

SUSTAINING EMPLOYMENT GAINS THROUGH INDUSTRIAL PEACE

Proactive DOLE plus mature workers and employers equals six years of industrial peace

The formula that leads to industrial peace is simple yet striking. And it is successful. See the data.

From 2001 to 2006, there was a decline—and this decline is continuing—in the number of notices of strikes/lockouts: 623 in 2001; 752 in 2002, 606 in 2003; 558 in 2004; 465 in 2005; and a mere 153 as of June 15, 2006.

Out of these notices, actual strikes happened, but the numbers, too, were on a steep decline. From 2001 to 2006, actual strikes/lockouts across the country sharply decreased: only 43 in 2001; 36 in 2002; 38 in 2003; 25 in 2004; 26 in 2005; and only nine as of June 15 this year.

What's the formula?

Labor and Employment Secretary Patricia A. Sto. Tomas, who assumed the stewardship of the department in February 2001, says it is basically hard, tiring work. Getting the workers and employers sit together in the negotiating table and exploring amicable points of agreement before a problem gets worse or, to be more precise, before a notice matures into an actual strike. Add to the recipe a healthy dose of mutual trust, and you reach a solution. It helps, too, that today's workers and employers are mature and responsible, she said.

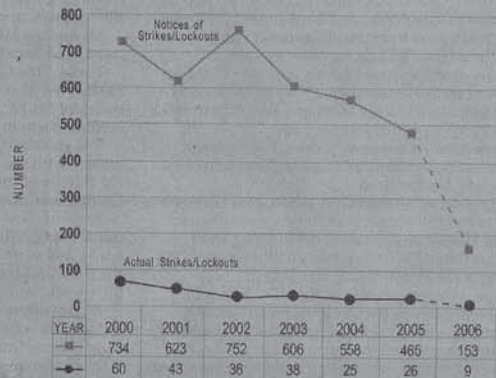
Developing mutual trust, the DOLE found out under Sto. Tomas, means involvement and participation. In intensifying its conciliation and mediation efforts, the DOLE, in certain cases, involved sectors in the community—other government agencies, non-government organizations, self-help groups, the Church, even neighborhood associations, said Sto. Tomas; "They, too, have a stake in ensuring industrial peace."

"Industrial peace is good for the nation because it preserves jobs and encourages more investments."

The DOLE has enlisted the participation of these sectors in conciliation and mediation through formal agreements, such as the ones it has forged with the Archdiocese of Manila and the Philippine Export Processing Zone Authority. "We have also been conducting a lot of training for our conciliators and seminars on labor and management education," said Director Hans Leo Cadac of the National Conciliation and Mediation Board, the DOLE agency implementing the department's conciliation and mediation programs.

"Industrial peace is good for the nation because it preserves jobs and encourages more investments," said Sto. Tomas.

Notices of Strikes/Lockouts Filed vs. Actual Strikes/Lockouts Declared 2000 - 2006 *



* Data for 2006 is as of June 15 only. Source: National Conciliation and Mediation Board (NCMB)

tripartite declaration of principles

The Trade Union Congress of the Philippines (TUCP) and the Federation of Free Workers (FFW), representing Workers; the Employers Confederation of the Philippines (ECOP), representing Employers; and the Department of Labor and Employment (DOLE) and its attached agencies, representing Government;

Hereby adopt and bind ourselves to this Tripartite Declaration of Principles toward employment creation and preservation, industrial peace, and economic development, as follows:

On Employment

Employment is the primary means by which workers and their families can live meaningful lives. Investments are essential to create and preserve employment. Harmonious labor-management relations, along with appropriate infrastructure, incentives and measures to reduce costs of doing business, are essential in establishing a competitive and employment-friendly investments climate.

Small and medium enterprises have a large contribution in employment creation. Their capacity, productivity, and knowledge base should be continuously improved. Their access to credit and markets should be enhanced. Strategic linkages with big enterprises should be encouraged.

We call on political leaders and development agencies to prioritize the use of development funds to support employment creation and preservation. There should also be equal priority to



TRIPARTITE PARTNERS. The Philippines's delegation to this year's International Labor Organization convention in Geneva, Switzerland, where it forged the Tripartite Declaration of Principles, pose for posterity after signing the landmark document. (From left to right) Ranulfo P. Payos, Vice President, Employers Confederation of the Philippines (ECOP); Rene Y. Soriano, President, ECOP; Miguel B. Varela, Chairman, ECOP; Hon. Patricia A. Sto. Tomas, Secretary, Department of Labor and Employment (DOLE); Democrito T. Mendoza, President, Trade Union Congress of the Philippines (TUCP); Allan S. Montano, President, Federation of Free Workers (FFW); Luzviminda G. Padilla, Undersecretary, DOLE; and Benedicto Ernesto R. Bitonio, Jr., Chairman, National Labor Relations Commission.

upgrading the skills, knowledge, and competencies of workers so that they can have better access to employment opportunities.

On Wages and Income

Wages must be just and adequate. Collective bargaining and negotiations are preferred modes of fixing wages and other benefits. On the other hand, the Regional Tripartite Wage Boards remain to be the most viable mechanisms in determining minimum wage increases.

Incomes must be protected. Wage-setting should be supported by policies that increase purchasing power, protect take-home pay, and promote access to social services. All sectors concerned, particularly the business sector, should ensure that prices are kept at reasonable levels. We support the granting of tax exemptions to minimum wage earners. We, likewise, call on national and local government leaders to allocate more resources to education, training and health services.

On Labor Standards and Productivity

Labor standards and productivity are mutually reinforcing. Labor standards make employee-employer relations fair and predictable. Voluntary compliance by employers with these standards motivates workers to be more productive, and enables both employers and workers to save on enforcement costs and maximize the use of their resources.

In this regard, we will jointly develop modules and undertake information and education campaigns to promote awareness of and compliance with labor standards. These shall be complemented by modules aimed at improving productivity, especially in small and medium enterprises.

On Labor Relations

The right to collective bargaining and negotiations is a right of both workers and employers. We will exert all efforts, including the conduct of tripartite information and education campaigns, to ensure that this right is exercised in a free and responsible manner.

For this purpose, the rules governing organization of unions and certification elections shall be simplified and liberalized. The goal should be to allow the parties, within the shortest possible time, to engage in collective bargaining and negotiations. Plant-level mechanisms that enable parties to directly share their gains shall also be supported.

Labor-management differences are best resolved by the parties themselves, or through conciliation or mediation. Accordingly, we will devise and support measures to enable workers and employers to directly resolve their differences and grievances.

Labor disputes are oftentimes inevitable, making compulsory arbitration indispensable. In this regard, we support measures to expedite arbitration processes so that disputes are resolved in the fastest, fairest, least expensive and most effective way possible. At the same time, we also support measures to improve predictability, transparency, and accountability in all labor dispute settlement agencies.

Implementation and Monitoring

Within thirty days from the signing of this Declaration, we agree to constitute a tripartite committee that will spell out the specific projects, activities, and funding requirements necessary to ensure that the foregoing principles are made effective. Thereafter, this committee, which will operate within the framework of the Tripartite Industrial Peace Council (TIPC) and other existing tripartite mechanisms, shall meet regularly to monitor the progress made by the parties with their respective commitments.

SIGNED in Geneva, Switzerland, June 9, 2006.

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