions of capital and labor are class organizations and hence separate and fragmented.

The first point to be made is that corporatism is essentially a state-induced class collaboration. There is a vast difference between what is the legitimate representation in the ideal sense and the actual state involvement. In effect, the socio-economic interest groups serve as agencies of mobilization in implementing state policies. The push towards functional representation has been overstated; others, which include the implied conditions of social harmony and equal power between groups and a neutral state, have been obscured. Corporatist analysis not only involves peak associations but also class domination, exclusion and conflict.

More recently, the practice of tripartism has been the focus of debates as the locus through which to recast industrial relations in a more strategic perspective in crisis management. Alongside globalization are inadequate mechanisms to address the entrenched and substantial concerns on the maintenance of market principles and the productivity of the enterprise perceived as consistently biased against labor. Tripartite state interventions have been motivated by widely diverging often conflicting aims and pursued by a variety of different means. As a key actor in industrial relations, the state intervenes not only in cases of market failure such as persistent unemployment and underemployment but also in such fundamental work processes as wage determination, legislative enforcement of the employment contract and skills development. Necessarily, the capacity of the state to direct and manage conflicting interests broadly depends on its relationships with the organized groups. Interests however organized become incorporated within the policy process as recognized, indispensable negotiators are made co-responsible for the implementation of policy decisions. These tendencies suggest the dimension of, on the one hand, integration and inclusion, on the other, fragmentation and exclusion. In the local arena, these processes occur at several levels affecting commitments to patterns of

negotiations in the workplace and elsewhere. All the same, the state's obligation to manage globalization involves many non-state actors that interact with each other (Keck and Sikkink, 1998). In the global arena, the very cohesion of states themselves are at stake in these interactions and are increasingly visible in terms of transnational networks.

Corporatist thesis brings the issues of production by central state agencies to be informed principally by values which emphasize the rights of private property and the importance of sustaining private sector profitability in interest intermediation (Williamson, 1989). Conversely, consumption questions are often relegated to peripheral state institutions where the rights of citizenship and the importance of meeting different social needs are stressed. This directs attention to the range of levels at which the empirical concerns in the practice of tripartism are organized and mediated within the broader issues of globalization.

Apart from the conflicting ideologies of private property and social need and the dualism through the exclusion of non-privileged interests, there is the relation between the different levels of tripartite arrangements at the national or macro-level, the meso-industry, sectoral level, and the firm, micro-level. As defined, meso-corporatism refers to the more or less institutionalized entity of industries, regional authorities and the industry-wide trade associations and labor unions. Meso refers to those organizations which operate between the peak national associations and individual firms or members. Meso sectoral corporatism only involves a single, organized interest with privilege access to governments while macro arrangements involve a plurality of organizations. Finally, micro-corporatism refers to individual corporate entities and establishments, local representatives of trade unions and chamber of commerce and their relations with the lower administrative bodies.

Interest representation is necessary if only to find a combination of effective leadership from the top and the emergence of new forces from below that are able to challenge long standing patterns of privilege. Yet, this very participation appears to obstruct the attainment of tripartite arrangements that require stronger institutional foundations. However, while institution building is a very difficult and protracted process and can proceed only to the extent that new and transformed forces emerge, the changes brought about by globalization, the transformation of capital and the challenges to democracy and governance in the workplace would continue to bring new insights. Undeniably, such changes in the economic and social structure have had an important effect on the nature of industrial relations (Lansbury, 1996). The development of flexibilization in the labor market has both given rise to a range of issues in the area of industrial relations that are broader when compared to those in the past. As such, any assessment of the future means accommodating various interests which takes into consideration the interrelationships between modes of production, the role of the state, unions and employers, the socio-economic environment and the multi-dimensional nature of emerging systems of industrial relations.

Over the last decade, there has been a recognition that a consequence of globalization are larger and flexible corporations. On the other hand, job benefits and security are essentially incompatible with economic efficiency, and competitiveness. With the decline in union membership and influence, collaborative arrangements in search for a stable relationship between efficiency, democracy and equity can only be addressed by the group themselves (Ratnam and Kuruvilla, 1996). Among others, major adjustments that have to be made has to do with the legitimization of workers' rights and the role of trade unions and other representative bodies, industrial relations-based legislative reforms in promoting labor flexibility and productivity and the locus of decision-making at the workplace.²

Increasingly, industrial relations has paved the way to concertation between the social, economic and political actors in the formulation and implementation of macro-economic policy (Zapata, 1996). Such concertation, however, tended to be identified with agreements at the top which could aggravate the divide between the governing elite and society as they relate mainly with the traditional, formal and organized work sector, thus increasing the isolation of the informal, socially excluded sector. Hence, a new challenge in industrial relations is micro-corporatism. This means cooperating with employers on a range of flexibility issues at the workplace. Centralization facilitates the pooling of resources and promotes solidarity, while decentralization allows greater flexibility in bargaining.

These various levels of corporatist arrangements determine the extent of institutionalized and effective participation of employers and labor unions in policy formulation and implementation across all sectors and across those policy areas that are of central importance for the management of the economy.

2. Structural Change, Trade Unionism and Collective Bargaining

The roots and the present structure of tripartism date back in the 1970s. The Labor Code of 1974 institutionalized tripartism as an industrial relations policy during the Marcos regime. Under conditions of Martial Law, the concertation between the state, employers and labor at the national and local levels has its limits. It was a quintessential partnership whose select membership was constituted by the state itself.

Over the last two decades, the state has intensified its campaign to restructure the economy in conjunction with the adoption of an export-oriented industrialization strategy. Throughout this period, trade and investment liberalization, financial sector reforms, and deregulation and privatization programs were resolutely pursued to attain macroeconomic stability and enhance the country's economic competitiveness.

These sweeping changes in economic policy herald the continued commitment by the government to its structural adjustment program with the end view of enhancing its trade position and economic competitiveness within an integrating world. But, like anywhere else, the unfolding economic transition exacted costs. These costs come in the form of high unemployment and underemployment, widened inequality and greater wealth redistribution problems, and a more fragile and unstable industrial relations.

The lowering of trade barriers under trade liberalization and the subsequent tightly competitive environment created, various cost-cutting and rationalization measures adopted across industries. Right-sizing programs has resulted in either worker retrenchment, voluntary or forced early retirement programs, or new employment arrangements such as subcontracting and casual, temporary or contractual employment. Privatization has also contributed to job loss as privatized firms opted for leaner organizational size following the streamlining of their operations.

2.1 Shifts in the Labor Market

Between the period 1993 and 1998, the services sector posted the highest percentage share in employment generation (Table 2.1). In 1998, industry accounted for 16.4 per cent of total

employment, agriculture registered 39.2 per cent, and service, 44.4 per cent. While employment has contracted in the agricultural sector and that of industry has flattened, average unemployment rate during the period stood at 9 per cent and underemployment, 20 per cent (Table 2.2).

Table 2.1 Employment by Industry: 1993-1998 (in per cent)

Industry	1993	1998
All Industries	24,382	27,911
Agriculture, Fishery and Forestry	45.7	39.2
Industry	15.6	16.4
Services	38.7	44.4

Source: Bureau of Labor and Employment Statistics, DOLE, 1998.

Table 2.2 Unemployment and Underemployment: 1990-1997 (in per cent)

Year	Unemployment Rate	Underemployment Rate
1990	8.3	22.4
1991	10.5	22.5
1992	9.8	20.0
1993	9.3	21.7
1994	9.5	21.4
1995	9.5	20.0
1996	8.5	21.0
1997	8.7	22.1

Source: Bureau of Labor and Employment Statistics, DOLE, 1998.

Unemployment and underemployment, already persistent problems in the Philippine labor market, have been aggravated by new employment arrangements that adopt flexibility at organizational level to increase competitiveness through technology and improved market share. Forms of flexibility include different working practices from shiftworks, seasonal work, temporary contracts of employment, part-time work, flexible hours and subcontracting. On a broad scale, the practice of flexibility has been at the expense of labor (Macaraya, 1999).

The most common of flexibility practices are subcontracting, agency hiring and the use of homeworkers. In the garments sector, subcontracted work include textile printing, embroidery, cutting, laundry and ironing while in the electronics sector, the manufacture of spare parts previously made, maintenance services and spare parts machining are but some of the production stages commonly subcontracted (Aganon, 1996). Subcontracting is also becoming prevalent in the agricultural sector where contract raising of livestock and contract farming of vegetables are now quite popular. There is also the important role of homeworkers in the manufacturing and service sectors.

The extent of flexibilization of labor in the country may be measured using certain indicators (Serrano, 1999). Among these are: (i) the ratio of full-time to part-time workers and the average hours worked, (ii) the number of company closures and retrenchments, and (iii) the number of contractors and subcontractors.

As shown in Table 2.3, part-time employment increased by some 540,000 between 1997 and 1998. Full-time employment decreased by 460,000 during the same period.

In 1997, non-regular employment stood at 808,000 representing 28.2 per cent of the total 2.8 million employed in establishments with 10 or more workers (Table 2.4). By category, nearly half, 43.5 per cent, of women in non-regular employment were involved in contractual work. In general, the share of women non-regular workers when compared to men is relatively higher.

Apart from reduced work time and non-regular jobs, labor flexibility can also be discerned in the number of establishments resorting to closures, lay-offs and job rotation.

Table 2.5 indicates that between 1997 and 1999, 4,955 companies have resorted to closure and retrenchment and 209,072 workers have actually been affected. The nature of displacement is characterized by total closure, 21 per cent and retrenchment, 79 per cent.

Overall, it would appear that a major factor associated with the problem of change has been the subcontracting practices of 47.5 per cent of establishments in manufacturing (Table 2.6).

Table 2.3 Employed by Hours of Work: 1993-1998 (in thousands)

Hours of Work	1993	1994	1995	1996	1997	1998
Part-time (less than 40 hours)	8,226	8,368	8,728	9,855	9,171	9,711
Full-time (40 hours and more)	15,824	16,373	16,647	17,022	18,169	17,709

Source: Bureau of Labor and Employment Statistics, DOLE.

Table 2.4 Number and Per cent Distribution of Workers in Non-Regular Employment in Establishments Employing 10 or More Workers by Specific Category and Sex Philippines: 1997 (In thousands except per cent)

Specific Category of Workers	Both Sexes		Men		Women	
	Number	Per cent	Number	Per cent	Number	Per cent
Workers in Non-Regular Employment	808	100.0	585	100.0	223	100.0
Contractual Workers	401	49.6	304	52.0	97	43.5
Casual Workers	134	16.6	92	5.7	42	18.8
Commission-Paid Workers	170	21.0	122	20.9	48	21.5
Part-time Workers	63	7.8	34	5.8	29	13.0
Task or "Pakyao" Workers	40	5.0	33	5.6	7	3.1

Source: Bureau of Labor and Employment Statistics, Survey of Specific Groups of Workers.

Table 2.5 Establishments Resorting to Closure/Retrenchment and Workers Affected 1997-1999

	1997	1998	1999 (Jan.-Nov.)
Number of Establishments	1,156	1,700	2,099
Total Closure	340	375	363
Retrenchment	824	1,348	1,757
Rotation, etc.	48	152	-
Number of Workers Affected	62,736	83,058	63,278

Source: Bureau of Labor and Employment Statistics, DOLE.

Table 2.6 Distribution of Establishments with Subcontractors By Major Industry Group, Philippines: 1997 (Based on Sample Data)

	Number	Per cent
All Industries	547	100.00
Agricultural, Fishery and Forestry	15	2.74
Mining and Quarrying	11	2.01
Manufacturing	260	47.53
Electricity, Gas and Water	18	3.29
Construction	57	10.42
Wholesale and Retail Trade	61	11.15
Transportation, Storage and Communication	31	5.6
Financing, Insurance, Real Estate and Business Services	50	9.14
Community, Social and Personal Services	44	8.04

Source: Bureau of Labor and Employment Statistics, DOLE.

2.2 Trade Unionism and Collective Bargaining

In addition to only 16.9 per cent of establishments being unionized, the last decade has also seen a considerable decrease in the growth rate of unionism from 12.9 per cent in 1990 to 4.7 per cent in 1996 (Table 2.7). Further, while collective representation through collective bargaining agreements has been maintained the role of independent unions has heightened (Table 2.8). Labor Management Councils (LMCs) have also become more visible.

In general, while the system of collective representation through collective bargaining agreements (CBAs) has been maintained, it has been noted that 85.3 per cent in 1995 had LMCs incorporated in them (Labstat Updates, 1997). As indicated in Table 2.9, LMCs are almost equally represented in regions VI, IX and XI with Region XII, relative to unionism, exhibiting a predominant pattern.

Table 2.7 Number of Existing Unions and Per Cent Change: 1990-1996

Year	Total Existing Unions	Per cent Change
1990	4,673	
1991	5,236	12.9
1992	5,710	9.0
1993	6,340	11.0
1994	7,274	14.7
1995	7,882	8.3
1996	8,250	4.7

Source: Bureau of Labor and Employment Statistics, DOLE.

Table 2.8 Number and Per Cent Distribution of CBA Coverage by Region and Status Philippines: 1993 and 1997

Region	1993		1997	
	Coverage	%	Coverage	%
Philippines	50,363	100.0	75,323	100.0
NCR	22,877	45.4	33,787	44.9
CAR	2,325	4.6	*	-
Region I	102	0.2	918	1.2
Region II	*		184	0.2
Region III	1,599	3.1	5,588	7.4
Region IV	9,893	19.6	14,914	19.8
Region V	292	0.5	325	0.4
Region VI	2,376	4.7	4,908	6.5
Region VII	3,315	6.5	5,628	7.5
Region VIII	393	0.7	102	0.1
Region IX	649	1.2	547	0.7
Region X	908	1.8	534	0.7
Region XI	5,381	10.7	1,998	2.7
Region XII	253	0.5	95	0.1
Caraga	253	0.5	5,795	7.7
STATUS				
Independent	19,161		28,028	37.2
Affiliated	31,202		47,295	62.8

*Not stated.

Source: Bureau of Labor and Employment Statistics, DOLE.

Table 2.9 Per Cent Share of Union Membership, CBA Coverage, LMC Coverage and Employees Association Membership to Total Employment By Region, Philippines: 1993

Region	Total Employment (000)	Per Cent Unionized	Per Cent Covered by CBAs	Per Cent Covered by LMC Schemes	Per Cent of Association Membership
PHILIPPINES	2,561	33.5	33.4	18.4	5.3
National Capital Region	1,533	36.3	37.7	18.8	4.6
Region I – Ilocos Region	11	9.2	6.4	2.8	2.8
Region II – Cagayan Valley	20	4.4	5.9	3.0	10.3
Region III – Central Luzon	127	38.8	35.5	16.5	3.7
Region IV – Southern Tagalog	271	37.6	34.4	20.1	5.2
Region V – Bicol Region	39	23.6	13.5	15.8	10.9
Region VI – Western Visayas	133	23.1	23.5	20.5	6.7
Region VII – Central Visayas	154	25.3	24.3	13.7	6.8
Region VIII – Eastern Visayas	28	20.0	18.1	9.4	13.4
Region IX – Western Mindanao	37	24.3	23.0	21.9	2.4
Region X – Northern Mindanao	63	29.0	23.9	12.4	9.4
Region XI – Southern Mindanao	94	34.7	35.1	29.8	6.8
Region XII – Central Mindanao	11	5.6	4.7	18.7	1.9

Source: Bureau of Labor and Employment Statistics, DOLE.

In areas with every low level of unionism such as in Region II, 10.3 per cent of workers have employee associations. The rise of LMCs gained momentum in 1997 when the League of Labor Management Practitioners was formed and an LMC Tripartite Council was proposed as an advisory body to the National Conciliation Mediation Board. Their objective was to create LMCs in all establishments.

The increasing vulnerability of labor has become more obvious with issues such as job security and freedom of association persisting as indicated in a 1999 labor's legislative agenda. (Table 2.10).

Table 2.10 Some Key Points in Labor’s Legislative Agenda

Wages and Productivity

1. Minimum wages to be determined by tripartite industry body.
2. Rationalize piece-work rate by industry.
Setting of rates of pay for piecework shall be regulated so as to confirm with the statutory minimum wage rate or industry practice, whichever is higher.

Job Security and Industrial Restructuring

1. Make the right to work a right.
2. Presume “regular” employment.
3. Restructure the educational system by adding to academic efficiency technological and vocational efficiency.
4. Repeal Article 106.
5. Create a new hiring system.

Freedom of Association

1. Mandatory teaching of principles of labor and social legislation.
2. Organize unions along industry lines.
3. A union in an unorganized establishment should immediately acquire collective bargaining representative status.
When a union is organized in an unorganized establishment, and no other union is contesting it, said union shall automatically acquire a bargaining agent status notwithstanding a Petitioner for certification election by the employer.
4. Employers should be just by-standers in certification elections.

Source: Conference Proceedings on Labor’s Legislative Agenda, UP-SOLAIR, 10 April 1999.

3. THE CASE OF FLEXIBLE WORK ARRANGEMENTS

Labor Flexibility has also been defined as the ability of an enterprise (i) to adjust the level and timing of labor inputs to changes in demand, (ii) to vary the level of wages according to productivity and ability to pay, and (iii) to deploy workers between tasks to meet changes in demand (Volverida, 1998). A firm’s ability to achieve these aims is enhanced by introducing changes in contracts of employment, working time, pay systems and work organization.

3.1 Management Survey

Using the diversity of flexible work arrangements as defined by Gottlieb, Kelloway and Barham (1998) and those of Volberda’s flexibility scan (1999), a total of 200 management respondents were requested to fill up survey forms. However, only 87 respondents submitted the questionnaires for evaluation. Most of the respondents refused to answer the questionnaire citing the confidentiality of the flexible work arrangements being employed by their respective

companies. Of those who responded, most are female management employees. Fifty one per cent of the respondents are female while 45 per cent are male respondents. Most of the respondents belong to the 31-40 age bracket and 39 per cent have been connected with their respective companies for less than five years.

From among the 87 respondents, many believe that the improvement of professional competence is management's main approach to flexibility (Table 3.1). Professional competence is then followed by vertical extension (job enrichment), horizontal extension (job enlargement) and remuneration coupled with performance. At the same time, management's flexibility measures on external pooling, on call contracts, profit sharing, shareholding, and part-time work are found to be hardly used.

There is a significant difference in the use of the horizontal extension of responsibilities between unionized and non-unionized companies. Among unionized companies, there is greater usage of horizontal extension of responsibilities. The same applies with the use of remuneration coupled with performance and job sharing.

Table 3.1 Management Flexibility Scan in Various Private Corporations

Number	Name	Mean	Standard Deviation	Minimum	Maximum
1	Pooling Arrangements for Temporary Employees	2.2644	1.2801	.0000	5.0000
2	External Pooling Arrangements	1.6437	1.0227	.0000	5.0000
3	Contract Work Out (Sub-contracting)	2.5747	1.4112	.0000	5.0000
4	Employment Contract	2.2644	1.1357	.0000	5.0000
5	On Call Contract	1.7701	1.1279	1.0000	5.0000
6	Trainee Contract	2.5862	1.2809	.0000	5.0000
7	Professional Competence	3.8506	.9945	.0000	5.0000
8	Horizontal Extension (Job Enlargement)	3.3563	1.1612	2.0000	5.0000
9	Vertical Extension (Job Enrichment)	3.3678	1.0903	1.0000	5.0000
10	Create Key/multi-faceted positions	2.6437	1.3380	1.0000	5.0000
11	Remuneration with Performance	3.4023	1.2525	.0000	5.0000
12	Profit Sharing	1.9310	1.2463	.0000	5.0000
13	Shareholding	1.5747	1.1063	.0000	5.0000
14	Flexitime	2.4253	1.3946	.0000	5.0000
15	Compressed Hours	1.8966	1.3121	.0000	5.0000
16	Telecommuting	2.0460	1.4657	.0000	5.0000
17	Part-time Work	1.6897	1.1238	.0000	5.0000
18	Job Sharing	2.1609	1.1995	.0000	5.0000

Source: UP-SOLAIR Survey, 1999.

3.2 Union Survey

That there is transformation at the workplace characterized by insecurity and vulnerability of workers is shown in Table 3.2. Of the 282 respondents representing labor, 25.5

per cent reported labor only contracting in their companies; followed by job rotation, 15.8 per cent, and 13.5 per cent on subcontracting; and job only contracting, 14.9 per cent.

Some 65.9 per cent state that unions are well informed by management (Table 3.3). Another 65.2 per cent reported the unions are being consulted on shifts in employment concerns (Table 3.4) and 85.8 per cent have CBAs (Table 3.5). Despite this relatively high level of worker representation however their companies have focused on redundancy, 30.2 per cent, and severance pay, 30.2 per cent rather than job placement, 7.6 per cent, and 1.3 per cent for livelihood (Table 3.6).

Table 3.2 Type of Flexible Work Arrangement

Type of Flexible Work	Per centage
a. Labor Only	25.5
b. Job Rotation	15.7
c. Job Only Contracting	14.9
d. Subcontracting	13.5
e. Job Sharing	9.1
f. Casual/Part-time	7.4
g. Multi-Skilling	7.14

Source: UP-SOLAIR Survey, September 1999

Table 3.3 Trade Union is Well Informed by Management

	Percentage
Yes	65.9
No	21.3
No Response	12.8
TOTAL	100.0

Source: UP-SOLAIR Survey, September 1999

Table 3.4 Trade Union is Consulted by Management

	Percentage
Yes	65.2
No	19.5
No Response	15.3
TOTAL	100.0

Source: UP-SOLAIR Survey, September 1999

Table 3.5 Type of Written Contract

Type of Contract	Percentage
CBA	85.8
Manpower Agency	3.6
Job Agency	1.0
Others	3.6
No Response	6.0
TOTAL	100.0

Source: UP-SOLAIR Survey, September 1999.

Table 3.6 Benefits for Displaced Workers

Type of Benefit	Percentage
Redundancy	30.2
Severance	30.2
Job Placement	7.6
Retrenchment Pay	3.1
Retirement Pay	4.4
Livelihood Program	1.3
No Response	23.2
TOTAL	100.0

Source: UP-SOLAIR Survey, September 1999.

On management's perception on whether there is a need to redefine management prerogative, one answer in the affirmative observed that:

Because it is high time we come up with definitive laws on management prerogatives and not definitions based on Supreme Court rulings which are still subject to open interpretation or at time misrepresentation. This is to set defined parameters or dimensions that management can work on in terms of executing business decisions which are sound when measured against the purposes of survival and continuance of operations.

Another noted that there is:

No need to redefine but there is a need to emphasize the meaning of management prerogative and its limitation to set the conditions for a more mutual understanding between employer and employees.

These statements are in sharp contrast to what appears to be an ECOP perspective and relative to an orientation that is open and of higher learning capacity.

Varela who serves as ECOP President has stated that (1999):

Management has the prerogative to regulate, according to its discretion and judgment, all aspects of employment including hiring, work assignments, working methods, time, place and manner of work, tools to be used, processes to be followed, supervision of workers, working regulations, transfer of employees, work supervision, lay off of workers and the discipline, dismissal and recall to work.

As the first observation has pointed out, in a situation of mutual dependency, it is the complex process of bargaining and social adjustment that characterizes forms of accommodation. Accordingly, management prerogative ceases to be the principle of analysis.

3.3 The Shifts in Collective Bargaining

Despite the rhetorical calls for cooperation in the past, there have been instances wherein management and labor have rendered collective bargaining a genuine participatory exercise. A best practice 1995 collective bargaining agreement, for example, demonstrated the validity of

the influencing role of unions (Table 3.7). Building up a strong collective bargaining agreement can certainly provide useful learning skills and confidence building to both actors in redefining their new role in negotiations.

Another approach is to de-recognize management prerogative and focus on the rights of management and labor with a union development program set in place.³ Management shall consult the union in the formulation of rules the conduct and operation of business. For its part, the union will assist in the promotion of a higher level of productivity and employee discipline.

The LMCs are increasingly accorded more attention and could transform the purpose and direction of trade union activity. More recent evidence illustrates the increasing role of LMCs and micro-corporatism of cooperation at the workplace level. A 1997-2002 CBA appears to build on a sense of unity with meetings at least once every three months for a joint conference to discuss mutual problems and evaluate CBA compliance.⁴ Contentious issues such as job security issues are taken up in the LMC with the latter's role extended to areas of decision making concerning affecting the rights, benefits and welfare of the employees.

Table 3.7 List of Benefits

CBA Negotiated	Company Initiated	Government Mandated
<ul style="list-style-type: none"> ◆ Sick Leave ◆ Hospitalization Insurance ◆ Group Term Life Insurance ◆ Personal Accident Insurance ◆ Retirement Plan ◆ Canteen Subsidy ◆ Rice Ration ◆ Funeral Aid ◆ Medical Aid ◆ Medical Services Overtime Premium Night Differential Pay Vacation Leave Maternity Leave Bereavement Leave Accident Leave Separation Pay Uniforms Transportation Services ◆ Improved during the last CBA 	<ul style="list-style-type: none"> Economic Assistance Performance Bonus Self Development Program Discounts on Company Products Interest Free Emergency Loan Guaranteed Bank Loan Sports/Socials with family Special Benefits given to particular group of employees: Perfect Attendance Cash Awards Service Years Cash Award Model Employee Cash Award Blue Blazer Cash Award Scholarship Grants to qualified children of employees Per Diems Transportation Allowance 	<ul style="list-style-type: none"> SSS/Medicare PAGIBIG 13th Month Pay

Source: 1995 Sikap Gawa Industrial Peace Awards, BBC (Collective Bargaining Negotiations and Agreement Category)

4. Social Partners Policy Orientations and Agreements, 1990-1997

Tripartite consultations have never ceased to evolve in the light of changes in economic and social needs. The overall effect of the change is well illustrated by examining the national agreements dominated by the restructuring agenda in the 1990s. While the polarization of sectoral interests seems to have narrowed on the peaceful settlement of labor problems, an evaluation of the various tripartite agreements reveals a continuing pattern of contending issues on the loss of the bargaining power and effectiveness of unions. This could further militate against tripartism as a strategy for reforms. Although there is a strong norm in favor of more direction and institutionalization of the tripartite machinery, the conditions that provide a climate of fairness and mutual responsiveness have yet to be monitored and evaluated.

On the whole, the tripartite agreements and the state at various levels of influence provided a reference perspective on the issues raised by labor and management. Central to labor's case has been its moral position on rights and the logical of collective action. Employers consistently pushed for a rationalization of work processes in a freely operating market economy.

The tripartite arrangements describe a broad pattern of sectoral demands where workers interests increasingly centered on the structure of authority in coordination with other major union confederations. The direct consequence is a tradition of a wide ranging set of legislative agenda and bargaining at central levels. Increasingly adjustment issues of flexibility and higher productivity raised by management and on the part of labor, enforcement issues of the right to organize, were heightened.

4.1 Sectoral Policy Orientations at the National Level

Table 4.1 indicates that management policy orientation changed toward the end of the 1990s supporting mutual adjustments on employment problems which was in contrast to its 1992 position of less regulation in subcontracting activities.

Table 4.1. Sectoral Policy Orientations

VENUE	EMPLOYERS	WORKERS	GOVERNMENT
Conference/ Consultation on Subcontracting 1993	ECOP - proposes less regulation of subcontracting activities as it dampens employment generation - proposes education program for licensed contractors - calls for the formulation of a concrete program for workers displaced following the suspension/revocation of licenses of contractors - proposes contractor registration instead of licensing	TUCP - proposed the limiting of permissible models of flexible employment through: a) less indirect/flexible employment arrangements b) strict regulation of flexible employment patterns and criminalization of violations c) setting up of ratio of regular and contractual employees in specific industries/plants d) setting up of high capitalization to discourage “fly-by-night” labor contractors - calls for enhanced transparency, i.e., contracts between principal and contractor or sub-contractor should be disclosed to workers - proposes the inclusion of safety devices in the definition of “substantial capital investment”	

VENUE	EMPLOYERS	WORKERS	GOVERNMENT
		<ul style="list-style-type: none"> - proposes labor-pool provided that members deployed to the principal must be members of a bargaining unit and that they will be given priority in regularization of employment) 	
1996 National Tripartite Conference	<p>ECOP</p> <ul style="list-style-type: none"> - proposes non-wage adjustments to restore worker's take home pay - tax-exemption for minimum wage earners and exemption from PAG-IBIG membership 	<p>TUCP</p> <ul style="list-style-type: none"> - calls for stop on flexible work arrangements and substitution of regular employees - P55 across-the-board wage increase - Rejects LMCs that are used to subvert unions - Calls on key players to promote union-formation, especially in ecozones - Demands training, re-training and re-tooling of workers; calls for inclusion of workers and workers' representatives in planning, implementation and monitoring of various programs - Requests technical and financial support for training, re-training and employment facilitation/placement programs of unions - Calls for formal and vocational education reforms to lessen job mismatch - Calls for rationalization of apprenticeship program 	<p>DOLE</p> <ul style="list-style-type: none"> - will pursue programs to increase production and employment in the countryside - promotes voluntary arbitration and mediation as means of fostering industrial harmony
Roundtable on Labor and Social Issues Arising Out of the Activities	<p>ECOP</p> <ul style="list-style-type: none"> - calls for expansion of investments in human resource development - advocates the use self- 	<p>TUCP</p> <ul style="list-style-type: none"> - calls for the setting-up of international and national labor standards specifically on freedom 	

VENUE	EMPLOYERS	WORKERS	GOVERNMENT
of MNEs and FDI (July 1997)	<p>policing mechanisms for employers in application of labor standards instead of regulation</p> <ul style="list-style-type: none"> - promotes continued investment in sound and proactive labor-management relations - vouches for greater tripartite consultation 	<p>of association, protection of the right to organize, and to bargain effectively</p> <ul style="list-style-type: none"> - approves joint productivity improvement and gain-sharing programs - requests for more labor inspectors, mediators and labor arbiters - calls for re-channeling of budget to more important programs and away from LMCs and less important projects 	
National Tripartite Conference on Wages, Productivity, Employment and Labor Relations 11-12 December 1997	<p>ECOP</p> <ul style="list-style-type: none"> - rejects any moves from any sector to reopen talks on DOLE D.O. No. 10 - pushes for promulgation of minimum wage-fixing based on “safety-net concept” which would bring down labor costs - rejects differentiation of basic floor wage based on occupational/industrial categories - call to limit minimum wage fixing to cover unskilled and unorganized workers only - endorses productivity programs for SMEs and proposes productivity-based wages - calls for more incentives for establishments that adopt productivity-improvement and gain-sharing programs 	<p>TUCP</p> <ul style="list-style-type: none"> - demands across the board wage adjustments to redeem lost purchasing power due to price increases - calls for productivity-awareness program that would specifically facilitate adoption of productivity-sharing mechanisms - demands repeal of DOLE D.O. No. 10 to restrict labor only contracting - calls for speedy resolution of labor cases <p>LACC</p> <ul style="list-style-type: none"> - calls for higher value-added content employment - better wages in exchange for increased productivity - economic reforms with social protection 	<p>DOLE</p> <ul style="list-style-type: none"> - to continue employment generation through more foreign investments - to promote skilled, not cheap, labor - promotes productivity-based wages - to pursue wage-fixing until after labor organization rate increases and workers covered by Collective Bargaining Agreements significantly increases
National Employment Conference	<p>ECOP</p> <ul style="list-style-type: none"> - supports labor organization to facilitate 	<p>TUCP</p> <ul style="list-style-type: none"> - denounces projections of massive lay-offs 	<p>OFFICE OF THE PRESIDENT</p> <ul style="list-style-type: none"> - promises to

VENUE	EMPLOYERS	WORKERS	GOVERNMENT
(February 1998)	<ul style="list-style-type: none"> mutual adjustments on employment problems - commits to use lay-off/termination as an option of last resort - proposes compressed working hours, on the job training and rotation and other mechanisms that will save jobs - requests union leaders to restrain use of strikes - requests the government for SME promotion through enhanced access to low-cost financing and greater business linkages - calls on unions and labor organizations to lobby for informal sector which are unorganized <p>PCCI</p> <ul style="list-style-type: none"> - calls on programs to maximize labor supply and demand compatibility to minimize business costs - calls for educational reforms to minimize mismatch in labor supply and demand - calls for legislated/across-the-board wage increases 	<ul style="list-style-type: none"> - calls for the provision of greater incentives for workers' families - denounces capitalism for its posture against social cohesion - calls for social consensus regarding equity and profit-sharing <p>LACC</p> <ul style="list-style-type: none"> - traces cost-cutting measures to globalization - calls for greater incentives for returns OFWs 	<ul style="list-style-type: none"> create more and better jobs at the domestic scene - will foster employment security and continue protective labor legislation - calls for greater transparency among management, labor, government and basic sectors <p>OTHER REPS/ OFFICIALS</p> <ul style="list-style-type: none"> - will lobby for passage of bills and resolutions that will provide better labor-oriented safety-nets

Source: Sectoral Leaders and Government Pronouncements, 1993-1998.

A close look at the content of tripartite agreements under the Aquino and Ramos administrations in the 1990s reveals two broad sets of intentions (Annex 2).

During the Aquino regime, the achievement of industrial peace for national development became a core policy as evidenced by the many conferences called for during this period which in general explored new mechanisms that could ensure industrial harmony. Under the Marcos regime, the centralization of decision-making powers to certain labor and employer groups raised doubts concerning the representativeness of the tripartite set-up in the country. In this

light, the re-democratization of the industrial relations system became quite expedient upon the succession by the Aquino government.

The task pursued by the Aquino administration towards this end was twofold. One, it recognized previously disenfranchised labor groups – including the more militant Bukluran ng Manggagawang Pilipino or BMP – and courted their participation in the National Tripartite Conferences and other tripartite symposia. Two, it widened the ambit of labor influence in policymaking process through the appointment of additional labor representatives to Congress and in other policy making institutions.

Unfortunately, the eventual withdrawal of participation by certain labor groups in the formal tripartite set-up following widespread disagreements with fellow labor representatives as well as with other tripartite actors over controversial issues raised doubts concerning the success of the re-democratization agenda in the industrial relations system during this period.

Concomitant with the redemocratization of the country's industrial relations system, the establishment of institutional modes of cooperation between and among labor, employer and government institutions emerged as the second strategy employed in pursuit of industrial peace. Such modes of cooperation include formal bodies constituted at the national and industry levels to resolve specific issues and cases as well as informal channels such as labor education programs consensually formulated and implemented by the tripartite actors with the end purpose of achieving industrial harmony.

The formation of new tripartite institutions paved the way to popular calls for guaranteed access to the policy process and the enfranchisement of labor and employee groups along with other sectors following the widening of the political space for the many actors in society. The creation of the Tripartite Industrial Peace Council (TIPC) is illustrative of the growing openness of the political system as well as the sensitivity of the Aquino administration to popular interests. Its establishment through the issuance of an executive order and the subsequent appointment of its initial members – all former members of the 1988 Tripartite Review Committee – was a direct result of an agreement forged by the tripartite actors in the 1990 National Tripartite Conference which called for precisely such institution formation.

In contrast to the Aquino regime's enunciated policy of ensuring industrial peace through the creation of linkages connecting the key players in the industrial relations arena, the Ramos administration propelled the emergence of a new agenda for the tripartite actors. Broadly defined and subsumed under the abstract label of 'empowerment', the agenda during this period sought to address particular economic and industrial issues.

To be sure, the Ramos government reiterated the re-democratization policy of the previous administration as evidenced by the first National Tripartite Conference held in the regime which basically echoed the intent of the 1990 conference. Later in the period, however, a shift in policy transpired and the formation of tripartite channels of cooperation became a mere instrument in the formulation of viable economic and industrial policies and programs in response to the requirements of economic restructuring.

The divergence in the policy directions pursued by the tripartite actors under the two administrations becomes clearer at the turn of the decade. The faster pace of economic reforms in the early to mid-1990s brought about important changes in the tripartite discussion agenda. By 1992, the issue of contracting out of labor surfaced as a talking point in the National

Tripartite Conference, an indication that labor only contracting, while prohibited under existing regulations, is increasingly being practiced given the relative tolerance towards more flexible labor arrangements. In the same year, a conference sponsored by the Philippine Overseas Employment Agency (POEA) highlighted the issue of labor protection for migrant workers. A year later, the Social Pact for Empowered Economic Development (SPEED) conference tackled the need to improve the allocation of resources toward greater competitiveness and employment generation in the face of heightened state-initiated economic liberalization.

The attention accorded by the tripartite actors on these specific issues is indicative of the changes in the prioritization of industrial concerns. No longer did the enhancement of tripartite linkages present itself as an end but more as a means of achieving politically viable solutions to the dislocations created by the newly emerging economic order. More importantly, the solutions to the emergent problems formulated under tripartism reinforced the interdependence between and among the social actors. Given the increasing tensions and conflict resulting from structural adjustment programs, the notions of empowerment and commitment started to serve as the key integrating elements in consensus building during this time.

Many illustrative examples support this observation. On the issue of labor contracting, for instance, the commitment by the Department of Labor and Employment to monitor the activities of contractors and subcontractors and the aid pledged by both the labor and management sectors towards this end during the 1992 National Tripartite Conference exemplify a growing interdependence among the social actors. So does the establishment of the networking system with the industry NGOs, POs and the media resulting from the POEA-sponsored Tripartite Conference on Migrant Workers and the enactment of a social pact on job creation in the 1993 National Tripartite Conference.

In all of these conferences, the state has come to play an activist role in asking labor and employers to modify their behavior for the 'common good'.

With the advent of globalization and its ramifications, the Philippine state has been influential in modifying the perspective of tripartism in the country. Essentially an instrument of macro economic management, tripartism has now begun to confront issues and key elements of distribution, job creation and livelihood. Under globalization, distributional outcomes in terms of property and labor relations and the subcontracting system have interacted with larger macro structures and processes. Needless to say, they now present themselves as urgent concerns and have therefore become legitimate issues for tripartism to address. The mainstreaming of these issues has gained support and have now penetrated the tripartite agenda.

The Bureau of Labor Relations (BLR) is responsible for the coordination and monitoring of the activities of TIPCs.⁵ The Bureau has been fairly consistent in the promotion of TIPCs in the context of a broad based partnership between labor and management. The TIPCs ostensibly serve as the main venue for consultations and monitoring.

Established in 1990, the TIPC was basically charged with a two-pronged function. First, it was tasked to monitor the commitment of labor and employer groups to the 1986 Code of Industrial Harmony and the 1987 Industrial Peace Accord. Secondly, it assumed the promotion and establishment of labor-management cooperation programs to prevent, minimize and resolve industrial conflict at the earliest possible time. Through time, however, the TIPC mandate was reviewed and consequently expanded that by 1995, it became a consultative venue where

controversial industrial issues were debated. It also evolved to become an umbrella organization of all tripartite advisory bodies for the purpose of policy development.

A TIPC's set-up in policy-making should be the product of accommodation and compromise between labor and employer interests under the guidance of the state. A decisive factor to shore up a tripartite "culture" is to seek ways for a greater scope in structuring priorities and sustained activities.

As observed by Brilliantes (1995):

The first area is that tripartism as a purely consultative process particularly through the TIPC must evolve a clear vision. By sectors, we know more or less where we want to be by the year 1998, by the year 2000 and in the 21st century. How to get there and what common efforts should be undertaken to get there, however, remain, unclear. The main setback of the TIPC is the lack of activities to sustain it. As it is, it convenes when there are controversial issues to resolve, and is dormant where there are none. In that sense, it remains essentially reactive. If tripartism continues to be relevant, it must not wait; it must create.

Aside from the TIPC and ITPCs, wage boards are also tripartite in structure, Regional Tripartite Wages and Productivity Boards (RTWPB) are the locus of negotiations for wage setting at the regional level. The sensitive nature of wage setting at the regional level makes it imperative for labor and employer groups to participate in this process.

4.2 State's Initiatives on Non-Wage Benefits

In 1989, save for the determination of public workers' salary, state interventions on wage policies has been limited to defining the basic formula and guidelines upon which adjustments are based. The RTWPBs composed of labor, management, and government representatives assumed jurisdiction over the wage-determination process.

Minimal state intervention in wage-setting prevailed until the end of the Aquino administration and the first year of the Ramos administration. In 1993, however, an increase in statal role related to wage-determination is perceptible (Annex 3). Aside from providing the formula in region-specific wage determination, the state moved to improve its apparatus in checking enterprise compliance to the tripartite-set wages. First, it strengthened its inspection capacity by creating zonal inspection task forces. Second, it waged information campaigns to heighten the consciousness of workers on the proper wage levels per region. By 1996, the state increased the penalties for wage violations.

The state-even as it has remained steadfast in its position to maintain minimum wage-setting to protect the unorganized and less skilled segment of the labor force-has in general remained cautious not to directly intervene in the process of wage determination. Its policy has tended to shift towards enhanced non-wage provisions to protect workers income. Various programs highlight the transfer of financial resources towards programs that increase workers' non-wage benefits.

In 1990, workers' insurance benefits were increased. In 1993, housing benefits were expanded. Access by public and private sector workers to medical services was also improved through the establishment of industrial clinics in the early 1990s. And since 1991, government has progressively been foregoing income tax revenues by increasing personal tax exemptions thereby providing tax-relief to low-income workers.

Consistent to the policy of enhancing non-wage benefits, the state in the 1990s has effected the expansion of social security coverage for both private and public sector employees.

State resources have also been mobilized to augment workers' income. The grant of financial assistance to workers illustrates increasing state activity towards non-compensatory means of protecting workers' pay. These packages were in the form of relief allowances and loans mostly channeled to the sugar and other sector of the agricultural industry which have beset by calamities.

At various national-level talks and conferences, sectoral solutions to the erosion of worker purchasing power have perennially been conflicting schools of thought. Labor has constantly demanded wage increases to restore wage value relative to inflation. It is noted that both real wages and productivity have fallen persistently behind. On the matter of strengthening enforcement of mandated wages, compliance averages only 77 per cent across regions (DOLE, 1997). Specifically, these include alternative non-wage measures and benefits to increase the workers net take home pay in line with the total incomes policy framework, alternative wage systems such as productivity based or performance based wages to address the concerns of workers receiving above the minimum wage, need for a better measure of labor productivity, incentives to establishments to adopt productivity improvement and gain sharing programs,

clarification of the role of the RTWPBs in productivity promotion in the regions and proliferation of other productivity organizations.

The state does not have an incomes policy. It does however has a wages policy. The concept of incomes policy encompasses more than a wage policy. It encompasses prices, wage incomes and non-wage incomes. It also involves social security payments, the provision of public services and taxation policy.

4.3 State's Initiatives on Self-Employment and Livelihood

Labor and employer groups have shown a marked dependence on the state in providing employment opportunities. Labor expressed concrete demands on job provision while employers offered no explicit commitment to expand employment and prioritize job creation over technology acquisition and other productive related inputs.

Towards the middle of the decade, however, key players in the industrial relations arena assumed a more aggressive posture in the issue of employment generation. Unions and employer groups formed a lobby alliance for increased investments with high employment content. Investments in small medium enterprises (SMEs), for instance, were repeatedly endorsed.

In non-institutional tripartite mechanisms, acceptance of self-employment programs such as livelihood and entrepreneurial activities has also become evident. Safety-net programs such as loan provisions, livelihood assistance packages and social amelioration projects were consensually endorsed.

On employment generation, state policy has an increasing bias towards self-employment (Annex 4). Since 1987, the state has assumed an activist role in generating employment in the countryside and in rural areas. Outside agriculture, employment generation came hand in hand with the program on small medium enterprise development which has been the recipient of numerous financial assistance packages and incentives programs formulated to spur employment in the sector.

In both these sectors, self-employment has been vigorously promoted. State interventions that encourage livelihood activities and entrepreneurship in the countryside indicate the aggressive stance of the state in this respect. Foremost, the state has set in place the basic requirements to effect an environment conducive for livelihood activities. It has enacted legislation that provide tax incentives to barangay business enterprises in 1989, cooperatives in 1990 and to small and medium enterprises in 1991. Aside from this, the state has mobilized financial resources in the form of livelihood assistance packages to jumpstart activities in the sector.

A much less overt component of the state's employment generation strategy is the overseas deployment of manpower resources. And yet, statal activity in this respect remain manifest. Many missions to prospective labor-recipient countries have been assembled since 1987 to facilitate inter-country labor transfer. Livelihood packages have also been provided to contract workers.

5. The Continuing Tensions

Employer groups have similarly been active in pushing their own agenda. The Employers Confederation of the Philippines (ECOP) has thwarted any attempt to wage indexation. In response to calls for wage increases, ECOP suggested non-wage adjustments such as tax exemptions and exemptions from the Home Mutual Development Fund (HMDF) and other contributions to increase workers' take-home pay. ECOP, and the Personnel Management Association of the Philippines (PMAP), have also called for increased investments in human resource development. PMAP, specifically, has been vocal in modifying the thrust of the country's educational system to lessen job mismatch.

Both ECOP and PMAP have fought for more liberal labor laws and advocate the concept of self-policing in terms of labor standards enforcement. They have also been supportive of subcontracting as a means of employment generation and have raised calls for the relaxation of controls and limitations against labor-only contracting. PMAP has also expressed its support for flexible work arrangements such as compressed work week and job rotation to enhance the position of companies in the competitive business environment and, at the same time, create short-term jobs.

They lobbied for less regulation and instead proposed education programs for contractors to ensure fair employment practices.

Obviously, much more has to be done in deconstructing the respective realities perceived, in particular, by management. Changing competitive environments necessitate new and organizational forms of management. Traditional practices have to be re-examined in order to face changes quickly and effectively.

A case in point is the ECOP's stance on the social accord. In its resolution during the Second Business Forum on the Job Crisis in February 1999, the following has been listed as the bases for strengthening the social accord (ECOP, 1999):

1. *The Department of Budget and Management should release immediately the funds for DOLE and TESDA programs in support of activities of the social accord.*
2. *The DOLE with ECOP and other organizations should draft institutional programs and mechanisms to ensure a credible social accord.*
3. *Creation of special government commission that will review labor policies to make these investment friendly and consistent with job promotion and creation.*
4. *Wage restraint for two years up to year 2000.*
5. *All bargaining dispute considered non-strikeable and therefore should be assumed by the DOLE.*

In the context of responses to globalization, ECOP called for greater flexibility for companies to survive but nowhere in its statements encouraged the opening for discussion on trade offs on wages, working time, for example, over job security, a basic worker right.⁶

In general, sectoral positions on structural adjustments and their effects have been divergent. Labor, while exhibiting signs of resistance, has been extremely divided on the issue with one camp totally rejecting to negotiate and another cautiously attempting to get

concessions. Employer groups have meanwhile been on the whole consistent in their demands for more liberal labor policies and standards to keep them afloat in the competition.

5.1 The Union Exclusion Thesis

The challenge to unions of new forms of organizations is unprecedented. Greater flexibility in the labor market has reduced the organizational power of unions as cited by the various labor groups. The Department of Labor and Employment itself has recognized the growing incidence of labor only contracting, subcontracting and other flexible work arrangements as a result of globalization. Informal work arrangements outside the boundary of labor law could considerably weaken labor and erode the state's capacity to maintain social cohesion.

Labor representatives have consistently pursued the inclusion of greater employment opportunities and higher value added content types of job creation. More specifically, they have moved that flexible employment be strictly monitored. Labor and employers repeatedly agreed on the implementation of training and re-training programs that address flexible policies and practices. In addition, employers called for less regulation of subcontracting activities and appear to have little sympathy on labor's demand for more restrictions and monitoring.

5.2 New Bargaining Relationships at the Firm Level

The functioning of collective bargaining reflects three basic principles: the right to organize, democratic control of the workplace and work conditions. The skills in collective bargaining processes has widened its perspective to include not only management prerogative but also the emergence of new bargaining units such as LMCs and territorial networks. This has rendered the process more complex because of the absence of clear rules on authority between different levels of bargaining.

The LMCs have created new frictions within the organized labor movement. Their presence has a distinctive impact on the terms and conditions of work. Collective bargaining's joint regulation with LMCs is a strategic issue to content with.

5.3 Centralization and Lack of Institutional Capacity

Beyond the workplace, the involvement of labor and management in national economic and social planning has been established to varying degrees. Other than collective bargaining and LMCs, participation at a policy level involves industrial and regional tripartite council. However, while tripartism has facilitated the way for labor and management to participate in decision making at all levels of society. To date it has remained in general a consultative exercise. This is despite the fact that labor and employers are represented in policy making bodies such as the Social Security System, Home Mutual Development Fund, Technical, Education and Skills Development Authority, among others.

Needless to say, industry level bargaining with union participation in state macroeconomic and social policy making has to be enhanced. At the same time, local collaboration could offer grassroots accountability.

The corporatist framework presents the view that effective implementation of reforms requires consensus from the top down and from the bottom up. An important part of the role of the state in the tripartite agenda is to make clearer the rules of the game, an understanding of the legitimate interests of the parties and greater emphasis on the monitoring of policy outcomes.

An annual tripartite performance measurement at various levels including targets and resources has to be implemented. The DOLE's evaluation instrument requires personnel and resources to serve its purpose (Annex 5).

Agreements that cannot be enforced undermines the authority of the state. Subcontracting practices have generated informal arrangements outside the boundary of labor law.

6. Contextualizing Tripartite Decision Making Through Broad Based Representation and Participation

The participatory approach operates from the local context on its own terms rather than the prescriptions from above. Through tripartism, regional employment summit conferences were attended by representatives from the agriculture, industry and service sectors engaged in anti-poverty programs. Consultations on strengthening the informal sector workers at the regional level included expansion of the coverage and benefits on social welfare security, and provision of access to employment and livelihood programs in the informal sector. Support mechanisms such as linkages with financial institutions and provisions of safety nets for displaced workers have been identified. Regional social accords have been forged wherein management agreed to exercise utmost restraint in laying off workers while labor vowed to exercise utmost restraint in holding strikes, slowdowns and other forms of work stoppage.

The commitment to a democratic culture requires institutional conditions that facilitate a collective learning process. While the state has guaranteed the linkage of labor, social and economic rights in the development processes, broader forms of tripartite representation and participation at different levels have to be strengthened. The 1994 social reform summit affirmed to protect the interests of the disadvantaged sectors of society and its issues taken on board with the operationalization of the social reform agenda in 1995. The guiding principles of the social reform agenda, in particular, aim to advance the partnership of the social networks through consultations and participation. While the central tenets of accessing quality basic services, asset reform and sustainable development through institution building and governance define social reform agenda, it is the role of the area-based, sectoral National Anti-Poverty Council (NAPC) established in 1997 to formulate the policies and ensure coordination, monitoring and the evaluation of programs.

A question for the future is how central the role of NAPC would be in advancing effective shared governance. A program such as NAPC necessitates changes in institution building that require technical capacity and innovativeness in shared governance. Representatives of organized economic groups are not only workers and but also the urban poor, women sector and other groups sitting in certain public bodies such as those elected. The mandate of NAPC requires a reorientation of hierarchical levels in decision making and the encouragement of new insights into emerging problems where the impetus of experimentation should come from below. Earlier in 1993, the Bishops Businessmen's Conference for Human Development took a complementary role in taking the broader approach with its social pact

alliances with the peasants, fisherfolks, labor and urban poor.⁷ The pace and scale of network activities that were generated have perhaps served the need to track performance of donor institutions with the establishment of a Philippine Council for NGO Certifications in 1999. The network consists of the Association of Foundations, Businessmen's Conference for Human Development, Caucus for Development NGO Networks, League of Corporate Foundations, National Council of Social Development Foundations and the Philippine Business for Social Progress.

7. Conclusions and Policy Implications

The twin challenges of centralization for social cohesion and tripartite solidarity work and reforms at the enterprise level require a new phase of labor management relations. But the process of mutual openness and continuing coordination cannot be attained without trust and confidence building. Institutions, relationships and norms shape the quality of a society's social interactions. The tripartite experience of the past should move beyond traditional negotiation which starts from a limited conflictual set of positions to a principled one, where legitimate interests are recognized, people are held accountable for their actions and mutual interests are met.

To respond effectively to globalization, the participatory approach should operate from the local context on its own terms rather than the prescriptions from above. The commitment to a democratic culture requires institutional conditions that facilitate a collective learning process. The new world economic order requires greater interdependence, mutual openness and closer coordination at the enterprise. The social partners must be imaginative and flexible to respond effectively to the process of global integration. In tripartism, there is a rich tradition of shared connections even if in its long history, the process has not significantly redistributed resources and empowered workers collective initiatives. Primarily, tripartite consultations have served as a clearing house opposing tensions between labor and management.

Tripartism's recognition as a democratic institution also brings with it the question of its need for reform with the introduction of mechanisms that encourage forums of informed deliberation. It is not simply a system of representation but a complex open ended process of interest articulation that transforms into identifies, practices and institutions. It requires a representation of real conditions that allows for free will critical of the status quo, bringing in new voices within society to power and a state of mind that allows for the establishment of a new social order.

As noted, the role of the state has been to create the overall environment conducive to social cohesion and competition. Recent contributions to the literature on employment relations emphasize the shifts in economic organizations producing a range of labor flexibility. The extent to which workers view their relations with management is determined in a number of ways by the formal and informal institutional arrangements. Given the tripartite experience, mutual concessions and constraints of various nature have been exchanged. However, changing work patterns as a result of globalization necessitate a restructuring of collective representation of employers and workers and their transformation. The state's effective response lies in its ability to facilitate demands and negotiations. This also means a tripartite framework of representation and social consultations that is more complex and diversified.

The evidence from sectoral demands suggests an opposing view on flexible employment arrangements. While employers' response is one of less regulation of subcontracting activities,

for example, labor recommends strict regulations of flexible employment patterns and criminalization of violations. The state promotes voluntary arbitration while employers advocate the use of self policing mechanisms in the application of labor standards (instead of regulation). Labor calls for the setting up of international standards, specifically on the freedom of association, protection of the right to organize and bargain collectively and for more labor inspectors, mediators and labor arbiters.

A significant measure of effective tripartite response to statal policy on employment would have to take account of the activities at the meso- and micro levels. At the meso level, it is important to analyze the employment content and structure of small and medium enterprises and other self-employment sectors. At the micro level, a review of studies on livelihood projects of labor unions and agricultural workers needs to be carried out.

Basic policy issues which have to be considered include:

1. The encouragement of a fundamental shift in the values of the contending actors;
2. Promotion of the conditions necessary in a creative partnership with a wide range of stakeholders;
3. Development of a tripartite system that must be evaluated according to efficiency and equity considerations;
4. The need to understand standards of performance of an employment contract through bargaining and negotiation; and
5. An appreciation of the need for strategic policies and processes in representation, participation and strategic partnership.

Annex 1.

A. Definitions of Alternative Work Arrangements

Flexitime – start and/or end the work day earlier (or later) than usual

Compressed hours – work fewer (or no) hours some days, and longer hours on other days

Telecommuting – work from home for all or part of the work week

Part-time – work less than 30 hours a week

Job-sharing – share the responsibility and benefits of one full-time position with another employee

B. The Flexibility Scan

Several flexible capabilities will be presented in the following checklist, concerning the aspects of input, throughput, and output of the department. By this flexibility scan (a systematization of flexible capabilities), it is possible to determine the management's flexibility mix. The question ask you to indicate for every capability (by circling the correct number) whether your department:

1. Does not use it
2. Hardly uses it
3. Uses it regularly
4. Uses it often
5. Uses it very often

C. Management Survey

Improve the professional competence of the staff (upgrading); management development, internal training of employees

Apply horizontal extension of responsibilities (job enlargement). That is, be able to perform a broader repertoire of activities:

- job rotation to improve the versatility of employees, specifically for very vulnerable tasks
- increase the transferability and interchangeability of positions

Apply vertical extension of responsibilities (job enrichment). That is, obtain more decision-making authority over activities to be performed:

- leave the setting of priorities (setting up machinery) with regard to production tasks to be performed to employees; greater controlling capacity for employees
- apart from an extra quality check (extrinsic), a continuous quality review by the employees involved themselves (intrinsic)
- increased training; too great an extension of responsibilities (without extra training) may lead to losses in efficiency and quality

Use crash teams ('butterflies', 'flying squads'). That is, teams whose sole purpose is to do all kinds of unexpected jobs (universally versatile personnel)

Create:

- key positions
- multifaceted positions

Apply flexible compensation plans

- remuneration coupled to performance
- profit sharing
- shareholding

Flexibility in working hours

- flexibility in working hours depending on the season; working hours can be adapted not only to peak load, but can also be shortened in off-peak periods
- shift in working hours to have expensive machinery run longer, or reduce bottlenecks in the production process
- make good arrangements as to overtime
- compensate for overtime in leisure time (time-for-time arrangement)
- use a flexible duty roster
- apply flextime (block time and flexible time); suitable for production departments with a fluctuating workload. The employees may determine their own starting and finishing times, but should be present during certain fixed periods (block time)

Conclude flexible employment contracts

- job contract: contract for an indefinite period of time, whereby the length of the period is not expressed in hours, but is determined by the activities to be performed in the job
- part-time contract

Contract employees out to other departments on a temporary basis

Create an internal pooling arrangement, which the departments can use depending on their workload.

Source: Gottlieb, Benjamin H. Flexible Work Arrangements: Managing the Work-Family Boundary, p.12
 Volberda, Henk W. Building the Flexible Firm: How to Remain Competitive, pp. 294-295.

Annex 2. National Level Tripartite Agreements: 1990-1997

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
1992	National Tripartite Conference Occupational Safety and Health Center (15-16 December) Sustainable Growth and Development Through Industrial Peace	<p>Committee on Labor Relations and Industrial Peace and Security</p> <ul style="list-style-type: none"> - validate the Code of Industrial harmony - propose the increase of budget for the Tripartite Industrial Peace Council (TIPC) - condemnation of violence and lawlessness - call for speedy disposition of labor disputes <p>Committee on Incomes and Prices</p> <ul style="list-style-type: none"> - call for tripartite participation in various policy-making agencies of the government - development of two-tiered collective bargaining - assessment of RA No. 6971 to the TIPC and agreement on the inclusion and upgrading of quantity and quality of goods and services in operational criteria of productivity improvement - tax exemptions of employee benefits and tax relief for low-income earners - recommendation for the passage of the ECA Bill - calls for GSIS/SSS to study the proposal to restructure loans under more liberalized terms - recognition of the adverse effects of power shortages on small and medium establishments; recommendation for low interest loans for SMEs from SSS for purchase of power generators - review of wages <p>Committee on Employment</p> <ul style="list-style-type: none"> - recognition of the reality of contracting out of labor and calls for its effective regulation - limitation in the number of part-time workers vis-à-vis regular full time workers within particular establishments - need for clear definition of 'promotion' vis-à-vis sales/merchandising workers for the purpose of determining the status, privileges and obligations of both workers and the principal contractors - creation of tripartite Technical Working Group (TWG) and its possible function relative to TIPC and to the Secretary of Labor and Employment in his rule-making functions - remedial legislation to clarify and strengthen existing laws and regulations and judicial decisions with particular reference to the protection and welfare of sub-contracted and part-time workers - endorsement of apprenticeship bill, with specific comments - acknowledged the imperative of overseas employment but called for strengthened mechanisms against illegal recruitment activities and other forms of worker exploitation and abuse

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
	National Tripartite Conference on Structural Adjustment (19 January)	<p>Employers</p> <ul style="list-style-type: none"> - actively participate in the formulation and implementation of development policies and programs - improve the quality of domestic material inputs and skills to enable industries to compete in the foreign and domestic markets - maintain and promote industrial peace by respecting workers' rights to self-organization and collective bargaining - implement productivity-enhancing schemes and programs through productivity sharing by open and mature negotiation with workers - provide a safe and healthy environment for workers for voluntarily complying with labor standards and health regulations - involve and consult labor in decision-making on issues relating to industrial relations - support government's anti-inflation policy by maintaining stable prices and improving its productivity to offset higher operating costs - police ranks to prevent unfair and illegal practices - share resources to strengthen government programs that would benefit the business and labor sectors - support the revenue generation program of government - promote trade unionism - resort to voluntary modes of dispute settlement <p>Labor</p> <ul style="list-style-type: none"> - actively participate in the formulation and implementation of development policies and programs - maintain and promote industrial peace by engaging in peaceful settlement of labor problems - engage in the organization of rural workers and those in the informal sector - support programs of private organizations for training, re-training, employment facilitation, livelihood and socio-economic projects - report violations of labor standards and health regulations, unfair and illegal practices of employers and employees - resort to voluntary modes of dispute settlement - police ranks to prevent unfair and illegal practices <p>Government</p> <ul style="list-style-type: none"> - promote and ensure greater employment content in investment - promote productivity improvement schemes and programs - implement the National Employment Plan - enforce all labor laws, especially on labor-only contracting, and guard against undue cheapening of labor and any threat in its

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
		<p>security</p> <ul style="list-style-type: none"> - promote high technology and high value-added small scale enterprises - improve the labor market information system and employment facilitation programs - ensure equal employment opportunities for women, the disabled and cultural minorities - accelerate privatization, provided workers' rights are duly protected, workers are consulted and allowed to participate in the process and encouraged to acquire equity
		<p>Labor</p> <ul style="list-style-type: none"> - actively participate in the formulation and implementation of development policies and programs - maintain and promote industrial peace by engaging in peaceful settlement of labor problems - engage in the organization of rural workers and those in the informal sector - support programs of private organizations for training, re-training, employment facilitation, livelihood and socio-economic projects - report violations of labor standards and health regulations, unfair and illegal practices of employers and employees - resort to voluntary modes of dispute settlement - police ranks to prevent unfair and illegal practices <p>Government</p> <ul style="list-style-type: none"> - promote and ensure greater employment content in investment - promote productivity improvement schemes and programs - implement the National Employment Plan - enforce all labor laws, especially on labor-only contracting, and guard against undue cheapening of labor and any threat in its security - promote high technology and high value-added small scale industries - improve the labor market information system and employment facilitation programs - ensure equal employment opportunities for women, the disabled and cultural minorities - accelerate privatization, provided workers' rights are duly protected, workers are consulted and allowed to participate in the process and encouraged to acquire equity - guarantee a minimum level of spending for social services and infrastructure in order to improve productivity and attract investment, especially in the countryside - further liberalize trade policy through tariff reforms and competitive exchange rate in consultation with the sectors affected - level the playing field by penalizing monopolies and cartels,

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
		<p>equalize capital requirements for local and foreign banks, eliminate government competition with the private sector and provide local industries with non-fiscal incentives to make them internationally competitive</p> <ul style="list-style-type: none"> - support a productivity based and location-specific wage adjustment approach implemented by open and mature negotiations between labor and management - improve revenue generation efforts coupled with re-channeling of supporting more productive social goods while withdrawing from activities that compete with private sector initiative - provide honest, efficient and supportive bureaucracy - effect greater coordination, consistency and decisiveness in policy-making and implementation - make the banking sector more responsive to the demands of structural adjustments by improving present banking policies and system (through the Central Monetary Authority) - further institutionalize tripartite participation and consultation in policy formulation, implementation, monitoring and evaluation - promote voluntary arbitration for settlement of disputes - continue to provide priority expenditure for social sectors and at the same time provide the macroeconomic environment for private sector development - provide the necessary support for the effective implementation of the Structural Adjustment Action Plan
1996	<p>National Tripartite Conference Occupational Safety and Health Center, Q.C. (18-19 April)</p> <p>Globalism: Its challenge to Labor and the Social Partners</p> <p>In general, the Conference clarified government policies, programs and projects on</p>	<p>Committee on Industrial and Incomes Policy</p> <ul style="list-style-type: none"> - strengthening of minimum wage-fixing mechanism through the operationalization of the criteria for minimum wage fixing and the review of its mandate/manner/method - development of alternative approaches to wage fixing such as productivity based wages and flexible wage systems - increasing take-home pay by exempting low wage earners from income tax; upgrading of social welfare benefits; monetization of leave credits; and grant of interest-free loans - enjoining the tripartite sectors to undertake joint measures on productivity awareness raising and training, as well as productivity improvement and gain-sharing - endorse to the President the appointment of workers and employers representatives as advisers in the working groups of the APEC, AFTA, WTO; - urge the government to draw up a clear plan of action relative to the strategic positioning of the country in the GAT/WTO - enjoin the corporations to adopt a Code of Conduct to govern the relationship between workers and employers in the light of growing economic interdependence among nations <p>Committee on Human Resource Development</p>

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
	<p>labor and employment; re-affirmed tripartism/ <i>Continuing discussion and partnership among sectors in formulating policies and resolving issues on labor and employment; and effected a sense that government shall fast-track resolutions of remaining issues where no consensus was reached. There was also an understanding that the TIPC, with the Tripartite Executive Committee acting as the lead group, be tasked to monitor compliance with specific plans of action and recommendation, and ensure that the</i></p>	<ul style="list-style-type: none"> - involve the Tripartite Industrial Peace Council (TIPC) in the immediate formulation and implementation of a comprehensive HRD plan, i.e. Apprenticeship and distance education - encourage the conduct of adult basic education to include modalities on value formation, social responsibility and human dignity - reinstitute the tax incentive schemes for the private sector and simplify the procedures for availment - direct the TIPC to review and make the appropriate recommendations to the President in formulating a massive apprenticeship/training program <p>Committee on Employment</p> <ul style="list-style-type: none"> - conduct a Tripartite Conference on Overseas Employment to further discuss and resolve issues regarding Overseas Filipino Workers - create an inter-agency Committee to integrate all measures on occupational safety and health that include: improvement in the inspectorate system, review of health and safety programs, legislative lobby to compel employers to comply with the provisions of the Labor Code, and the ratification of ILO Convention on safety and health - provide safety nets to workers displaced by the GATT-WTO by returning the fund for workers entrepreneurship and capacity-building - develop an effective labor market information system for employment facilitation and promotion - establish Public Employment Service Offices (PESOs) in strategic areas and endorse Senate Bill No. 639 - increase the budget for the Workers Organization and Development Program (WODP) - increase the budget for Special Program for Employment of Students (SPES) - submit the issues setting clearer guidelines on contracting and subcontracting to further tripartite discussion <p>Committee of Labor Relations</p> <ul style="list-style-type: none"> - strengthen tripartism by instituting the TIPC as a mechanism for effective consultation and as an umbrella organization of all tripartite advisory bodies for the purpose of policy development - lodge permanently all TIPC Secretariat staff and functions with the Bureau of Labor Relations - promote plant-level labor-management mechanisms - adopt rules implementing the grievance and voluntary arbitration provisions in the Labor Code - strictly implement and enforce labor standards, especially in unorganized establishments to minimize filing of cases

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
	<i>appropriate follow-up actions are taken consistent with such plans of action and recommendations.</i>	<ul style="list-style-type: none"> - establish a one-stop-shop for public sector union registration - review existing guidelines on collective negotiation, certification election, registration of local unions including non-traditional unions and unions in the public sector - allow union representation in GOCCs undergoing privatization - direct the Public Sector Labor Management Council to review the rules implementing Executive Order No. 180 - direct the DOLE and the CSC to identify administrative and legislative measures to strengthen public sector unionism upon prior consultations with the labor sector - review the rights, duties and responsibilities of teachers and non-teaching personnel - recommend to the legislature the amendments of the Articles 223, 241 and 253-A of the Labor Code
1997	National Tripartite Conference on Wages, Productivity, Employment and Labor Relations OSHC, Q.C. (11-12 December)	<p>Committee on Wages</p> <ul style="list-style-type: none"> - NWPC study on simplification of regional minimum wage structures and to review its policy on “safety net” approach in minimum wage fixing, its policy on “supervening conditions” and the 12-month prohibitory period re: issuance of a new wage order - Operationalize the criteria for minimum wage fixing under RA 6727 - Study by NWPC on living wage to be subjected to roundtable discussions - Strengthening of enforcement of mandated wages, set up a tripartite monitoring system as a strategy for improving enforcement of and compliance with mandated wages; increase the number of labor inspectors; conduct more extensive information campaign on applicable wage rates; promote voluntary compliance with labor standards, particularly on wages - Support grant of non-wage benefits to workers both in public and private sectors - For NWPC to lead in the study of non-wage measures and advocate for legislative action - Tax-exemption of fringe benefits - Exploration of non-wage measures that can supplement the existing regional minimum wage fixing system and promote greater competitiveness such as productivity-based and performance-based wages <p>Committee on Productivity and Employment</p> <ul style="list-style-type: none"> - promotion of value formation and skills-upgrading through education and training - inclusion of productivity in secondary and tertiary curricula in schools - conduct of massive information campaign on productivity; promotion of productivity at the enterprise level through 5S, QCC,

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
		<p>WISE and ISTIV</p> <ul style="list-style-type: none"> - call for RTWPBs to lead in productivity promotion in regions - formulation of simple and user-friendly productivity measurements as guides to public and private sectors - recommendation to the President to certify as urgent Amendatory Bill on Productivity Incentives Act (RA 6971) - support the implementation of Department Order No. 10 and review its effects <p>Committee on Labor Relations</p> <ul style="list-style-type: none"> - convening of tripartite consultations to propose amendment to the Labor Code, giving priority to the review and rationalization of jurisdiction of dispute settlement mechanisms and streamlining of administrative processes, particularly the tripartite structure of the NLRC as an independent adjudicatory body, the system of registration and cancellation of unions, and the integration of inter- and intra-union dispute settlement both in the original and appellate levels into one DOLE agency, and the expansion of the scope of collective bargaining process - immediate convening of Labor-Management Conference for the public sector to review and/or amend EO No. 180 and its implementing rules to give full meaning to the right of public sector employees to self-organization and collective negotiations through the simplification of registration and accreditation of unions, expansion of areas of negotiations and the setting-up of an effective dispute settlement mechanism - encourage the tripartite partners to take operationalize industry unionism and activate industry-based tripartite councils - strictly enforce the provision of the law on the summary nature of both voluntary and compulsory arbitration proceedings, and the mandatory use of conciliation at the initial stage of the conciliation process - upgrade labor relations personnel of DOLE through observance of a merit system in the recruitment and promotions, the adjustment of compensation and setting-up of incentive schemes - strengthening the conciliation and mediation services in all dispute settlement mechanisms through appropriate training - intensification of workers' participation through the promotion of free trade unionism, collective bargaining and consensual modes of dispute settlement such as labor management councils, grievance machinery and voluntary arbitration
1997	Roundtable on Labor and Social Issues Arising Out of the Activities	<p>Employer</p> <ul style="list-style-type: none"> - actively participate in the review and formulation of recommendations concerning the ILO Conventions proposed for ratification - provide treatment facility or waste handling infrastructure as

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
	of Multinational Enterprises and Foreign Direct Investments Heritage Hotel (10 July)	<p>appropriate or based on existing laws</p> <ul style="list-style-type: none"> - comply with all applicable environmental protection laws - encourage the responsible practice of legitimate job-contracting - promote awareness on <i>Implementing rules and regulations on Subcontracting and Job Contracting</i> as well as compliance thereof - participate in the policy review of the alien understudy program, make representation with the DOJ-BID for the speedy processing of working visas for foreign nationals in non-PEZA registered MNEs/FDIs - promote use of local raw materials and components - sustain commitment towards using qualifications, skill and experience as basis for recruitment, placement, training and advancement - conduct training, retraining, multi-skilling and skills upgrading programs for employees, strongly recommend inclusion of technology-based productivity and labor-management relations as compulsory subjects in secondary, vocational and tertiary schools - set-up databank on available skills/manpower and specific skills requirements (preferably at sixth level of PSOC disaggregation) and provide information to DOLE labor market information system; formulate code of conduct promoting training contracts between employers and employees, sharing of technology among enterprises, and voluntary agreements against skills poaching among employers within and outside of ecozones; actively participate in providing inputs for the review of curricula; enter into bilateral agreements with schools/universities to offer special courses; establish training centers; lobby for the immediate passage of the bill institutionalizing the PESO - conduct productivity incentives awareness campaign, to include culture-based work values/attitudes of Filipinos; lobby for immediate passage of bill amending RA No. 6971 to make it simple, acceptable and easy to implement - lobby for the ratification of ILO Convention 176 concerning the Safety and Health in the Mines, and ILO Convention 155 concerning Occupational Safety and Health and the Working Environment; use industry organizations and Zone locator associations for the continuous improvement of labor conditions - provide career counseling; retrain, provide alternative livelihood opportunities, give job referrals or compensatory benefits to affected workers - conduct massive information campaign to prevent possible commission of sexual harassment - abide strictly by the policies on the apprenticeship program; lobby for the enactment of the apprenticeship bill - support policies and programs against child labor

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
		<ul style="list-style-type: none"> - provide personnel protection equipment and other safety paraphernalia - conduct community relations programs - provide industry initiated orientation/briefing to new MNEs/FDIs - respect the right of workers to freedom of association and collective bargaining - support the organization of a Tripartite Oversight Committee to regularly monitor and evaluate the implementation of the Memorandum of Social Understanding and Action Commitments <p>Labor</p> <ul style="list-style-type: none"> - actively participate in the review and formulation of recommendations concerning the ILO Conventions proposed for ratification; lobby for the ratification of ILO Conventions pertinent to MNEs - monitor violations of environmental protections laws and dialogue with management to prevent depletion of natural resources - support passage of bill criminalizing labor-only contracting - conduct information campaign on DO No. 10 - create a committee to review and recommend pertinent policies on investments, focusing on workers' protection; lobby for early passage of bill giving first lien to workers' claim against employers' assets on case of closure or bankruptcy - participate in policy-review of the alien understudy program - promote patronage of products with higher local content - information campaign of basic constitutional rights to assure equal, non-discriminatory employment opportunities for all - encourage members to participate in training, retraining, multi-skilling and skills-upgrading programs; strongly recommend inclusion of technology-based productivity and labor-management relations as compulsory subjects in secondary, vocational and tertiary schools - conduct information campaign on the use of national labor market information system; lobby for the immediate passage of the bill institutionalizing the PESO - encourage compliance by parties to training contracts - participate and promote productivity/gain-sharing awareness programs through collective bargaining and workers' education programs - lobby for the immediate passage of bill amending RA No. 6971 to make it simple, acceptable and easy to implement - lobby for the ratification of ILO Convention 176 concerning Safety and Health in the Mines, and ILO Convention 155 - exercise vigilance in the monitoring and reporting of violations of labor standards at plant levels - explore the potential of using electronic networking in monitoring

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
		<p>compliance with labor standards, and drawing lessons from the international perspectives/experiences</p> <ul style="list-style-type: none"> - help explain to affected workers the consequences of their work conditions, hence, allowing workers to understand and be open to intervention measures - conduct massive information campaign to prevent possible commission of sexual harassment; network with NGOs, Gos and LGUs - maintain vigilance against abuse of apprenticeship program - vigilance against the use of child labor in workplaces; actively participate in information-sharing to correct perspectives on child labor and solicit support to policies and programs implementation; coordinate and network with other advocates against child labor - provide awareness seminars - cooperate in community relations programs - where there are unions in the zones, trade union centers will submit a common nominee as labor representative in the EPZ Advisory Body, recommend legislation to allow for workers representation in the EPZ Advisory Body where there is no union in the zone - cooperate and be actively involved in the information campaign initiated by employers and the government - conduct of information campaign for responsible trade unionism; exercise restraint in the use of the right to strike; support/participate in government's confidence-building measures - support the organization of a Tripartite Oversight Committee <p>Government</p> <ul style="list-style-type: none"> - DOLE, in coordination with DTI-CLARA and PEZA, to examine the relevance and practicability of ratifying ILO Conventions pertinent to MNEs and make recommendations as appropriate, through tripartite consultations; DOLE-ILAS, DTI-CLARA and PEZA to monitor observance of principles in the <i>ILO Declaration on MNEs</i> and the <i>Memo of Social Understanding</i> - DENR, DOLE-BWC, DOST, BOI, PEZA and LGUs to provide competent personnel and adequate facilities for proper enforcement of environmental laws and standards on working conditions; DENR, DOLE-BWC, PEZA, LGUs and other concerned agencies to rationalize laws and simplifying implementing rules and procedures on environmental conservation and protection, and working conditions. - DOLE to support passage of bill penalizing labor-only contracting - DOLE-BLR to conduct symposium/information campaign on <i>Implementing Rules and Regulations on Subcontracting and Job-contracting</i> (DOLE D.O. No. 10)

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
		<ul style="list-style-type: none"> - DOLE to lobby for early passage of bill giving first lien to workers' claim against employers' assets in case of closure or bankruptcy; DOLE-BWC and Regional Offices to monitor compliance by MNEs/FDIs with the applicable post employment laws; BOI and PEZA to monitor observance of the policy of screening investors to promote transfer of technology - DTI and LGUs to identify, encourage and assist local producers and suppliers of raw materials and components - DOLE-BWYW and TESDA to support implementation of appropriate laws, particularly the Gender and Development Act - TESDA-DOLE to provide favorable policy environment for the conduct of training, multi-skilling and skills upgrading program, preferentially promoting the dual training mode; DECS, TESDA-DOLE and CHED to include technology-based productivity and labor-management relations courses/subjects in the school curricula - DOLE-BLE to establish national labor market information system; TESDA-DOLE to circulate updated information on skills requirement of the regions; consultation among PEZA, BOI, TESDA-DOLE and RDC to formulate skills development plans; DOLE-BLE to provide access to DOLE homepage among labor and management; TESDA-DOLE, DTI and PEZA to provide forum to facilitate formulation of the code of conduct on training; TESDA-DOLE to coordinate with employers, DECS and CHED to review and ensure that curricula will equip graduates with the skills and values needed in industries; TESDA-DOLE to lobby for immediate release of funds for skills development training from Congress, and in coordination with PEZA, set up fund for training of workers needed in EPZs; PEZA and TESDA-DOLE to set up training centers inside the EPZs to address needs of Zone locators; DOLE to lobby for the immediate passage of bill institutionalizing the PESO - DOLE-NWPC to conduct productivity/gain sharing awareness campaign, to include culture-based work values/attitudes of Filipinos; DOLE to lobby for the immediate passage of bill amending R.A. No. 6971 to make it simple, acceptable and easy to implement - Lobby for the ratification of ILO Convention 176 concerning Safety and Health in Mines and ILO Convention 155 concerning Occupational Safety and Health in the Working Environment; DOLE, in coordination with the labor sector, LGUs and PEZA to develop mechanism for improving the inspectorate system, in this regard may consider: (a) reviving the MOA between DOLE and TUCP allowing the former to assist in monitoring compliance with labor standards and extending the same with other labor groups,

YEAR	FUNCTION/ VENUE/ THEME/ GENERAL REMARKS	COMMITTEE RESOLUTIONS/AGREEMENTS/ SOCIAL PARTNERS' COMMITMENTS
		<p>(b) explore the potential of using electronic networking in monitoring compliance with labor standards and drawing lessons from international perspectives/experiences, and (c) forging a MOA on joint inspection between PEZA and DOLE in ecozones, where it does not exist yet.</p> <ul style="list-style-type: none"> - DOLE, DTI and other concerned government agencies to assist in providing opportunities for retraining and/or alternative livelihood to affected workers - Conduct massive information campaign to prevent possible commission of sexual harassment - TESDA-DOLE to investigate and validate findings of NGO survey re: abuse of the apprenticeship program and apply corrective measures/sanctions, as necessary; TESDA-DOLE to lobby for the enactment of the apprenticeship bill - DOLE-BWYW, together with its tripartite and inter-agency partners, to sustain and intensify its drive against the use of child labor - DOLE-BWC and OSHC to provide awareness seminars - PEZA to establish EPZ advisory bodies as called for by the law; PEZA to facilitate approval of nominations to EPZ Advisory Body - DOLE-BLR and NWPC to provide tripartite for interaction for unions to be able to show their values, interest to protect workers, and mutual interest with employers like productivity concerns - BOI and REZA, in consultation with DOLE-BLR and BLE to design an information program that will provide expatriates proper orientation on applicable national and local laws and regulations local practices and culture - DOLE-BLR to conduct information campaign for responsible trade unionism; - DOLE-BLR to expedite settlement of intra and inter-union disputes; DOLE-BLR to review processes involved in certification election, particularly the disposition of certification election cases in MNEs/FDIs; DOLE-BLR and PEZA to implement confidence-building measures that will enable workers to exercise their right to self-organization, while promoting responsible trade unionism by: (a) immediate activation of EPZ Advisory Body with function to promote sound labor-management cooperation and, (b) conduct of continuing labor education programs - Support the organization of a Tripartite Oversight Committee

Annex 3. Government Intervention Programs on Workers' Wages and Benefits

Year	Wages	Non-Wages Benefits and Social Security
1987	<ul style="list-style-type: none"> - Increased overtime, holiday and night differential pay - Across the board increase in minimum wage for industrial workers in MM, P11 for industrial workers outside MM and P10 for agricultural workers 	<ul style="list-style-type: none"> - Increase in total disability benefits, burial expenses benefits and maximum salary base, - Social Amelioration Fun for Sugar Industry which levies a certain amount per picul of sugar sold for cash bonuses and socio-economic projects for workers. - Sugar Workers Death Benefits Program settled unpaid death benefit claims amounting to P1.97M. - Insurance program that extends P25,000 life and accidental benefit and disability for all POEA deployed OCWs. - Development of regulative framework for productivity and gain-sharing scheme.
1988	<ul style="list-style-type: none"> - Devolved power to fix minimum wage rates to RTWPBs; - Concepts of wage as a 'social safety net' floated 	<ul style="list-style-type: none"> - Award of P405.81M for work-related sickness, disability and death. - Increase in funeral benefits for SSS-covered employees; liberalization of claims policy. - Expansion of hospital-accredited to Employees Compensation Commission. - Productivity gain-sharing surveys to determine applicability of gain-sharing activities.
1990	<ul style="list-style-type: none"> - Release of policy guidelines on wages thru BWC's exercise of closer technical supervision over RTWPBs; release of Regional Offices piece rate and/or prod'n standard orders to prescribe fair and reasonable rates 	<ul style="list-style-type: none"> - Increase in allowable income tax exemptions, - Increase in medicare benefits by 80% on hospital and room board rates; 87.5% on drugs and medicines; and 25% on medicare services.
1992	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> - Pre-departure loans for OFWs as Productivity Enhancement Family Assistance Loans to OFWs granted - Increases in the maximum loanable amount with no advance interest deducted in the SSS Salary Loan Program - Outlay of initial P15M fund of the National Livelihood projects of unions and their members - Increased access of workers to more affordable housing units - Improvements in Structural Adjustment Programs - Institutionalization of total protection for workers in the event of work-related contingencies - Raise in funeral benefits; increase in pension for permanent partial disability
1993	<ul style="list-style-type: none"> - Created Zonal 	<ul style="list-style-type: none"> - Increase in pensions and allowances for private

Year	Wages	Non-Wages Benefits and Social Security
	<ul style="list-style-type: none"> Inspection Task Forces. - Study on living allowances, wages and labor cost survey. 	<ul style="list-style-type: none"> sector employees and funeral benefits - Distribution of cash bonuses to sugar workers - Improvement of regional linkages thru Regional Productivity Networks for productivity promotion
1994	<ul style="list-style-type: none"> - Increases in basic wages and/or the grant of COLAs - Operasyon PAWIS launched (Pagbabayad ng Wasto at Itinalagang Sahod) which consist of info drive on applicable minimum wages 	<ul style="list-style-type: none"> - Establishment of 2 industrial clinics in Metro Manila to bring preventive occupational health care to SME workers - Introduction of Work Improvement in Small Enterprises (WISE) in Metro Manila, S. Tagalog, C. Visayas and S. Mindanao - Seminars on gain-sharing schemes
1995	<ul style="list-style-type: none"> - Wage-related increases 	<ul style="list-style-type: none"> - Establishment of 5 industrial clinics nationwide
	<ul style="list-style-type: none"> - Operasyon PAWIS intensified 	<ul style="list-style-type: none"> - Expansion of accreditation of hospitals - Cash bonuses for sugar workers amounting to P152.2M distributed - Formulation of productivity plans; info gathering on types of productivity and gain-sharing schemes by industries.
1996	<ul style="list-style-type: none"> - Wage-related issuances 	<ul style="list-style-type: none"> - Establishment of 7 industrial clinics (accumulative = 14); hospital accreditation expanded - Cash bonuses for sugar workers amounting to P115.6M distributed; death and maternity benefit claims paid to beneficiaries - Seminars, symposia to promote productivity and gain-sharing
1997	<ul style="list-style-type: none"> - Wage-related issuances - PAWIS seminars - Methodology for measuring living wage spending completed; regional wage inflation models prepared in aid of wage determination 	<ul style="list-style-type: none"> - Continued payment of employee compensation benefits to employees in the public sector affected by privatization - Comparability of multiple ailments - Increased transportation and meal allowances to occupational injured workers undergoing vocational training - 4 additional industrial clinics - Expanded accreditation of cooperatives - Release of bonuses worth P129M to sugar workers covering 1994-95, 1995-96, 1996-97 - Maternity and death benefits - Under Emergency Program for Displaced Workers, P12M worth of rice distributed to sugar workers

Source: DOLE Annual Reports, 1987-1997.

Annex 4. Employment Generation and Facilitation

Year	Employment Generation and Facilitation
1987	<ul style="list-style-type: none"> - Referrals to private companies; job placements; PESO absorbed placement function; Community Placement Services - Regulation and licensing of recruitment agencies - Processing of contracts of overseas workers - Forging of bilateral and multilateral agreements with OFW receiving countries - Expanding and strengthening Working Youth Centers - Provision of alternative employment and livelihood project for Muro-Ami children and their families - Extension of financial assistance for income generating projects of women organizations in Manila, Sapang Palay, Sta. Mesa and Bulacan - Re-entry program thru Entrepreneurship Mediation; provides loan package to OFW returnees to start their own small business ventures - Loan program (pre-departure) to OFWs and financial assistance to their families
1988	<ul style="list-style-type: none"> - Job placements thru job exchange and apprenticeship - Social Investment Program through which private companies could participate in job creation - Overseas employment
1990	<ul style="list-style-type: none"> - Formulation of Understudy Training Standards for positions in the manufacturing industry; rationalization of implementation guidelines for Alien Employment and Local Recruitment Regulation - Expansion of self-employment opportunities thru livelihood assistance (DOLE Integrated Livelihood Program – DILP) - Overseas placement processing and deployment - SWAP for youth employment
1992	<ul style="list-style-type: none"> - Implementation of the Special Employment Assistance Program (SEAP) to fastrack reintegration of affected workers into the economic mainstream thru the provision of access to local and overseas employment for entrepreneurial development - Establishment of PESOs nationwide - Job fairs
1993	<ul style="list-style-type: none"> - Employment assistance thru PESO; 63 job fairs conducted - Special Program for Employment of Students (SPES) and SWAP - Women Workers Employment and Entrepreneurship Development (WEED) Program established
1994	<ul style="list-style-type: none"> - Job placements (includes SPES and SWAP) - PESO placements - Integration of Persons with Disability into the mainstream thru TULAY 2000 - Under DILP, P58.022M released to finance livelihood projects and promote self-employment - Release of funds for livelihood projects of fishermen, farmers and other rural workers - OFW reintegration program; selective employment promotion in high-wage and low-risk skills category

Year	Employment Generation and Facilitation
1995	<ul style="list-style-type: none"> - SPES, SWAP, PLACER Job Fair and TULAY 2000 and PESO - Employment missions to emerging labor markets - Entrepreneurship (thru DOLE Cooperative Formation and Community Development Program) and livelihood programs for OFWs - Community Training and Employment Coordinators organize, manage and facilitate implementation of income-generating activities for rural and urban workers
1996	<ul style="list-style-type: none"> - PESO, TULAY 2000, KABATAAN 2000 - Regulation of employed foreign workers - Educational program for OFWs - Overseas missions to emerging markets with high-wage and low-risk jobs - Private sector involvement in technical, vocational and educational training (TVET) programs - Entrepreneurship training programs especially in the rural areas - Provision of trainings as GATT adjustment measures
1997	<ul style="list-style-type: none"> - With ILS, initiated employment planning activities in the regions - PESO, SPES SWAP and TULAY 2000 - Conduct of sectoral consultations in the seven priority sectors under negotiations in the ASEAN (construction, tourism, maritime, telecoms, air transport, financial services and business/professional services) - Continued regulation of local recruitment agencies - RA 8042 or the Migrant Workers and Overseas Filipinos Act of 1995 - Concluded bilateral agreements with Liberia, Papua New Guinea, Libya, Iraq, Jordan, Qatar and Northern Marianas Islands - Adopted policies on selective deployment - Expanded grassroots tri-media outreach of its public orientation and education program on the risks and rewards of overseas employment

Source: DOLE Annual Reports, 1987-1997.

Annex 5 . Criteria for Evaluation

1. Project Title :
 2. Proponent :
 3. Classification :
_____ Industry Tripartite Council (ITC)
_____ Regional TIPC
_____ Provincial TIPC
_____ City/Municipal TIPC

 4. Project Cost :
 5. Venue :
 6. Duration :
_____ One-half day
_____ One day
_____ One and one-half days
_____ Two days

 7. Expected Participants:
 - a) Total number: _____
 - b) Affiliation, please identify:
 - Government

 - Employer/Industry Associations

 - Labor/Trade Unions

 8. Type of Project/Activity:
_____ Consultation meeting
_____ Conference/Symposium
_____ Seminar
_____ Workshop
_____ Orientation

 9. Project Components:
 - Revitalization and reactivation of existing TIPCs and ITCs
 - Setting-up of Regional/Provincial/Area-wide TIPCs and ITCs
-
-

-
-
- Consultation/Formulation of policies, legislations, advisement and recommendation
 - Development/Implementation of plans/programs toward enhancing industrial peace
 - Information Dissemination/Awareness-raising/Labor Education
 - Monitoring of sectoral compliance to tripartite agreements and commitments
 - Others, please specify

10. Identified Objectives:

- To promote, develop and strengthen existing regional and area-wide TIPC's and ITC's as consultative mechanisms for policy formulation
- To formulate specific policies, legislations and recommendations for national development (i.e., voluntary modes of dispute settlement, labor representations to companies undergoing privatization)
- To generate tripartite views, opinions on current, critical or urgent socio-economic issues
- To identify and resolve problems/issues of common interest
- To develop concrete, practical and implementable action plans
- To undertake joint projects aimed at fostering joint cooperation and voluntary modes of adjusting to labor-management differences
- To undertake awareness-raising and labor education programs with emphasis on the growing relevance and significant developments of tripartisms, current legislations, policies and other issuances on matters relating to labor and employment
- To devise a system of monitoring sectoral compliance to tripartite accords, commitments and agreements
- Others (please specify)

10. Agenda Items (please specify specific topics):

Labor relations and industrial peace

Labor standards and welfare/Social Security

Employment promotion

Structural Adjustments

Policy Issues except those under the jurisdiction of other
Tripartite bodies

Others

12. Expected Outcomes:

- _____ TIPC/ITC Established/Created
- _____ Tripartite agreements/resolutions
- _____ Consensus points on policy issues
 - Endorsements of proposed bills
 - Administrative recommendations
 - Institution of policy reforms
- _____ Action plans
- _____ Linkages with other institutions
- _____ Dissemination of information and awareness raising on tripartism
- _____ Others

13. Specification of Budgetary Requirements:

- Food
- Venue
- Contingency

Source: Bureau of Labor Relations.

ENDNOTES:

¹ This is despite a 1977 policy declaration of principles that multinational enterprises in the context of negotiations with workers representatives on conditions of employment, or while workers are exercising the right to organize, should not threaten to utilize capacity to transfer whole or part of an operating unit from the country concerned.

² The International Labour Organization's 1998 Declaration of Human Rights reconfirmed the need to promote strong social policies, justice and democratic institutions. A new emphasis in the use of ILO resources (constitutional, operation, budgetary and external) was made in terms of the principles and rights that were reaffirmed in the Declaration. A global report each year will try to identify progress, problems and needs to realize the principles of the Declaration and will form part of the Director General's presentation to the annual tripartite International Labor Conference.

³ The Bureau of Labor Relations's policy is consensus building through tripartism, with the view of promoting industrial peace and greater social partnership. It also implements the Workers Organization and Development Program (WODP) which aims to provide technical and support services to organized workers while WODP has several millions of fund allocation.

⁴ Radio Veritas Asia should be acknowledged for underlining the potentials of co-existing CBA and LMC provisions.

⁵ Japan Air Lines exemplifies the complex interaction of collective bargaining negotiations.

⁶ "There is a need to conscientize a lot of businessmen" noted by Jose Concepcion, Jr., when he was the Bishops Businessmen Council's 1995 National Co-chairman.

⁷ A 1999 Conference resolution on Philippine Industrial Relations for the 21st Century called for the involvement in the social and economic dialogue of NGOs, professional organizations and the community to sustain the implementation of economic and social policies.

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