

**AN ASSESSMENT OF LABOR
AND EMPLOYMENT POLICIES
IN THE PHILIPPINES, 1986-1988**

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I. BACKGROUND

One of the most glaring evidences of the deteriorating economic conditions of the Philippine economy during the first half of the decade was the significant deterioration of the conditions in the labor market. The period was marked by rising unemployment and underemployment rates as well as an intensification of labor unrest. For example, unemployment and underemployment soared to alarming levels of 12.5 percent and 37.9 percent in 1985, respectively. Likewise, the incidence of strikes increased by 82 percent and 32 percent in 1984 and 1985, respectively, and the major sources of conflict had to do with unfair labor practices committed by employers ranging from illegal dismissals especially of union officials to violation of labor standards and collective bargaining agreements especially on matters of wages and other benefits. This condition in labor relations was very much reflective of the repressive nature of our labor laws in the past and the subsequent abuses these laws permitted to be committed.

The ascendancy of the Aquino leadership in February 1986 ushered in a period of reforms and the labor sector was immediately a target for big changes. Conditions in the labor

*This is Chapter VIII of a larger study which reviews the Performance of the Aquino Government in Selected Policy Areas from 1986-1988.

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sector that time were seriously unstable and there was widespread dissention over major aspects of how workers' activities should be handled. Efforts to restore the workers' confidence in the government's concern for their welfare had to be clearly and immediately instituted. The first Labor Day speech of President Aquino on May 1, 1986 did express the government's overriding concern over the attainment of a climate of industrial peace based on justice and the improvement of the economic well-being of all the workers in the country. A series of policy pronouncements and directives was issued, mostly related to labor relations issues. The succeeding Labor Day speeches of the President followed a similar format - they all carried policy messages addressing specific issues of immediate and paramount concern to labor.

The Medium-Term Development Plan of the country which subsequently came out in 1987 articulated the government's overall policy direction for the labor sector. Specifically, the promotion of employment through the utilization of more labor-based techniques in all productive sectors, particularly construction, is emphasized. This is to be pursued to allow unemployment and underemployment to continuously decline from a target of 10.6 percent in 1987 to 4.9 percent in 1992, and 33.0 percent to 23.7 percent, respectively. Likewise, the government is committed to provide the means for labor to receive its fair share in the fruits of production and for capital to get a reasonable return on investments. This will be carried out through the promotion of collective bargaining as the principal mode for setting wages and other terms and conditions of employment. Further, labor's bargaining position relative to management shall be strengthened through the guarantee of their right to self-organization, to free collective bargaining, and to undertake concerted actions, including the right to strike, in accordance with the law; the provision of labor education and training to both labor and management regarding their duties and responsibilities not only to each other but also to the government and nation; and access to timely and accurate information. ^{1/} Further, the government adheres to a policy of nonintervention in wage setting in the private sector with the latter being an important part of collective bargaining negotiations. However, whether these pronouncements and policy directions have indeed been translated into concrete actions or programs, and to what extent they answer the needs of the working masses are other matters which will be addressed in this paper.

^{1/}
NEDA (1987), Medium-Term Philippine Development Plan, 1987-1992.

This paper is an attempt to look at the labor and employment policies of the Aquino government from 1986 to 1988 and possibly assess their impacts on the following major areas:

1. employment promotion
2. wages, salaries and other forms of compensation
3. labor relations
4. labor standards and workers' welfare
5. overseas employment

In addition, an attempt to assess the direction of future labor and employment policies will be made by looking at the relevant bills filed in both houses of Congress. Finally, we will try to identify some other areas which are in need of further reforms.

This paper is organized following the major areas mentioned above. Each section will uniformly include the policy pronouncements/directives made relevant to the area of concern and the actions taken, policy directions and problems of implementation, and quantitative and/or qualitative impacts of the policies.

II. AREAS OF CONCERN

A. Employment Creation and Promotion

Two vital documents of the Philippines provide the general policy setting for the labor sector. These include the New Philippine Constitution, which was overwhelmingly ratified in 1987 and the Medium-Term Development Plan which was formally approved and implemented in 1987. The Constitution explicitly recognizes labor as a primary social economic force (Article II, Section 8). Further, the State is mandated to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all (Article XIII, Section 3, paragraph 1). Similarly, recognizing the urgency of the unemployment and underemployment problems of the country which subsequently contribute to a more severe poverty situation, the government adopted a medium-term development plan which is geared towards attainment of the following major goals: alleviation of poverty, generation of more productive employment, promotion of equity and social justice, and the attainment of sustainable growth. The creation of productive opportunities is viewed as the key factor in poverty reduction and the principal springboard in the social transformation of the poor. Employment creation

and promotion then is a principal concern of the government and appears to be the underlying theme for the general development efforts of the government. Productive jobs will not only be provided to those who are presently unemployed and underemployed but also to the growing number of new entrants to the labor force which is estimated to be about 750,000 per year.

Under the new leadership, productive employment opportunities are created by pursuing a demand-led employment-oriented and rural-based strategy. Rural-based small and medium enterprises particularly in the manufacturing industries are encouraged and given assistance, while labor-based methods or technologies are adopted in government construction activities.

A major program launched by the government in July 1986 was a comprehensive employment generation program called the Community Employment and Development Program (CEDP). Aimed to generate one million jobs in the countryside by the end of 1987, the CEDP was expected to ease the unemployment problem especially among the rural poor. Its target beneficiaries were, therefore, the unemployed, the underemployed and the poor. As a pump-priming activity, it was envisioned to increase the purchasing power of the people in the rural areas through income from productive employment and thereby contribute to economic recovery in the short-run. The major activities included in the program were basically small-scale, labor-intensive infrastructure projects such as the construction of feeder roads, communal irrigation systems, school buildings and rural water supply. Other labor-intensive development projects such as reforestation, seed production and distribution of planting materials were also included under the program. The program was to be implemented on a nationwide basis and involved twelve (12) major government agencies during its first year of implementation. ^{2/}

Aside from CEDP, the government has put into action other measures to create jobs by launching the following programs:

1. National Reconciliation and Development Program (NRDP). This is an umbrella program established to coordinate and integrate the programs, projects and other efforts of all government and non-government organizations towards national reconciliation. Composed of two major components namely,

^{2/} These agencies included the following: Department of Agriculture (DA), Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR), Department of Social Welfare and Development (DSWD), Department of Public Works and Highways (DPWH), Department of Transportation and Communication (DOTC), Department of Trade and Industry (DTI), Department of Health (DOH), Department of Justice (DOJ), Office of Muslim Affairs (OMACC) and the Department of Local Government (DLG).

national reconciliation and countryside development, the program hopes to eradicate the roots of rebellion and facilitate the returnees' rejoining the mainstream of society in a peaceful and productive life. Major government agencies, in coordination with the inter-agency-based reconciliation and development councils, provide the necessary legal, technical, financial and educational assistance to rebel returnees to enable them to engage in economic activities by finding productive employment or becoming self-employed. Local jobs are provided through the CEDP projects while the processing of overseas job applications are facilitated by POEA through its decentralized procedures.

The program's target is to reach out to the 15,291 insurgency affected barangays of the country and to facilitate the return of at least 5,000 of the regular armed members of the insurgency movement.

2. Urban Livelihood Financing Program (ULFP). This program promotes small- and medium-scale enterprises and aims to create employment opportunities in depressed urban communities of Metro Manila. Low-income individual entrepreneurs or group borrowers are given financial assistance in the form of equity loans and grants.

3. Tulong sa Tao (TST) Employment Creation Program. This program which operates under the auspices of the Bureau of Small and Medium Industries of the Department of Trade and Industry (BSMI-DTI) and accredited financial institutions is designed to increase employment opportunities and income in the rural areas. The program includes the following components:

a. The Self-Employment Loan Assistance which provides financial and technical assistance to micro entrepreneurs, government retirees, and ex-detainees to expand or start livelihood projects; and

b. Expansion of the Subcontracting Program which gives assistance to potential contractors and subcontractors on machinery acquisition or transaction financing; and

4. Movement for People's Livelihood and Welfare (MPLW) Program. The program aims to promote livelihood or self-employment opportunities in the rural areas.

5. Self-Employment and Entrepreneurial Development (SEED) Program. This program trains the unemployed and idle families of overseas workers for self-employment and entrepreneurship.

While the first two Labor Day speeches of the President concentrated mostly on labor relations and standards issues, the 1988 Labor Day speech explicitly expressed concern over employment generation. Specifically, the President directed the Department of Labor and Employment (DOLE) to monitor the various

employment programs and, with the National Economic and Development Authority (NEDA) and the Department of Trade and Industry (DTI), to render periodic reports to the Cabinet. In response to this policy directive, the DOLE created an inter-agency committee on employment programs monitoring (IAC-EPM). It took some time though before an employment monitoring unit was finally set up at DOLE in early 1989.

On the same occasion, the President also directed the Department of Public Works and Highways (DPWH) and other infrastructure agencies like the Department of Local Government (DLG), Department of Transportation and Communications (DOTC) and National Irrigation Administration (NIA) to adopt labor-intensive methods in their various infrastructure programs in order to ease the unemployment problem. Executive Order No. 336, which, among others, effects the establishment of labor-based units in the infrastructure agencies of the Government, was issued for this purpose and took effect on September 13, 1988. The EO aims to improve the existing systems and procedures and strengthen the institutional capabilities of government infrastructure agencies to effectively and efficiently undertake projects utilizing labor-based methods. The labor-based units of the agencies concerned are supposed to identify suitable labor-based methods of construction or maintenance while the heads of these agencies jointly or individually issue guidelines for the programming of these labor-based projects. Other agencies are to provide support to the programs: the Department of Budget and Management (DBM) - facilitates the release of funds for labor-based projects; the NEDA - assists in monitoring and promotion of labor-based projects; and the DOLE - assists in recruitment and training of manpower for employment in labor-based projects.

Evidently, there were concrete efforts to increase labor absorption through specific employment programs. However, while these programs have been put in place, their implementation has been fraught with problems. For example, the CEDP's initial implementation was delayed because of difficulties encountered particularly with slow funding/disbursement procedures. In fact, as a result of this delay, the project has been extended until 1988. The project execution also suffered from irregularities and problems like the failure of some project contractors to comply with guidelines such as the 30 percent labor cost allocation requirement, widespread misreporting on the status of the projects, substandard work, extension of work hours, and absence of physical accomplishments (NEDA 1988). In some cases, local governments lacked the capacity to administer projects and failed to coordinate properly with the major implementing agencies. Further, problems were encountered in aligning the regional allocation of projects with poverty alleviation priorities. This may have been due to a combination of several factors such as the political influence exerted in getting allocation, some natural topographic conditions and in some cases, the volatile peace and order condition. There were also

problems of political intervention in the selection of contractors, the hiring of workers and the realignment of projects.

The other employment programs also encountered similar problems especially those concerning the release of funds. Particularly, the release of loans to rebel returnees for surrendered firearms under the Firearms Loan Program (FLP) of the NRDP has always been very much delayed. This, in effect, did not allow more active participation in productive employment activities by returnees since they either did not have the funds or were in Manila following up their claims. The more serious effect of these delays is that by the time the money is released, it is too small to even allow a rebel returnee to start a small business since a large proportion of it has already been eaten up by "follow-up" expenses.

The implementation of the NRDP is closely tied-up with the 12-month program on amnesty under Proclamation 138 which expired on February 29, 1988. Thus, an evaluation of the reconciliation component of the program would reveal that about 13,491 grants of amnesty have been issued as of February 29, 1988. Some of these returnees are housed in DAR-developed Bayanihan Resettlement Communities where they are expected to engage in farm activities or be employed in the construction and development of bayanihan centers and other small-scale infrastructure work. The FLP or BARIL (Bring a Rifle and Improve your Livelihood) program is also expected to provide the returnees sufficient resources to help them start their new lives by using their firearms as loan collaterals. BARIL offers cash loans, the amounts of which depend on the kind of firearms surrendered, and an additional entitlement of an equivalent amount "in-kind" consisting of farm or fishing equipment, whichever is applicable. As of February 1988, a total of ₱3.796 M have been released under the program. Whether these funds have actually gone into livelihood activities and how much employment has been generated by this program cannot be gauged directly as no data on beneficiaries are available at present. However, there have been reports that a significant proportion of these loans did not actually go into livelihood activities, and that the "in-kind" loan components were in fact traded for cash, with the knowledge and consent of the authorities and the equipment suppliers.

There are other components of the program which are directed to provide livelihood activities to these people like the Livestock Dispersal Program (Department of Agriculture) and the Rebel Returnees Livelihood Assistance Financing Program (Department of Trade and Industry) which provides loans to finance small scale businesses like sari-sari stores, tricycle operation, vegetable vending, bakery, basket weaving, dressmaking, tailoring and other related single proprietorship and income-generating activities. Again, unavailability of data on beneficiaries does not allow us to make statements on how much these programs have contributed to employment generation.

But some things have to be said about the whole NRDP program. For a huge program involving more or less the whole machinery of the government and getting about P202,243 M appropriated for its activities for one calendar year (i.e., 1987), the accomplishments of the program pale significantly when viewed against its hugeness. The seemingly ambitious plans, including the complex structure of the organizational machinery of the program, seem to create more problems than facilitate its implementation through more and better coordination among the different departments involved. Interviews with some of the people involved in the implementation of the program suggest that the anticipated networking and collaborative effort of the different agencies did not fully materialize. For example, one group did not seem to know exactly what was happening in the other components of the program. Even the monitoring of each department's activities under the NRDP has not been carried out efficiently as evidenced by the dearth of information about the progress of the program components.

Definitely more a political rather than a development program, the NRDP clearly overlaps with a number of existing employment-generating or livelihood programs of the government. There is a need, therefore, to evaluate the program more carefully and perhaps refocus its thrusts or completely discontinue it if deemed unproductive and wasteful of our country's very scarce resources.

The Department of Trade and Industry's Tulong sa Tao program has generated more positive results, in particular its Self-Employment Loan Assistance Program. Operating through NGOs which act as conduits for credit to small borrowers for micro-enterprises and livelihood projects, the project has so far lent out some P65.7 M to 173 NGOs. With additional \$8 M availed of from the Asian Development Bank, the program was able to lend an additional P34.9 M to 47 NGOs as of October 1989. Translating these loan figures into the number of individual beneficiaries, we would expect that the program must have opened up employment opportunities to at least 4,027 people assuming that each individual borrower availed of the P25,000-loan limit. This may, however, be an understatement since group borrowers are allowed under the program and the livelihood projects may have employed more workers (See Appendix A).

Despite the problems encountered in the implementation of these employment programs as well as the growing number of new entrants to the labor market, the country's general employment situation improved during the first three years of the Aquino government. Table 1 summarizes relevant employment indicators from 1985 to 1988.

Labor force continuously increased from 1985 reaching 23.5 million in 1988. Labor force participation rate remained fairly high at 65.5 percent relative to the 1985 level of 63.4 percent

Table 1
EMPLOYMENT INDICATORS

	1985	1986	1987	1988 <u>p/</u>
Labor Force (million persons)	21.3	22.1	22.9	23.5
Employed	19.8	20.6	20.8	21.5
Unemployed	1.5	1.5	2.1	2.0
Labor Force Participation				
Rate (%)	63.4	63.8	65.7	65.5
Employment Rate (%)	92.9	93.3	90.9	91.5
Unemployment Rate (%)	7.1	6.7	9.1	8.5
Underemployment Rate (%) <u>l/</u>	33.7	36.0	30.5	33.1

l/ Percentage of those who worked for less than 40 hours within a week of total employment.

p/ Preliminary (Oct.)

Note: Figures are for the Third Quarter

Sources: NEDA Statistical Yearbook 1988
Current Labor Statistics Feb. 1989, BLES-DOLE
NSO, Labor Force Survey, various years

Unemployment rate showed a significant increase in 1987, ^{3/} but a significant decline was also observed in 1988. The decline may have been partly brought about by the significant contribution of the employment programs introduced by the government. For example, the CEDP generated a total of 36,851,903 mandays, equivalent to 795,456 jobs by the end of 1987. Underemployment, however, has remained fairly high, despite the decline experienced after 1986.

The amount of employment generated by major industries is given in Table 2. Two rough measures following Tidalgo (1983) are used. These include the net absolute change in employment by industry and the growth rates of employment in each industry. The figures show that for the period 1985-1986, Agriculture generated the most number of jobs totalling about 591,000, equivalent to a growth rate of 6.1 percent. Services likewise absorbed a significant number of workers, i.e., 269,000. However, the industrial sector experienced a decline in employment. This is reflective of the still poor conditions in the industrial sector which was hardest hit by the economic crisis of the early 80s. Favorable changes, however, were observed in 1986-1987. Although the change in overall employment has relatively been less, the industrial sector has been able to generate jobs for the unemployed and perhaps even for those moving out of the agricultural sector which experienced a decline of 3.4 percent in employment. This decline was accompanied by a 10.9 percent increase in Industry and 3.3 percent in Services. For the period 1987-88, the agricultural sector continued to release considerable number of workers reaching 20,000. This was, however, matched by an expansion in employment of the industrial and the service sectors equivalent to 10.0 percent and 8.1 percent, respectively. On the whole, for the period 1986-1988, total employment grew at 4.4 percent as the economy was able to absorb around 902,000 additional workers. The industrial sector showed a remarkable improvement in terms of growth rate (21.9 percent) and employment generation (602,000). The relatively high absorption rate is consistent with the sector's performance during the period, having expanded by 7.73 percent and 8.55 percent in 1986-87 and 1987-88, respectively. The total number of additional workers employed may, however, reflect the re-absorption of those who may have been laid-off in the early period as a result of the crisis, the number of which was fairly significant especially in 1983-1985. Total number of workers laid off during this period was 241,011. The agricultural sector continued to experience a decline in

^{3/}

This may have actually been magnified by the change in the reference period used in the survey from past quarter to past week. Tidalgo and Esguerra (1984) noted that employment figures based on the reference quarter were higher than those based on the reference week for the period 1976-1978.

Table 2
EMPLOYMENT GENERATED BY SECTOR
1980-1988

	Total		Agri		Industry		Services	
	GR (%)	AC (000)	GR (%)	AC (000)	GR (%)	AC (000)	GR (%)	AC (000)
1980-81	6.2	1019	5.6	475	(0.03)	(9.0)	10.2	55
1981-82	(0.4)	(81)	(0.1)	(8.0)	(0.03)	(73.0)	0.06	4
1982-83	10.6	1841	10.8	960	11.8	292	9.7	58
1983-84	2.2	420	(1.4)	(140)	5.2	145	6.5	42
1984-85	0.9	169	(0.4)	(42)	(3.3)	(97.0)	4.4	39
1985-86	4.0	794	6.1	591	(2.3)	(66)	3.7	26
1986-87	1.0	200	(3.4)	(349)	10.9	229	3.3	24
1987-88	3.4	702	(0.2)	(20)	10.0	303	8.1	61
1986-88	4.4	902	(3.6)	(369)	21.9	602	8.8	66

Note: Figures in parenthesis are negative.
GR - Growth rate
AC - Absolute Change

Source: Computed from the employment figures from NSO, Labor Force surveys, Third Quarter except 1988 (Oct.)

employment at the rate of 3.6 percent while the services sector consistently absorbed a great bulk of the labor force at the rate of 8.8 percent.

This observation in sectoral employment conforms with other data given in Tables 3 and 4. The figures suggest that indeed there was a rise in the proportion of sales and service workers as well as production and related workers from 1985 to 1988. This is also corroborated by the increase in the proportion of wage and salary workers for the same period. What is unclear, however, is whether those moving to the services sector actually get trapped in very low productivity sectors, i.e., informal sector. There was also a significant decline in the proportion of professional and technical workers especially during the period 1985-1988, signifying the flight of these workers to other countries for better-paying jobs.

There seems to be emerging some positive signs with regards to the performance of the industrial sector in terms of labor absorption. However, the process appears to be relatively slow. For example, we observe that the share of the industrial sector to total employment has significantly increased from 1986 (See Table 5) and Manufacturing and Construction in fact accounted for much of this increase (Table 6). However, the shares have remained low, with manufacturing accounting for only 10.4 percent of total employment and construction, 4.0 percent in 1988. This seems to suggest that despite the vigorous effort to implement employment programs, if the general policy environment for industry remains biased largely in favor of capital, then the initial efforts to increase labor absorption cannot be sustained in the long run.

The CEDP and its impact on the target groups deserve further discussion because certain positive features of the program can possibly be integrated into future rural-based employment programs. As mentioned earlier, there were some problems in the implementation of the CEDP. In fact records show (Table 7) that as of 1987, only 96.8 percent of the target projects have been implemented. However, while the target of one million jobs has not been attained, the amount of employment generated was substantial, i.e., 795,456. This number can even be better appreciated in the context of whether the intended target groups have indeed been reached by the program. Table 8 provides information on those who were employed by CEDP projects based on a survey of some 11,086 workers. In general, the program was successful in utilizing local resources as about 78 percent of those included in the survey were residents of the barangay where the projects were implemented. However, not all of those who were employed in these projects were unemployed before. Nevertheless, a large proportion of them, 54.4 percent, were unemployed before CEDP. Likewise the program was able to reach out to the poor as more than 53 percent of the surveyed workers had incomes below subsistence level; 82 percent had family

Table 3
 DISTRIBUTION OF EMPLOYED PERSONS
 BY OCCUPATIONAL GROUPS

Major Occupation Group	1985	1986	1987	1988*
Professional and Technical Workers	6.0	5.6	5.6	5.6
Administrative, Executive & Managerial Workers	0.9	0.9	0.9	0.8
Clerical Workers	4.2	4.1	4.3	4.2
Sales Workers	12.9	13.4	13.3	13.3
Service Workers	8.3	7.8	8.6	9.0
Agriculture, Animal Husbandry & Forestry Workers, Fishermen & Hunters	48.4	49.4	47.4	45.6
Production & Related Workers Transport Equipment Operators & Laborers	19.3	18.8	20.0	21.5

* October Survey

Source: NSO, Labor Force Surveys, various years, Third Quarter.

Table 4
 DISTRIBUTION OF EMPLOYED PERSONS
 BY CLASS OF WORKER
 *

Class of Worker	1985	1986	1987	1988*
Wage and Salary Workers	43.8	42.3	44.1	45.8
Own Account Workers	39.7	40.4	39.2	38.4
Unpaid Family Workers	16.5	17.3	16.7	15.8

* October Survey

Source: NSO, Labor Force, various years, Third Quarter.

Table 5
EMPLOYED PERSONS BY INDUSTRY
1980-1988

	Agriculture, Fishery & Forestry		Industrial Sector		Services Sector		Others	
	(000)	%	(000)	%	(000)	%	(000)	%
1980	8453	51.5	2554	15.5	5421	33.0	6	0.04
1981	8928	51.2	2545	14.6	5974	34.2	4	0.02
1982	8920	51.4	2472	14.2	5978	34.4	-	-
1983	9880	51.5	2764	14.4	6558	34.1	-	-
1984	9740	49.6	2909	14.8	6983	35.6	-	-
1985	9698	49.0	2812	14.2	7292	36.8	-	-
1986	10289	50.0	2746	13.3	7561	36.7	-	-
1987	9940	47.8	3045	14.6	7810	37.6	-	-
1988	9920	46.1	3348	15.6	8229	38.3	-	-

Source: NSO, Labor Force Survey, various years, Third Quarter.

Table 6
 PERCENTAGE DISTRIBUTION OF EMPLOYMENT
 BY MAJOR INDUSTRY

Industry	1985	1986	1987	1988
Agriculture, Fishery & Forestry	49.0	50.0	47.8	46.1
Mining & Quarrying	0.6	0.7	0.7	0.7
Manufacturing	9.7	9.2	9.9	10.4
Electricity, Gas & Water	0.4	0.3	0.4	0.4
Construction	3.4	3.1	3.6	4.0
Wholesale & Retail Trade	13.2	13.7	13.7	13.8
Transportation, Storage & Community Services	4.7	4.1	4.5	4.9
Financing, Insurance, Real Estate & Business Services	1.7	1.9	1.9	1.8
Community, Social & Personal Services	17.2	17.1	17.4	17.8

Sources: Reyes *et al.* (1988), Table 12
 NSO, Labor Force Survey, various years.

Table 7
 COMMUNITY EMPLOYMENT AND DEVELOPMENT PROGRAM
 SUMMARY OF ACCOMPLISHMENTS AS OF FEBRUARY 1988
 1986 and 1987 Program

	1986 Program	1987 Program	Total
Allocation (P000)	4,177,735 <u>1/</u>	4,857,134	9,034,869
Releases (P000)	3,334,977	3,920,966 <u>3/</u>	7,255,943
Percent Support	79.8	80.7	80.3
Disbursement (P000)	2,509,120 <u>2/</u>	2,312,887	4,822,007
Percent Utilization	75.2	59.0	66.5
Number of Projects			
Target	22,842	30,999	53,841
Completed	20,148	21,686	41,834
Ongoing	2,410	7,891	10,301
Unstarted	284	1,561	1,845
Percent Implemented	98.8	95.4	96.8
Employment Generation			
Target Man-days	19,446,245	29,037,119	48,483,364
Generated Man-days	18,647,668	18,204,235	36,851,903
Percent Accomplished	95.9	62.7	76.0
Equivalent No.ofJobs	389,853	405,603	795,456

1/ Revised allocation; original amount was P3.9 billion

2/ Excludes disbursements of five agencies due to non-availability of reports

3/ Actual amount received by line agencies out of the P4.2 billion advice of allotment (AA) from DBM

Source: NEDA, National Planning and Policy Staff.

Table 8
EMPLOYMENT, INCOME AND WAGE CHARACTERISTICS OF CEDP WORKERS
COMPARED WITH MACRO PARAMETERS OR STANDARD, BY REGION

Region	Employment Characteristics	Income Characteristics		Wage Characteristics
	Proportion of Workers Unemployed Before CEDP (%)	Proportion of Workers w/ Monthly Family Incomes Below the Subsistence Level (%) <u>1/</u>	Proportion of Workers w/ Monthly Family Incomes Below the Poverty Line (%) <u>2/</u>	Proportion of Workers with Daily Incomes Below the Effective Minimum Wage (%) <u>3/</u>
Phils.	54.4	53.7	81.9	85.7
NCR	35.1	39.7	75.8	82.9
I	52.9	62.3	87.5	80.8
II	63.7	49.5	76.2	87.6
III	58.9	40.5	83.2	86.9
IV	60.0	46.3	85.5	82.1
V	56.0	55.9	84.2	94.0
VI	61.2	64.0	88.2	86.4
VII	62.3	69.1	83.1	88.0
VIII	55.2	73.9	84.2	93.3
IX	55.4	49.8	68.7	82.3
X	67.2	58.5	85.4	90.3
XI	57.3	53.0	78.1	96.1
XII	58.4	67.3	90.0	92.0

1/ The subsistence line refers to the monthly food threshold for a family of six. In 1985, the subsistence line for the Philippines was ₱1,191.00.

2/ The poverty line to the monthly income required to satisfy almost 100 percent of nutritional requirements and other needs of family of six. In 1985, the poverty line in the Philippines was ₱2,382.00.

3/ The effective daily minimum wage of non-agricultural workers in NCR is ₱57.83 while that of non-agricultural workers outside NCR is ₱56.75.

Source: NEDA. Based on a survey done, i.e., Workers' Profile Survey, July 1987 to Aug. 1987

incomes below the poverty line; and 86 percent had daily incomes below the effective minimum wage.

There were other successful features of the program like the active participation of the NGOs and PVOs in the monitoring and coordination of the projects. This allowed for more transparency and in effect reduced anomalies in the implementation of the projects. This is one aspect which can be adopted as an integral part of the existing and future programs of the government.

Indeed, through CEDP the government was able to provide more infrastructure facilities to the rural people and help increase their incomes. However, whether this favorable effects can be sustained is a big question. Unless other programs complementing CEDP are put in place and become operational fast enough, we might find ourselves back to where we started before.

There have been some attempts in Congress to preserve some features of CEDP in some of the laws it passed, prominent among which is Republic Act No. 6685. This law requires contractors to whom government public works projects have been awarded under contract, to hire at least 50 percent of the unskilled and at least 30 percent of the skilled labor requirements from the bona fide residents of the locality in which the projects are to be undertaken. Said law also provides that those who fail to enforce this requirement shall be duly penalized. This is a positive step and should the implementation of this requirement be followed strictly, this law may still contribute significantly to labor absorption and employment creation especially in rural areas.

B. Wages, Salaries and Other Forms of Compensation

A large proportion of the labor force derives income from wages. As of 1988, wage and salary workers in the private sector accounted for 37.6 percent of total employed. In addition, 8.1 percent who are in government also primarily derive income from salaries. Recent data show decreasing real wages which reflect the deteriorating living conditions of the workers. To address the problem of falling real wages and in accordance with the Constitutional provision which guarantees the workers' right to a living wage, the Aquino government continues to raise nominal wages through minimum wage legislation and other laws increasing the material well-being of the workers.

The government gives emphasis to the workers' need for a decent daily wage and for a flexible wage bargaining system that reflects productivity. Two significant labor legislations were enacted in this regard, i.e., Executive Order No. 178 (which took effect on May 1, 1987) which integrates the cost-of-living-allowance (COLA) into the basic pay and R.A. No. 6640 (December 1987) which provides for an increase in the salaries of government employees by 10 pesos per day and in the minimum wage

and salary rates of workers in the private sector by 10 pesos per day for agricultural and nonagricultural workers in Metro Manila and 11 pesos per day for nonagricultural workers outside Metro Manila. In addition to these legislations, the DOLE issued D.O. No. 13 Series of 1988 providing guidelines to ensure that the adjustments in the statutory minimum wage effected by R.A. 6640 are properly implemented by all concerned.

The government also recognizes its role in alleviating poverty within its own ranks by adjusting the salaries, wages, and the nonwage compensation of government employees. Increases in wages and salaries of civil servants will not only serve as morale booster to improve the quality of public service but will also hopefully reduce corruption and red tape in government.

In the first year of the Aquino government, Executive Order No. 31 was issued granting two-salary step adjustments which is approximately equivalent to a 10 percent increase, to government employees. Likewise, EOs granting and expanding the coverage of the year-end bonus, the cash gift and the medical allowances were also enacted (See Appendix B for a listing and description of these EOs and laws concerning labor and employment).

In 1987, a series of Executive Orders (EOs) and Memorandum Orders (MOs) granting an increase amounting to five percent of basic salary for career executive service positions and 30 percent of basic salary for all rank and file employees in specific government agencies were issued. In the same year, the coverage of the grant of nonwage compensation was extended. (See Appendix B.)

With the aim of developing an alternative system of minimum wage fixing that will bring about better income distribution, the National Wages Council (NWC) embarked on a program called Wage Policy Review. The program includes regular price monitoring and cost of living analysis including the effects of price changes on wage and the purchasing power of the peso. The program also generates occupational wage data in the various industries.

The most recent adjustments in the minimum wage have been effected by the passage of Republic Act No. 6727 also known as the Wage Rationalization Act, which allowed for a 25-peso increase in the minimum wage effective July 1989 of workers in the National Capital Region and outside except for the following:

1. ₱20.00 those in plantation agricultural enterprises with an annual gross sales of less than ₱5 M in the fiscal year immediately preceding the effectivity of the Act;
2. ₱15.00 for those in the following enterprises:
 - a. non-plantation agriculture
 - b. cottage/handicraft

- c. Retail/Service regularly employing not more than 10 workers
- d. Business enterprises with a capitalization of not more than ₱500,000 and employing not more than 20 workers.

With the implementation of EO No. 178, RA 6640, and RA 6727, the legislated money wages of workers in both the public and private sectors increased (See Table 9). RA 6640 finally raised the minimum wage of Metro Manila non-agricultural workers to ₱69.33 per day. For the agricultural workers, it was raised to ₱58.50 and ₱47.12 per day for plantation and non-plantation workers, respectively. Effective July 1989, the legislated minimum wage was ₱94.33. In real terms, however, these increases do not mean much for they have been eroded by rising prices of goods and services. The legislated real wages in both the agricultural and non-agricultural sectors have continuously been declining since 1982. In fact, it was only in December 1987 when RA 6640 took effect that real wages slightly increased. However, the discrepancy between the nominal and real wages have further widened. The National Wages Council also provides data on actual wages of workers in selected occupations in the private sector. The figures, however, reveal increasing real wages for practically all the occupations included in the survey and for the entire period under consideration (See Table 10). The inconsistency here may be accounted for by the fact that most of those firms included in the surveys are large firms in Metro Manila which offer pay packages much higher than the legislated minimum wage on account of their relatively good business performance or because they are governed by CBAs. It should be noted that workers in most of the big firms in Metro Manila are strongly unionized and labor standards including wages in these firms are mostly governed by CBAs.

The increase in the minimum wage does not also offer much relief especially when viewed against the needs of the workers. For example, as of 1988, a principal breadwinner of a family of six would need about ₱88.90 per day or an equivalent of ₱22.20 based on 1978 prices. This is actually less than the average cost of daily food and other basic necessities for a reference family of six as (Tables 11-A and 11-B) of 1988. For example, a family of six in Metro Manila spends about ₱142.70 daily on food and other necessities. This figure, however, does not distinguish between families with multiple wage earners and those with single breadwinners. The current minimum wage of ₱94.33 appears adequate enough in relation to the minimum amount a principal breadwinner needs to support a family of six as of 1988. However, for a real value of ₱21.21, this amount is definitely inadequate as prices have risen significantly again.

Table 9
LEGISLATED MONEY AND REAL WAGES
(1975 to 1989)

	Non-Agricultural Sector				Agricultural Sector			
	Metro Manila		Outside MM		Plantation		Non-Plantation	
	LW	RW	LW	RW	LW	RW	LW	RW
1975	10.65	12.94	10.65	13.90	7.13	9.31	7.13	9.31
1976	12.09	13.94	11.37	13.42	8.75	4.77	8.03	9.48
1977	14.40	15.40	13.32	14.28	11.15	11.95	10.07	10.79
1978	15.74	15.74	14.65	14.65	12.48	12.48	11.40	11.40
1979	20.48	17.17	19.40	16.55	16.63	14.19	14.16	12.08
1980	27.39	19.36	26.30	19.00	22.68	16.49	17.03	12.30
1981	31.37	19.77	30.29	19.32	25.85	16.49	19.43	12.39
1982	31.82	18.06	30.74	17.81	26.18	15.17	19.65	11.38
1983	34.22	17.52	33.14	17.48	27.97	14.75	20.95	11.05
1984	48.47	16.63	47.38	16.60	39.66	13.90	29.92	10.48
1985	57.08	16.22	56.00	15.87	46.67	13.23	35.67	10.11
1986	57.08	15.41	56.00	15.90	46.67	13.25	35.47	10.12
Jan	57.08	15.47	56.00	15.65	46.67	13.04	35.67	9.97
Feb	57.08	15.45	56.00	15.54	46.67	12.95	35.67	9.90
Mar	57.08	15.39	56.00	15.52	46.67	12.93	35.67	9.88
Apr	57.08	15.54	56.00	15.81	46.67	13.18	35.67	10.07
May	57.08	15.58	56.00	15.93	46.67	12.27	35.67	10.14
Jun	57.08	15.61	56.00	16.06	46.67	13.39	35.67	10.23
Jul	57.08	15.48	56.00	16.10	46.67	13.42	35.67	10.26
Aug	57.08	15.42	56.00	16.11	46.67	13.42	35.67	10.26
Sep	57.08	15.39	56.00	16.09	46.67	13.41	35.67	10.25
Oct	57.08	15.28	56.00	16.05	46.67	13.38	35.67	10.22
Nov	57.08	15.22	56.00	15.97	46.67	13.31	35.67	10.17
Dec	57.08	15.07	56.00	15.95	46.67	13.29	35.67	10.16
1987	58.27	14.73	57.24	15.74	47.67	13.11	36.49	10.04
Jan	57.08	15.02	56.00	15.84	46.67	13.20	35.67	10.09
Feb	57.08	14.86	56.00	15.77	46.67	13.14	35.67	10.04
Mar	57.08	14.79	56.00	15.77	46.67	13.14	35.67	10.04
Apr	57.08	14.80	56.00	15.79	46.67	13.16	35.67	10.06
May	57.83	14.91	56.75	15.84	47.21	13.18	36.00	10.05
Jun	57.83	14.66	56.75	15.66	47.21	13.03	36.00	9.94
Jul	57.83	14.52	56.75	15.48	47.21	12.88	36.00	9.82
Aug	57.83	14.52	56.75	15.42	47.21	12.83	36.00	9.78
Sep	57.83	14.52	56.75	15.32	47.21	12.75	36.00	9.72
Oct	58.50	14.27	57.42	15.51	47.67	12.87	36.29	9.80
Nov	58.50	14.36	57.42	15.41	47.67	12.80	36.29	9.74
Dec	58.50	16.81	69.33	18.42	58.50	15.55	47.12	12.52

1988	69.33	16.81	69.33	18.42	58.80	15.55	47.12	12.52
1989	94.33	21.21	94.33	21.21				

LW - Legislated wage RW - Real wage

Legislated money wage is the total of minimum wage, cost of living allowances and 13th month pay; for real wages: 1978 = 100

Source: National Wages Council, DOLE.

Table 10
DAILY REAL WAGES OF SELECTED OCCUPATIONS
IN THE NON-AGRICULTURAL PRIVATE SECTOR

Area/Occupation	1985	1986	1987	1988
Philippines	23.40	24.59	25.77	27.52
Carpenter	22.04	22.17	21.60	22.77
Cashier I	33.34	36.25	36.57	38.56
Clerk-Typist	26.04	27.59	30.16	29.94
Driver	21.48	23.69	25.06	27.03
Electrician	22.70	24.79	25.63	28.50
Janitor	20.99	21.82	22.96	23.96
Laborer	20.59	20.47	22.27	23.93
Mechanic I	23.20	24.66	26.20	28.97
Messenger	23.67	25.72	26.72	28.71
Plumber	21.23	21.82	22.39	23.62
Secretary	29.42	30.98	34.24	36.45
Telephone Operator	23.33	24.93	27.26	28.32
NCR	26.20	26.32	26.61	28.20
Carpenter	21.38	21.27	20.73	20.99
Cashier I	40.48	42.19	40.87	44.90
Clerk-Typist	30.55	30.51	33.27	32.05
Driver	23.87	23.72	24.12	24.62
Electrician	23.20	23.24	24.05	25.37
Janitor	21.40	21.47	21.97	22.30
Laborer	21.09	20.67	21.00	21.81
Mechanic I	23.63	22.98	23.63	26.88
Messenger	25.65	26.90	26.42	29.43
Plumber	22.04	25.75	20.22	22.47
Secretary	32.69	32.83	35.06	37.34
Telephone Operator	26.36	26.64	28.95	31.97
Outside NCR	22.20	23.60	24.75	27.47
Carpenter	22.00	22.38	21.77	23.73
Cashier I	29.15	31.98	32.71	34.48
Clerk-Typist	21.53	23.56	24.92	26.91
Driver	20.70	23.57	25.14	28.36
Electrician	22.40	25.40	25.88	30.71
Janitor	20.80	21.72	22.98	25.05
Laborer	20.47	20.38	22.51	25.05
Mechanic I	22.99	25.29	27.04	30.33
Messenger	22.23	24.21	25.85	27.87
Plumber	20.84	21.64	22.99	24.42
Secretary	26.20	27.96	31.27	35.06
Telephone Operator	21.42	23.33	25.10	25.70

Note: Daily real wages were computed by dividing the monthly real wages by 20 for a five-day week work schedule.

Source: National Wages Council.

Table 11-A
DAILY EARNINGS REQUIREMENT OF PRINCIPAL BREADWINNER
FOR A REFERENCE FAMILY OF SIX

	1986		1987		1988 a/	
Agricultural (ONCR)	44.4	(12.6)	46.2	(12.7)	49.9	(12.9)
Non-agricultural						
Philippines	79.2	(22.3)	82.2	(22.3)	88.9	(17.9)
NCR	80.2	(22.8)	83.2	(22.9)	89.9	(23.3)
ONCR	67.3	(18.2)	70.7	(17.9)	75.8	(17.9)

a/ Figures are for January 1988.

Note: Figures in parenthesis are real values (1978=100).

Sources: Special Release, NSO (various issues).

Table 11-B
AVERAGE COST OF DAILY FOODS AND OTHER
BASIC NECESSITIES FOR A REFERENCE FAMILY OF SIX
ON A GIVEN PATTERN OF FAMILY EXPENDITURES
(in Pesos)

	1986		1987		1988 a/	
Agricultural (ONCR)	110.1	(31.3)	141.2	(31.4)	123.4	(31.9)
Non-Agricultural						
Philippines	117.7	(33.1)	122.4	(33.2)	131.9	(32.9)
NCR	126.7	(34.2)	133.2	(33.7)	142.7	(33.6)
ONCR	117.0	(33.2)	121.5	(33.4)	131.0	(33.9)

a/ Figures are for January 1988.

Note: Figures in parenthesis are real values (1978=100).

Source: NSO, Special Release.

In addition to the wage increase, RA. No. 6727 hopes to accomplish more. Section 2 of the Act states these objectives succinctly:

"It is hereby declared the policy of the State to rationalize the fixing of minimum wages and to promote productivity-improvement and gain-sharing measures to ensure a decent standard of living for the workers and their families; to guarantee the rights of labor to its just share in the fruits of production; to enhance employment generation in the countryside through industry dispersal; and to allow business and industry reasonable returns on investment, expansion and growth."

To achieve these objectives, the State shall promote collective bargaining as the primary mode of setting wages and other terms and conditions of employment, and whenever necessary, the minimum wage rates shall be adjusted in a fair and equitable manner, considering existing regional disparities in the cost of living and other socio-economic factors and the national economic and social development plans.

This law in effect prescribes the fixing of minimum wages applicable to regions, provinces or industries following some criteria, among which as cited in the Act, include the following:

- a. the demand for living wages;
- b. wage adjustment vis-à-vis the consumer price index;
- c. the cost of living and changes or increases therein;
- d. the needs of workers and their families;
- e. the need to induce industries to invest in the countryside;
- f. improvements in standards of living;
- g. the prevailing wage levels;
- h. fair return to the capital invested and capacity to pay of employers;
- i. effects on employment generation and family income; and
- j. the equitable distribution of income and wealth along the imperatives of economic and social development.

At best, what the law can do is to effect the regionalization of wages allowing for higher minimum wages in areas where conditions warrant such higher levels. However, as

an instrument for industrial dispersal, the law will probably not be of much help. In the first place, labor cost almost always is not the major consideration in industry location since at the moment, it comprises only about 10-15 percent of total production cost. Likewise, without the usual infrastructure support and other ingredients of a good investment area, lower wages will not likely be an important attraction for industrial dispersal.

In the government sector, the major effort to adjust salaries was highlighted by the passage of Republic Act No. 6758, which basically prescribes a revised compensation and classification system in the government. In effect, the law assures that government personnel are paid just and equitable wages comparable with the private sector. Moreover, it mandates that periodic review of the compensation rates be done to account for possible erosion in purchasing power due to inflation. It also ensures that workers in government doing similar jobs are paid the same salaries following the scale and classification prescribed by the Act. In fact, what precipitated the initial effort to standardize salaries in government were the widespread disparities in the salaries of people working in different departments and agencies of the government.

All these laws adjusting the minimum wage especially in the private sector were introduced despite the government's explicit adherence to a policy of non-intervention in wage setting. Aside from the classic argument that a minimum wage is distortionary and inconsistent with a policy of full employment, the major argument against the setting of the minimum wage is that it is there but is not widely enforced. Besides, it is felt that adjustments in salaries and wages must be determined at the shop level wherein wage setting becomes an integral part of the collective bargaining agreement. Also, allowing exemptions to firms in the guise of being economically distressed is already a contradiction to the very objective of a minimum wage - to protect those workers who are not organized and who are not in a position to demand better wages. Unfortunately, the agencies concerned seem not to have the capability to closely monitor and enforce the law. If compliance rates are low as has been admitted by authorities especially outside of Metro Manila where most of the unorganized labor are and where the unions, if there are, are not that strong, then the minimum wage law ironically seems to protect only the few well organized union members in Metro Manila.

The other side of the argument suggests that wage setting should be left to management and the workers. The often-cited difficulty in this system is that only a small proportion of the total work force is organized (i.e., 21.0 percent in 1988) and able to effectively bargain for higher wages. But what significant difference does this make when these workers are in fact left out even with the minimum wage law in place? Nonpayment of minimum wage ranks the highest among labor

standards violations reported (See Table 12). Its share has been increasing from 6.3 percent in 1986 to 21.9 percent in 1988. Further, these laws do not really address the large number of families below the poverty line, most of whom are working in the informal sector.

If indeed the government will move away from direct interference in wage setting through minimum wage legislation, then more concrete efforts should be made to provide consistent and more readily available information to the workers. The government has already taken a big step in encouraging the organization of workers as well as instituting the necessary safeguards to protect them. However, we have yet to see the establishment of a system of information which will guarantee union members access to up-to-date and consistent information about the firm or industry which will help them in the bargaining negotiations. Also, if it is the honest opinion of the government that the workers can be better protected through the imposition of minimum wage law even on a transition basis, then extra effort should be taken to ensure full compliance to the law. There should be a shift from the passive monitoring schemes already in place in the agencies concerned to a more active and aggressive program of implementation and monitoring.

C. Labor Relations

From the start, the Aquino government has signified its intention to move away from the repressive labor relations laws of the previous regime. The policy pronouncements made concerning labor relations in the past two years attest to this. The government considers labor relations as a relevant issue in the face of the present economic situation and recognizes stable industrial peace as a necessary condition for national economic recovery. Certain pronouncements concerning labor relations are highlighted in the 1987 Constitution. Article XIII Section 3, for example, reads:

" The State ... shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities including the right to strike in accordance with law ... they shall participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

The State shall promote the principle of shared responsibility between workers and employees and the preferential use of voluntary modes of settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace ..."

Table 12
GENERAL LABOR STANDARDS
(1985-1988)

	1985	1986	1987	1988
Establishments Inspected on General Labor Standards	1,307	1,441	12,044	12,983
% of Establishments with Violations on General Labor Standards	51.7	52.3	42.7	50.8
Selected Labor Standards Violations				
Minimum Wage	7.7	6.3	13.7	21.9
ECOLA	7.5	6.8	14.6	2.8
Overtime Pay	10.5	7.5	3.8	3.0
13th Month Pay	13.3	12.1	8.3	6.6
Regular Holiday Pay	7.2	8.6	6.0	6.2
Special Holiday Pay	2.0	2.2	0.8	1.8
Incentive Leave	a/	8.7	5.5	2.7
Night Shift Differentials		1.8	2.1	0.9
Vacation/Sick Leave		2.4	0.4	0.3
Record Keeping		1.5	9.8	12.0
Falsification/Concealment		0.2	1.6	1.1

a/ - Not available

Source: Current Labor Statistics, Feb. 1989 (BLES-DOLE).

Moreover, it has also been emphasized in the country's development plan that the government will maintain its policy of nonintervention in union organization and administration. The government's role in the promotion of trade unionism in effect is limited to the provision of a democratic atmosphere conducive to the formation of labor organizations and the implementation of laws protecting workers' rights.

In compliance with the constitutional provisions and the policy pronouncements made by President Aquino concerning labor relations, especially during her first Labor Day speech on May 1, 1986, Executive Order No. 111 and the Implementing Rules which accompany it were issued in December 1986. This was the initial but, perhaps the most crucial instrument in changing the repressive labor laws of the past administration. It took some time though before it actually came out (i.e., 8 months after the pronouncement was made). The EO amends and repeals various provisions of the Labor Code. Specifically, it promotes and encourages public sector unionism by granting employees of government-owned or controlled corporations the right to organize and to bargain collectively. As a follow up, Executive Order No. 180 which provides the guidelines for public sector unionism and which led to the creation of the Public Sector Labor-Management Council, was issued in 1987. This EO in effect provides for the right of all government employees to form or join organizations and to negotiate with the appropriate government authorities on the terms and conditions of employment not fixed by law. These changes involving public sector labor relations actually bring us back to the famous Magna Carta of Labour (Republic Act No. 875) which was enacted in 1953. This Act provided for a system where employees employed in governmental functions, whose terms and conditions of employment were governed by law did not have the right to strike, while those in "proprietary functions of the government including but not limited to government corporations" were governed by provisions applied in the same manner as in the private sector. These privileges were, however, curtailed when Martial Law was imposed in 1972.

EO 111 also strengthens trade unionism by abolishing provisions in the Labor Code which limit the workers' rights and hinder them from bargaining collectively with their respective employers. In this regard, the law which strictly pursues the one-union-one-industry policy was repealed. EO 111 also orders the implementation of the policy of automatic certification election in representation issues. Likewise, the required percentage for union registration has been lowered from 30 to 20 percent while the 2/3 strike vote requirement was revised to a simple majority vote. The EO also allows unions to ignore the 15-day cooling-off period in case of union busting, and orders the military and the police forces to keep out of the picket lines in cases of strikes. Moreover, LOI 1458 which allows management to replace striking workers who defy return to work orders was repealed.

The defects in the dispute settlement procedures as well as corruption and sectoral interest have caused delays in the resolution of most cases concerning unions and employers in the past. The delays resulted in prolonged strikes, greater losses in terms of mandays and productivity, and oftentimes, in violence. In order to minimize strikes and to facilitate the workers' right to seek redress for legitimate grievances, the governments' dispute settlement machinery, i.e., the National Labor Relations Commission (NLRC) was to be professionalized and cleansed of sectoral interest by appointing in the Commission men of honesty and integrity. In this regard, Executive Order No. 47 which reorganizes the NLRC was issued in September 1986. To further strengthen the NLRC, Executive Order No. 252 was issued on July 1987 which revises the composition of the NLRC, the appointment procedures and the qualifications of members which will comprise the commission.

To align the Department of Labor and Employment's objectives with that of the government, Executive Order No. 251 was issued on July 25, 1987 which reorganized the DOLE. Included in the reorganization was the establishment of the National Conciliation and Mediation Board (NCMB) which is tasked with absorbing the conciliation, mediation and voluntary arbitration functions of the Bureau of Labor Relations (BLR). This board was established to stress preventive rather than remedial actions in labor-management relations. To promote voluntary arbitration as the preferred mode of dispute settlement, the Tripartite Voluntary Arbitration Advisory Council which is attached to the NCMB was also created by EO 251. The DOLE also issued Department Order No. 16-A Series of 1987 which provides for the creation of a Tripartite Review Committee that will study the existing labor relations provisions of the Labor Code, with the view of determining changes and improvements on the laws which can be recommended to the President and to Congress to ensure the effective promotion of industrial peace, social justice and national recovery.

In addition to these legislations, projects such as the UP-IIR/DTI Promotion of Harmonious Industrial Relations Project (PHIR) and the Labor Education Program (LEP) of the BLR-DOLE were launched. The PHIR aims to promote industrial peace through the conceptualization and implementation of activities that advocate preventive efforts and enhance cooperation between labor and management. On the other hand, the LEP aims to provide information on labor laws, policies, rules and regulations, to labor and management through dialogues and seminars.

How much have these laws changed the labor relations condition in the country? During the past two years, an improvement in the overall labor relations climate is notable. An examination of the figures on strikes given in Table 13 shows a sharp increase in the number of actual strikes at the rate of 44.6 percent in 1985-86. During this period, newly-

Table 13
 NUMBER AND GROWTH RATES OF ACTUAL STRIKES
 1985-1988

	N U M B E R			
	1985	1986	1987	1988
TOTAL STRIKES	413	597	484	296
Pending, Beginning	42	16	48	30
New Strikes Declared	371	581	436	266
CASES DISPOSED	397	549	454	288
WORKERS INVOLVED (000)	111	169	90	76
MAN-DAYS LOST (000)	2,458	3,652	1,908	1,497
	GROWTH RATE IN PERCENT			
	1985-86	1986-87	1987-88	1986-88
TOTAL STRIKES	44.6	(18.9)	(38.8)	(50.4)
Pending, Beginning	(61.9)	200.0	(37.5)	87.5
New Strikes Declared	56.6	(25.5)	(39.0)	(54.2)
CASES DISPOSED	38.3	(17.3)	(36.6)	(47.5)
WORKERS INVOLVED (000)	52.3	(46.7)	(15.6)	(55.0)
MAN-DAYS LOST (000)	48.6	(47.8)	(21.5)	(59.0)

Note: Numbers in parenthesis are negative numbers.

Sources: Bureau of Labor and Employment Statistics.
 Yearbook of Labor Statistics, DOLE.

declared strikes rose by 56.6 percent while man-days lost increased by 48.6 percent. Various studies on labor relations (e.g., ILO 1986) point out that the rise in the incidence of strikes in 1986 was mainly due to the newly-acquired sense of freedom as well as the pro-labor stance of the then Minister of Labor (e.g., decisions on strikes and other labor disputes which were in favor of unions).

In 1987, a very encouraging improvement can be observed as the number of actual strikes decreased by 18.9 percent. The decline in the incidence of strikes continued in the following year at an even faster rate, 38.8 percent. The implementation of EO 111 in December 1986 contributed largely to this marked improvement. Collective bargaining agreement as a preferred mode of settling labor disputes proved to be an effective tool in achieving industrial harmony and in minimizing losses in productivity and other forms of work stoppages.

With the government maintaining a non-interventionist stance on union organization and administration as well as its actual encouragement on workers to organize, the last two years saw a rise in the number of existing unions and total union membership. (See Table 14). From a total of 2,353 in 1986, the number of active unions increased to 3,235 in 1988. This is equivalent to a 37.5 percent rate of increase. Total union membership also increased but at a lower rate of 2.05 percent during the same period. From 4.8 million in 1986, total membership rose to 4.9 million in 1988. This represents about 50 percent of the total wage and salary workers in the country.

Public sector unions also increased at a rate of 172.4 percent during the 1987-88 period, from 29 in 1987 to 79 in 1988. The rise in the number of public sector unions and its corresponding membership is the result of EOs 111 and 180 which granted employees of government corporations the right to organize and bargain collectively.

Despite the increase in the number of public sector unions as the result of EOs 111 and 180, the problem of determining the limit and extent of public union rights arose because of lack of complete and clear guidelines. Moreover, even if EO 180 promotes and encourages public sector unionism, government unions are banned from staging strikes as provided for in the Civil Service Law. The recent strikes staged by employees of the Department of Education, Culture and Sports, for example, brought to fore serious legal as well as political questions regarding public sector unionism. First, there is the question of whether the constitutional provision regarding the rights of all workers to self-organization, collective bargaining and negotiations and peaceful concerted activities including the right to strike, refer only to the rights of workers in the private sector. Second, there remains a question as to who in the government service are entitled to collective bargaining activities. EO 180

Table 14
 LABOR ORGANIZATIONS AND COLLECTIVE BARGAINING AGREEMENTS
 (1985-1988)

	1985	1986	1987	1988
LABOR ORGANIZATIONS				
Unions Registered/ Restored	192	359	485	399
Unions Cancelled	0	1	1	1
Active Unions	1,996	2,353	2,837	3,235
Total Union Membership (000)	4,789	4,840	4,890	4,939
COLLECTIVE BARGAINING AGREEMENTS				
CBAs Newly-Filed	1,086	1,128	1,459	1,434
Expired CBAs	-	810	694	902
Existing CBAs	2,029	2,347	3,112	3,644
Workers Covered (000)	262	313	355	378
PUBLIC SECTOR UNIONS				
Unions Registered	na	na	29	50
Existing Unions	na	na	29	79
Total Membership				

na - not available

Sources: Current Labor Statistics, Feb. 1989 (BLES-DOLE)
 Yearbook of Labor Statistics, 1986, DOLE.

does provide for negotiations on the terms and conditions of employment not fixed by law. But what terms and conditions in the government are not governed by law? Third, if indeed these government employees are not allowed to go on strike as provided by law, what legal actions can be taken against them? Is the government prepared to take these legal actions? Given these unresolved questions and the seemingly ambivalent attitude of the government towards these issues, more problems are likely in the future.

The rise of unionism in both the private and the public sectors along with the promotion of the practice of collective bargaining as a principal mode in resolving labor-management conflicts and determining wages and other labor standards influenced the growth of CBAs. Existing CBAs rose from 2,347 in 1986 to 3,644 in 1988. There was also an increase in the number of workers covered by CBAs during the period.

D. Labor Standards and Workers Welfare

The government adheres to the principle of social justice and aims to protect workers' welfare by providing them just and fair working conditions and nonwage benefits such as social security and compensation for work-related sickness and deaths. These non-pecuniary aspects of compensation for work are crucial due to their direct effects on productivity. The effectiveness of laws concerning labor standards and welfare depends on their practical applicability and on the availability of proper procedures and machinery for enforcement.

The country's development plan calls for the revitalization and expansion of the labor inspectorate system in order to strictly enforce labor standards laws. The inspection system will not only include inspection of general labor standards but also of occupational health and safety. This is in response to the increasing number of cases of noncomplying employers. Noncompliance of employers to minimum labor standards led to losses in terms of productivity, destruction of property, more expenditure for employees compensation, and suffering of victims of industrial accidents.

In this regard, specific labor standards laws were implemented. In 1986, Executive Order No. 28 which amends certain provisions of RA No. 1161 known as the Social Security Law and Executive Order No. 1102 which further amends RA 1161 were issued. These EOs increased some of the existing benefits and added new ones without increasing the contributions of members. In 1987, the President authorized an increase in social security benefits in addition to those authorized through Executive Order No. 179. The EO increases the employee compensation benefits for work-connected contingencies as well as death benefits under the employees compensation program.

To upgrade the capability of the government to eliminate or reduce work-related injuries, illnesses and deaths, the Occupational Safety and Health Center (OSHC) was established to operate under the supervision of the Employees' Compensation Commission through Executive Order No. 807 issued in 1987. The Center serves as the expert on industrial disease and occupational safety intelligence and as a training center that will provide the mechanisms in the achievement of the objectives set in the EO.

The revitalization and expansion of the labor inspectorate system to strictly enforce labor standard laws resulted in an increase in the number of establishments inspected from 1,441 in 1986 to 12,044 and 12,983 in 1987 and 1988, respectively. The number of establishments violating general labor standards decreased from 52.3 percent in 1986 to 42.7 percent in 1987. However, the figure increased to 50.8 percent in 1988. The increase was presumably due to the full resumption of inspections in 1987. (See Tables 15, 16, 17, and 18.)

E. Overseas Employment

The rapid outflow of contract workers in search of better opportunities gave rise to the widespread problem of illegal recruitment and increasing cases of abuses and violations (e.g., contract alteration in worksite, harassment and maltreatment, etc.) committed by employers abroad. In this regard, the President directed the DOLE to exert utmost efforts to curb illegal recruitment practices, ensure compliance by recruiters and their principals to their contractual obligations with the workers, and prevent any form of exploitation of Filipino workers abroad. In response to these directives, the DOLE through the Philippine Overseas Employment Administration (POEA) established an anti-illegal recruitment branch within the satellite offices in the regions for the surveillance of establishments suspected to be undertaking illegal recruitment activities, filing of cases in proper courts, and dissemination of information against illegal recruitment. The POEA was reorganized through Executive Order No. 247 issued in July 1987. The reorganization was carried out to systematize the operations of the POEA by rationalizing its functions, structure and organization thus making it more efficient in formulating and implementing programs which promote and monitor overseas employment of Filipino workers and protect their rights to fair and equitable employment practices. This effort is definitely in support of the open policy of the government to allow workers to work abroad as a temporary solution to the unemployment problem of the country as explicitly stated in the medium-term development plan.

With the increase in the number of cases reporting abuses committed against female domestic workers, the DOLE through the POEA imposed a temporary ban on the export of women domestic workers effective March 1, 1988. This ban was lifted only recently.

Table 15
 ENFORCEMENT OF GENERAL LABOR STANDARDS LAWS
 (1985-1988)

	1985	1986	1987	1988
Establishments Inspected	1307	1,441	12,044	12,983
Establishments with Violations	676	754	5,145	6,590
Establishments with Violations Corrected	a	535	1,533	1,213
Workers Benefited	2122	4,757	34,440	30,234
Amount of Field Restitutions (000pesos)	228	889	33,421	33,920

a - not available

Source: Current Labor Statistics, Feb. 1989 (BLES-DOLE).

Table 16
LABOR STANDARDS CASES
(1986-1988)

	1986	1987	1988
A. REGIONAL OFFICES (ORIGINAL)			
Cases Pending, Beginning	1,377	767	1,240
Cases Newly-Filed	1,617	2,844	2,252
Total Handled	2,994	3,611	3,492
Total Disposed	2,227	2,371	2,036
Cases Decided/Settled	1,602	1,979	1,778
Workers Benefited	13,928	21,276	22,455
Amount of Benefits (PM)	20.9	44.7	32.7
B. OFFICE OF THE SECRETARY (APPEALED)			
Cases Pending, Beginning	456	342	188
Cases Newly-Filed	178	108	248
Total Handled	634	450	436
Total Disposed	294	262	412
Workers Benefited	771	336	2,690
Amount of Benefits (PM)	3.4	3.2	13.8

Source: Current Labor Statistics, Feb. 1989 (BLES-DOLE).

Table 17
HEALTH AND SAFETY STANDARDS
(1986-1988)

	1986	1987	1988
Establishments Inspected on Health and Safety	917	7,821	11,172
% of Establishments with Violations on Health and Safety	63.5	43.3	42.3
Selected Health and Safety Standards Violations			
Safety Committee Organized	13.0	13.4	12.2
Registration	16.9	3.7	10.7
Reports on Accidents	1.5	9.1	5.5
Record on Accidents	0.0	2.3	0.4
Personnel Protective Equipment	2.0	2.0	1.5
Housekeeping	12.3	2.8	1.7
Provision of Health Personnel	2.9	6.6	5.1
Adequacy of Medicine	15.6	5.8	5.9
Ventilation	0.7	1.0	0.7

Source: Current Labor Statistics, Feb. 1989 (BLES-DOLE).

Table 18
ANTI-ILLEGAL RECRUITMENT CAMPAIGN
(1986-1988)

	1986	1987	1988
Complaints Received	2,137	2,251	2,368
Cases Resolved/Acted Upon	2,238	2,557	1,480
Workers Benefited	4,736	3,461	1,616
Amount Involved (P M)	35.4	27.6	62.5

Source: Current Labor Statistics, Feb. 1989 (BLES-DOLE).

Aside from the abovementioned laws and policies, there seem to be no explicit policies which protect workers from abuses and violations at the worksite. In most cases, the laws of the labor importing countries limit the government's jurisdiction over cases of violations and abuses. Courts and administrative procedures are, therefore, rendered ineffective. In some cases, embassy personnel are more concerned with protocol and image-building, and oftentimes intentionally ignore and neglect their responsibilities to the workers. It also seems that the workers lack the knowledge and information about their rights, their new work environment and worksite practices. There have been numerous cases of fraud and sexual harrassments, especially of domestic helpers, which remained unresolved and at best resulted only in the safe return of the victims.

The anti-illegal recruitment campaign of the government has resulted in more complaints filed (Table 18) over the period 1986-1988. The seemingly increasing abuses committed against workers on account of illegal recruitment, however, do not seem to discourage workers to go abroad as the total number of processed overseas contract workers continued to increase from 389,200 in 1985 to 477,764 in 1988 (Table 19). Most of these contract workers go to the Middle East and other countries in Asia (Table 20) and work as laborers and domestic helpers, i.e., service workers (Table 21). This evidently reflects the still unfavorable conditions in the domestic labor market.

The curbing of illegal recruiters remains a major task of the government in its effort to protect prospective overseas workers. Much can still be done to solve this problem in terms of policy. Since one of the major causes of the illegal recruitment problem is the lack of information on the part of the workers, there ought to be a more vigorous information campaign especially for workers on their rights and the available services our embassies/consulate offices provide in case problems arise. For example, they should be made aware of the existence of welfare centers established by the Overseas Workers' Welfare Administration (OWWA) in countries like Saudi Arabia, Japan, Italy and Greece. Similarly, our foreign affairs personnel deployed in these areas should be better informed or trained on what help they can and are obliged to extend to these workers. Moreover, the current licensing procedures tend to limit the number of authorized recruitment agencies. This limited number of authorized recruiters may have given rise to more illegal recruiters as there remains an increasing number of applicants for overseas jobs. It would probably help if POEA would take steps to increase the number of legal recruiters, but at the same time maintain an efficient monitoring scheme to ensure that no illegal procedures of recruitment are practised by these recruiting agencies.

Table 19
 PROCESSED OVERSEAS CONTRACT WORKERS
 (1975-1988)

YEAR	LAND-BASED	SEA-BASED	TOTAL
1975	12,501	23,534	36,035
1976	19,221	28,614	47,835
1977	36,676	33,699	70,375
1978	50,961	37,280	88,241
1979	92,519	44,818	137,337
1980	157,394	57,196	214,590
1981	210,936	55,307	266,243
1982	250,115	64,169	314,284
1983	380,263	53,944	434,207
1984	371,065	54,016	425,081
1985	337,754	51,446	389,200
1986	357,687	56,774	389,200
1987	425,881	70,973	496,854
1988	381,892	95,872	477,764

Source: Philippine Overseas Employment Administration (POEA).

Table 20
 PROCESSED LAND-BASED CONTRACT WORKERS
 BY COUNTRY OF DESTINATION
 (1983-1987)

	1983	1984	1985	1986	1987
AFRICA	2,353	2,146	2,053	2,072	2,125
OCEANIA	2,072	1,027	845	1,129	1,344
ASIA	40,814	43,385	54,411	76,650	96,018
EUROPE	2,878	3,724	3,679	4,225	6,610
MIDDLE EAST	323,414	311,517	266,617	262,758	306,757
AMERICAS	5,646	5,905	6,897	6,692	7,574
TRUST TERRITORIES	3,086	3,361	3,252	4,161	5,453
TOTAL	380,263	371,065	337,754	357,687	425,881

Source: Philippine Overseas Employment Agency (POEA).

Table 21
PROCESSED CONTRACT WORKERS BY OCCUPATION

	1984	1985	1986	1987
A. LAND-BASED WORKERS	371,065	337,754	357,687	425,881
Professional, Technical and Related Workers	51,403	57,617	87,569	112,236 a/
Entertainers	13,998	18,342	26,816	-
Managerial, Executive and Administrative Workers	1,222	1,202	1,317	1,675
Clerical Workers	15,117	15,141	15,261	15,929
Sales Workers	2,295	2,780	3,562	4,268
Service Workers	77,564	91,381	117,127	144,549
Agricultural, Animal Husbandry, Forestry Workers and Fishermen	1,578	1,217	1,557	2,690
Production Process Workers, Transport Equipment Operators and Laborers	207,888	150,074	131,294	144,541
B. SEA-BASED	54,016	51,446	56,774	70,973
TOTAL PROCESSED WORKERS	425,081	389,200	414,464	496,854

a/ Includes entertainers

Source: POEA Annual Report (various years).

Considering, therefore, the significant contribution they offer to nation building in terms of their foreign exchange remittances (Table 22), these workers rightfully deserve adequate protection from abuses both here and in their worksites, which the government should consistently provide.

III. FUTURE DIRECTIONS

The future of Philippine labor and employment depends to a large extent on the policies and laws that will be implemented by the government. Future directions can be gleaned from the numerous bills filed in the Senate and the House of Representatives, as well as the laws which have been recently approved (See Appendix C). An examination of these laws and bills seem to suggest the following general observations:

A. There is a continuous effort to expand and increase labor absorption in the rural areas. Specifically, Senate Bill Nos. 265 and 670 aim to generate employment in the rural areas and promote comprehensive rural development by providing registered cottage and small-medium scale industries fiscal incentives in the form of tax exemptions, tax credit and access to bonded and warehousing system, nonfiscal incentives such as preferential treatment of registered industries in the availment of commercial or development loans, and protection of investment. Similarly, Senate Bill No. 743 (Magna Carta for Small Business) and House Bill No. 17848 (Kalakalan ng 20 or popularly known as the Orbos Bill) give priority to small businesses. Both bills aim to enhance and accelerate the growth of small enterprises through the provision of credit and other incentives. The Orbos Bill specifically targets those enterprises with less than 20 workers and which are located in the countryside. It offers these enterprises exemption from the payment of income taxes and the minimum wage law but not laws on labor standards, social security, employees compensation, medicare and health and safety standards. Further, the bill attempts to simplify the registration procedures to encourage more entrepreneurs to go into small businesses. In effect, entrepreneurs who qualify only have to pay an annual registration fee of ₱250.00 for every ₱50,000 of assets in the city or municipality where they are located. The underlying objective is to minimize government intervention in the activities of these small businesses at the same time provide the necessary assistance and protection they need. While this may sound encouraging as success stories are available especially that of the Italian case, there is widespread apprehension as to its ability to indeed promote the growth of micro enterprises. As of 1986, more than 94 percent of all nonagricultural establishments are small with employment size of 10 or less and a large proportion of these establishments are operating in the informal sector, also popularly called the "underground economy." Most of these establishments operate

Table 22
 PROCESSED AND DEPLOYED OVERSEAS WORKERS AND REMITTANCES

OVERSEAS EMPLOYMENT				
Processed Contract Workers	389,200	414,461	496,854	477,764
Land-based	337,754	357,687	425,881	381,892
Sea-based	51,446	56,774	70,973	95,872
Deployed Contract Workers	372,784	378,214	449,271	471,030
Land-based	320,494	323,517	382,229	385,117
Sea-based	52,290	54,697	67,042	85,913
REMITTANCES FROM OCW				
(In US\$M)	687.2	680.44	791.91	845.7
Land-based	597.9	571.75	671.43	675.6
Sea-based	89.3	108.69	120.48	170.1

Source: Philippine Overseas Employment Agency (POEA).

under no formal regulation and in effect do not pay any taxes or fees. While this sector has been viewed as a low-productivity sector accommodating workers more on a temporary and short-term basis, its size has been growing over the years and its contribution to national output has been increasing as well. The passage of this bill, therefore, is viewed by some as something that will eventually wipe out the underground economy since this sector exists principally because it remains unregulated. Should this happen, overall employment and output will definitely be affected unfavorably. The other possibility, however, is that with better access to credit and other technical assistance, small enterprises will be better organized and perhaps be better prepared for future expansion. This will serve as an attraction for the existing ones to "formalize" and for new ones to join in. The other objection to the bill is the provision on exemption from the minimum wage. With about 94 percent of total employment in establishments with 10 workers and below, the exemption will deprive about 1,090,133 workers of higher wages. This is viewed as an anti-labor provision and should thus be modified.

The Magna Carta for Small Business similarly caters to small businesses, although bigger in size than those included in the Orbos Bill i.e., not more than 99 workers. Likewise, the provisions for credit and other incentives are similar. The Orbos Bill, however, is very specific about the location of the project eligible under its program, while the Magna Carta for Small Business is not, except that the projects should promote regional development and sub-contracting activities. Since these two bills are very similar in both objectives and scope, and since both of them are likely to involve the same set of government agencies in their implementations, they might as well be integrated into one law to avoid duplication and to ensure more efficient implementation.

B. The promotion of industrial peace will remain to serve as a key to the promotion of an investment climate attractive to foreign investors. This is evidenced by the approval of Republic Act No. 6715 (Amendments to Labor Code) in January 1989 which is the consolidation of Senate Bill No. 530 otherwise known as the Herrera Bill and House Bill No. 11524.

C. There is a move towards increasing income and productivity by providing incentives to labor and capital of industrial enterprises and through achieving and maintaining industrial peace. Likewise, wider protection of workers is envisioned in the bills which hope to include more workers in the provision of social security like the domestic helpers, to provide additional protection to handicapped workers against discrimination, and to increase protection of women against sexual harassment and discrimination with respect to terms and conditions of employment.

D. Finally, overseas workers will be given utmost assistance not only in the areas of recruitment and processing but also in the areas of credit and minimum wage fixing.

IV. AREAS FOR REFORMS

While it is becoming more evident that the government is more serious in tackling the problems of the labor sector, there still remain areas where further reforms are called for. Generally, employment policies and programs that are implemented in isolation will not be effective and may not be sustainable in the long-term. It is necessary, therefore, to integrate these employment policies and programs into the overall development strategy to complement the policies of the other sectors. There should also be serious efforts to avoid the duplication of programs implemented by the different agencies in government. Further, the expertise of more NGOs should be tapped to assist in the implementation of these employment programs.

The government should veer away from the minimum wage legislation as a way of improving the income of workers not only because noncompliance among firms is widespread but because it is distortionary in the first place. An information system should be put in place and institutionalized to provide consistent and readily available information to the workers and to facilitate the market determination of wages. Moreover, the total incomes approach should be adopted where the other nonmonetary aspects of workers' benefits will be given greater emphasis.

Bilateral agreements with labor importing countries should be given more emphasis to assure the protection of the workers especially on the work site and to ensure justice on the labor problems and benefits.

Finally, productivity enhancing programs for workers should be promoted not only to increase the workers' real incomes but also to contribute to economic growth. Likewise, human capital accumulation should also be emphasized especially in the manufacturing sector where skills are acquired on the job. This implies that we should concentrate on activities which have higher value added and which provide adequate opportunities for the workers to acquire new skills.

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Appendix A
TST-SELA/NGO-MCP APPROVALS
BY REGION
as of Oct. 23, 1989

REGION	TST-SELA Amount	No. of Beneficiaries	No. of NGOs	NGO-MCP Amount	No. of Beneficiaries	No. of NGOs
I	7,075,000	283	17			
CAR	7,216,000	289	21			
II	13,333,000	533	16			
III	3,125,000	125	11	9,050,000	362	9
IV	5,666,000	227	14			
V	2,570,000	103	12	1,625,000	65	6
VI	2,685,000	107	9			
VII	4,101,000	164	12	5,412,000	216	7
VIII	2,255,000	90	6	5,700,000	231	8
IX	1,700,000	68	12			
X	3,540,000	142	8	6,719,000	269	8
XI	3,302,000	132	12	6,350,000	254	9
XII	4,180,000	168	12			
NCR	4,970,000	199	11			
Totals	65,726,000	2,630	173	32,006,000	1,397	44

Source: Bureau of Small Scale Industries.
Department of Trade and Industry.

Appendix B
LIST OF LAWS CONCERNING LABOR AND EMPLOYMENT

TITLE	DESCRIPTION
I. EMPLOYMENT CREATION AND PROMOTION	
<p>Executive Order No. 336 Establishing Labor-Based Units in the Infrastructure Agencies of the Government and for Other Purposes (September 13, 1988)</p>	<p>To adopt labor-based methods in infrastructure projects to alleviate unemployment and underemployment, promote self-reliance, and conserve foreign exchange through reduced importation of construction equipment and fuel Agencies such as the BPWH, DLG, DOTC and NIA are directed to establish, within 6 months from the date of this Order, labor-based units (LBUS) in their respective agencies. These agencies shall also assist small contractors in organizing labor-based operations and in the training of their personnel.</p>
II. WAGES, SALARIES AND OTHER FORMS OF COMPENSATION	
<p>Republic Act (R.A.) No. 6640 An Act Providing for an Increase in the Wage of Public or Government Sector Employees on a Daily Wage Basis and in the Statutory Minimum Wage and Salary Rates of Employees and Workers in the Private Sector and for Other Purposes (Consolidation of Senate Bill No. 156 and House Bill No. 2842) (Dec. 10, 1987)</p>	<p>The act adjusts minimum wage outside of COLA integration. All workers and employees in the public or government sector on a daily wage basis shall receive an increase of ten pesos (P10.00) a day. The statutory minimum wage rates of workers and employees in the private sector shall be increased by:</p> <p style="padding-left: 40px;">P10.00 - Metro Manila for Agricultural and Non-Agricultural workers</p> <p style="padding-left: 40px;">P11.00 - Outside Metro Manila for Non-Agricultural Workers</p> <p>The RA brought the total base pay and allowances (legislated wage rates) effective Dec. 14, 1987 to:</p> <p style="padding-left: 40px;">P67.08 - for non-agricultural workers P56.67 - for plantation agricultural workers P45.67 - for non-plantation agricultural workers</p>
<p>R.A. No. 6727 An Act to Rationalize Wage Policy Determination by Establishing the Mechanism and Proper Standards thereof, Amending for</p>	<p style="text-align: center;">"Wage Rationalization Act"</p> <p>-Rationalizes the fixing of minimum wage and to promote productivity improvement and gain-sharing; to guarantee the</p>

TITLE	DESCRIPTION
<p>the Purpose Article 99 of, and Incorporating Articles 120, 121, 122, 123, 124, 125, 126, and 127 into, Presidential Decree No.442, As Amended, Otherwise Known As the Labor Code of the Philippines, Fixing New Wage Rates, Providing Wage Incentives for Industrial Dispersal to the Countryside, and for Other Purpose (Consolidation of S.B. No. 1034 and H.B. No. 23227) (June 5, 1989)</p>	<p>rights of Labor to its just share in the fruits of production, to enhance employment generation in the countryside through industry dispersal; and to allow business and industry reasonable returns on investment, expansion and growth. -Promotes collective bargaining as the primary mode of setting wages and other terms and conditions of employment; and whenever necessary, the minimum wage rates shall be adjusted in a fair and equitable manner, considering existing regional disparities in the cost of living and other socio-economic factors and the national economic and social development plans. -Creates the National Wages and Productivity Commission and the Regional Commission and the Regional Tripartite Wages and Productivity Boards</p>
<p>R.A. No. 6686 An Act Authorizing Annual Christmas Bonus to National and Local Government Officials and Employees Starting CY 1988 (Dec. 14, 1988)</p>	<p>-Grants bonus equivalent to one month basic salary and cash gift of P1,000.00 to all officials and employees of the National government who have rendered at least four months of service from January 1 to October 31 of each year.</p>
<p>EXECUTIVE ORDER E.O. No. 31 Granting Compensation Adjustments to Government Personnel (July 1, 1986)</p>	<p>Provides the increase in basic salary of government personnel by two (2) salary steps (approximately equivalent to ten percent, excluding: government-owned and controlled corporations; agencies adopting the OP Play Plan; critical or OCPC-exempt agencies which have their own special pay plans, positions allocated to upgraded classes in the National Compensation and Position Classification Plans in recently organized agencies and whose staffing patterns have been approved only in 1985; positions in government agencies given special salary increases under E.O. 1059, E.O. 1060 and E.O. 1065 for lawyers, allied medical personnel and postal workers, respectively; and Career Executive Service Officers (CESO) and equivalent and higher position for whom a separate pay plan will be submitted by the DBM.</p>

TITLE	DESCRIPTION										
<p>E.O. No. 74 Granting Year-end Bonus and Cash Gift to National and Local Government Officials and Employees (Nov. 26, 1986)</p>	<p>Provides an additional cost-of-living allowance (COLA) based on their adjusted salary levels, as follows:</p> <table data-bbox="1003 848 1667 973"> <thead> <tr> <th>Salary Level</th> <th>Additional COLA Per Month</th> </tr> </thead> <tbody> <tr> <td>P2,500 and below</td> <td>P150.00</td> </tr> <tr> <td>P2,502 to P3,000</td> <td>P 50.00</td> </tr> </tbody> </table> <p>The following shall be excluded from the additional COLA: employees of gov't owned and controlled corporations; and employees of agencies who are already receiving cash emoluments other than the standard basic pay and allowances under the National Compensation and Position Classification Plan.</p>	Salary Level	Additional COLA Per Month	P2,500 and below	P150.00	P2,502 to P3,000	P 50.00				
Salary Level	Additional COLA Per Month										
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<p>E.O. No. 74-A Expanding the Coverage of the Year-End Bonus (Dec. 19, 1986)</p>	<p>Provides a year-end bonus equivalent to one month basic salary to employees who have rendered at least 4 months of service as of October 31, 1986.</p> <p>Grants an additional cash gift of P1,000 to all officials and employees of the National Government and of the local Government Units.</p> <p>Officials and employees of the National Government owned and controlled corporations who have rendered less than four months of service from Jan. 1, 1986 to Oct. 1, 1986 shall be entitled solely to the following cash gift:</p> <table data-bbox="1003 1843 1751 1991"> <thead> <tr> <th>Length of Service</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>3 months but less than 4 months</td> <td>P400.00</td> </tr> <tr> <td>2 months but less than 3 months</td> <td>P300.00</td> </tr> <tr> <td>1 months but less than 2 months</td> <td>P200.00</td> </tr> <tr> <td>less than 2 months</td> <td>P100.00</td> </tr> </tbody> </table> <p>Local Officials and employees shall receive the above but subject to the availability of local funds.</p>	Length of Service	Amount	3 months but less than 4 months	P400.00	2 months but less than 3 months	P300.00	1 months but less than 2 months	P200.00	less than 2 months	P100.00
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<p>E.O. No. 75 Upgrading the Salary Scale of Forestry and Legal Officers of the Ministry of Natural Resources (MNR) (Nov. 28, 1986)</p>	<p>The basic salary of all forestry positions in the MNR, its bureaus and attached agencies requiring minimum qualifications of a degree in forestry shall be upgraded by four (4) steps (gov't. salary scale) equivalent to twenty (20) percent.</p>										

TITLE	DESCRIPTION																																				
<p>E.O. No. 110 Allowing Certain National Government Agencies to Continue the Practice of Paying Medical and Incentive Allowances Based on Prior Years' Tradition (Dec. 24, 1986)</p>	<p>The basic salary of all legal officers in MNR shall be upgraded to the same salary scale granted to legal officers in the MAR, Justice and Labor under E.O. No. 1959.</p> <p>Allows all national government agencies with available savings from funds previously released to continue allowances to their personnel.</p>																																				
<p>E.O. No. 147 Expanding the Coverage of the Grant of Medical Allowance Under E.O. No. 110 Dated Dec. 24, 1986 (March 3, 1987)</p>	<p>Provides one-time payment of medical allowances worth P2,000 per employee in the National Government Agencies and government agencies and government-owned and controlled corporations not covered by E.O. No. 110, and full-time regular and casual employees employed as of December 31, 1986 and who continue to be employed as of the date of the effectivity of the E.O.</p>																																				
<p>E.O. No. 152 Granting Salary Increases to Career Executive Service Officers of the Gov't. (March 1, 1987)</p>	<p>The received monthly salaries of Career Executive Service Officers and Government shall be as follows:</p> <table border="0"> <tr> <td>Department Secretary</td> <td>P17,000</td> </tr> <tr> <td>Presiding Justice of the Court of Appeals</td> <td>P15,000</td> </tr> <tr> <td>Department Undersecretary</td> <td>P15,000</td> </tr> <tr> <td>Special Prosecutor (Tanodbayan)</td> <td>P15,000</td> </tr> <tr> <td>Presiding Justice of the Sandiganbayan</td> <td>P15,000</td> </tr> <tr> <td>Associate Justice of the Court of Appeals</td> <td>P13,500</td> </tr> <tr> <td>Associate Justice of the Sandiganbayan</td> <td>P13,000</td> </tr> <tr> <td>Deputy Tanodbayan</td> <td>P13,000</td> </tr> <tr> <td>Presiding Justice of the Court of Tax Appeals</td> <td>P12,000</td> </tr> <tr> <td>Asst. Secretary</td> <td>P12,000</td> </tr> <tr> <td>Line Bureau Director</td> <td>P12,000</td> </tr> <tr> <td>Associate Justice of the Court of Tax Appeals</td> <td>P11,000</td> </tr> <tr> <td>Dept. Staff Bureau Director</td> <td>P11,000</td> </tr> <tr> <td>Dept. Regional Director</td> <td>P11,000</td> </tr> <tr> <td>Line Bureau Asst. Director</td> <td>P11,000</td> </tr> <tr> <td>Dept. Service Chief</td> <td>P10,000</td> </tr> <tr> <td>Dept. Staff Bureau Asst. Director</td> <td>P10,000</td> </tr> <tr> <td>Dept. Asst. Regional Director</td> <td>P10,000</td> </tr> </table>	Department Secretary	P17,000	Presiding Justice of the Court of Appeals	P15,000	Department Undersecretary	P15,000	Special Prosecutor (Tanodbayan)	P15,000	Presiding Justice of the Sandiganbayan	P15,000	Associate Justice of the Court of Appeals	P13,500	Associate Justice of the Sandiganbayan	P13,000	Deputy Tanodbayan	P13,000	Presiding Justice of the Court of Tax Appeals	P12,000	Asst. Secretary	P12,000	Line Bureau Director	P12,000	Associate Justice of the Court of Tax Appeals	P11,000	Dept. Staff Bureau Director	P11,000	Dept. Regional Director	P11,000	Line Bureau Asst. Director	P11,000	Dept. Service Chief	P10,000	Dept. Staff Bureau Asst. Director	P10,000	Dept. Asst. Regional Director	P10,000
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TITLE	DESCRIPTION
<p>E.O. No. 152-A Further Rationalizing the Salaries of Justice and Judges of the Lower Courts of the Judiciary and the Special Prosecutors of the Office of the Tanodbayan (March 1, 1987)</p>	<p>Line Bureau Reg. Director P10,000 Head Executive Assistant P10,000 Regional Trial Court Judge P10,000 Shari'a District Court Judge P10,000 Metro Trial Court Judge P 9,000 Line Bureau Asst. Reg. Director P 9,000</p>
<p>E.O. No. 153 Granting Salary Increases to Rank and File Government Employee (March 1, 1987)</p>	<p>Provides a basic salary increase to all employees of the national government below the rank of CES officers equivalent to five percent (5%) of their basic salaries.</p> <p>Under the Agency equity increase, employees of government agencies not receiving any regular emoluments higher than those provided by the National Pay Plan are given an additional salary increase equivalent to ten percent (10%) of their basic salaries.</p> <p>Under the Occupational equity increase, the following are given additional salary equivalent to five percent (5%) of basic salary:</p> <ol style="list-style-type: none"> 1. Teachers and related teaching positions 2. Agricultural and agrarian reform technologists who are bachelors degree holders 3. Vocational placement officers 4. Youth welfare and development Offices 5. Veterinary services group 6. Social welfare group
<p>E.O. No. 178 Increasing the Statutory Daily Minimum Wage After Integrating the Cost of Living Allowance Under Wage Order Nos. 1,2,3,5 and 6 into the Basic Pay of All Covered Workers</p>	<p>The COLAs under existing WO are integrated into the basic wage of all covered workers based on the following schedule:</p> <ol style="list-style-type: none"> a) COLAs under WO Nos. 1,2 &3, effective May 1, 1987 b) COLAs under WO Nos. 5 & 6, effective Oct. 1, 1987 <p>For establishments with less than 30 employees and paid-up capital of P500,000 or less:</p>

TITLE	DESCRIPTION
<p>E.O. No. 310 Granting Year-End Bonus and Cash Gift to National Government Officials and Employees (Nov. 12, 1987)</p>	<p>a) COLAs under WO Nos. 1 & 2, effective May 1, 1987 b) COLAs under WO No. 3, effective Oct. 1, 1987 c) COLAs under WO Nos. 5 & 6, effective May 1, 1987</p> <p>Provides year-end bonus equivalent to one month basic salary and cash gift of P1,000 to all officials and employees of National Government and Gov't-owned and/or controlled corporations whether regular, temporary or contractual as of Oct. 31, 1987 who have rendered at least four (4) months of service</p>
<p>MEMORANDUM ORDER</p> <p>M.O. No. 28 Modifying P.D. No. 851 Requi- ring All Employers to Pay Their Employees a 13th Month Pay (Aug. 13, 1986)</p>	<p>Provides 13th month pay to rank and file employees</p>
<p>M.O. No. 74 Expanding the Coverage of the Grant of Medical Allowance and E.O. No. 110 dated Oct. 15, 1986 (March 9, 1987)</p>	
<p>M.O. Grants Salary Increases for Positions in No. 75 Insurance Commission 75-A NCSO 75-B Nat'l Computer Center 75-C Tariff Commission 75-D National Tax Research Center 75-E MTRCB & URB 75-F DOST (March 26, 1987)</p>	<p>Grants five percent (5%) salary in- creases for Career Executive Service Posi- tions and thirty percent (30%) to rank and file employees</p>
<p>M.O. No. 87 Grants a 10% Salary Increase to Employees of Government Financial Institutions (June 1, 1987)</p>	<p>GFIS: CB of the Phils., DBP, GSIS, SSS, LBP, Home Finance Corporation, Home Mutual Development Corp., National Dev't. Company, National Home Mortgage Finance Corp., Philippine Amanah Bank, Phil. Crop Insurance Corp., Phil. Export & Foreign Loan Guarantee Corp.</p>

TITLE	DESCRIPTION
<p>M.O. No. 87-A Effecting a 10% Across-the-Board Increase for Employees in the GFIS (Jan.27, 1988)</p>	
<p>M.O. No. 88 Grants Salary Increases to Court Stenographer reporters of the Regional Trial Courts and Other Lower Courts of the Judiciary (June 2, 1987)</p>	
<p>M.O. No. 71 Provides for the Payment of Separation Benefits to Officials and Employees of the MHS and Other Agencies Abolished Under E.O. No. 85 (Feb. 18, 1987)</p>	
<p>M.O. No. 89 Provides for the Separation Benefits to Officials and Employees of the MHS and Other Agencies Abolished Under EO No. 85 (June 8, 1987)</p>	
<p>M.O. No. 110 Authorizes the Integration of the 40% Incentive Allowance into the Basic Salary of All Rank and File Positions of the DTI (Sept. 24, 1987)</p>	
<p>M.O. No. 120 Grants Salary Increases for Positions in the Commission on Audit (Oct. 16, 1987)</p>	
<p>M.O. No. 122 Realigns the Salaries of the Personnel of the Commission on Human Rights with those of the COA and the CSC (Oct. 20, 1987)</p>	
<p>M.O. No. 130 Realigns the Salaries of the Personnel of the CSC with those of the OP (Nov. 13, 1987)</p>	

TITLE	DESCRIPTION
<p>M.O. No. 134 Granting Salary Increases for Positions in the Foreign Service Institute (FSI) and UNESCO National Commission of the Phils. (NCP) under the DFA (March 27, 1984)</p>	<p>Salary Increases: 15% - officials and employees of FSI for those whose rank are FSO IV to Chief of Mission 30% - personnel whose ranks are FSSE III to FSCO I and UNESCO officials and employees 5% - Executive Secretary and UNESCO Phils. Asst. Secretary</p>
<p>M.O. No. 156 Granting Salary Increase for Positions in the University of the Phils. System (Feb. 8, 1988)</p>	<p>Salary Increase: 10%</p>
<p>DEPARTMENT ORDER (D.O.)</p>	
<p>D.O. No. 13 (March 25, 1988)</p>	<p>Guidelines to ensure that the statutory minimum wage adjustment effected by R.A. No. 6640 is properly implemented by service contractors such as security agencies, janitorial service firms and other service contractors</p>
<p>III. LABOR RELATIONS</p>	
<p>R.A. No. 6715 An Act to Extend Protection to Labor, Strengthen the Constitutional Rights of Workers to Self-Organization, Collective Bargaining and Peaceful Concerted Activities, Foster Industrial Peace and Harmony, Promote the Preferential Use of Voluntary Modes of Settling Labor Disputes, and Reorganize the National Labor Relations Commission, Amending for these Purposes Certain Provisions of Presidential Decree No. 442, As Amended, Otherwise Known as the Labor Code of the Philippines, Appropriating Funds therefore, and For Other Purposes (Consolidation of S.B. No. 11524) (Jan., 1989)</p>	

TITLE .	DESCRIPTION
EXECUTIVE ORDERS (E.O.)	
E.O. No. 47 Reorganizing the National Labor Relations Commission (Sept. 10, 1986)	Aims to professionalize the labor dispute settlement machinery and to clear NLRC of sectoral interest
E.O. No. 111 Amending Certain Provisions of the Labor Code of the Phils., as Amended (Dec. 24, 1986)	Amends or repeals provisions of the Labor Code that repress the rights of workers and of their trade unions.
E.O. No. 180 Providing Guidelines for the Exercise of the Right to Organize of Government Employees, Creating a Public Sector Labor -Management Council and for Other Purposes (June 1, 1987)	Grants gov't employees the right to form, join or assist employees' organizations. Outlines rules, with respect to registration of organizations, selection of representattives, settlement of disputes and concerted activities and strikes
E.O. No. 252 Further Amending Articles 213, 214 and 215 of PD No. 442, As Amended (July 25, 1987)	Reorganization of NLRC to strengthen further the labor dispute settlement machinery, to prevent undue delays as well as ensure the just and efficient resolution of labor cases
IV. OVERSEAS WORKERS	
EXECUTIVE ORDERS (E.O.)	
E.O. No. 25 Granting Exemption from the payment of the Travel Tax to Filipino Overseas Contract Workers (July 1, 1986)	
E.O. No. 247 Reorganizing the Philippine Overseas Employment Administration and for Other Purposes (June 24, 1987)	Changes the functional structure of POEA to make it more efficient in undertaking its function of formulating and implementing a systematic program for monitoring and promoting the overseas employment of Filipino workers and for protecting their rights to fair and equitable employment practices

TITLE	DESCRIPTION
V. LABOR STANDARDS AND WORKERS' WELFARE	
EXECUTIVE ORDERS (E.O.)	
E.O. No. 28 Further Amending Certain Provisions of RA No. 1161, as Amended, Otherwise Known as the Social Security Law (July 16, 1986)	Provides for the feasible increases in benefits and addition of new ones without increasing the contribution and for the constant upgrading of the benefit structure for the low income group. Amendments cover monthly pension, funeral benefit and sickness benefit.
E.O. No. 31-A Granting Hazard Pay to Officers, Enlisted Personnel, Draftees and Extended Trainees of the NAFF and the Uniformed Members of the INP, and for Other Purposes (July 23, 1986)	Hazard pay - P120.00/month
E.O. No. 179 Further Amending Title II, Book Four of the Labor Code of the Phils. (June 1, 1987)	Amendments cover disability benefits, funeral benefit and sickness benefit
E.O. No. 256 Increasing the Daily Subsistence Allowance of Patients Confined in AFP/INP Hospitals and Dispensaries, Cadets of the Phil. Military Academy, the Phil. Air Force Flying School and the Phil. National Police Academy, and AFP/INP Personnel Undergoing Training in Local Training Institutions (July 25, 1987)	Daily Subsistence Allowance: increase from P20.00 to P30.00/day
E.O. No. 257 Increasing the Subsistence Allowance of Officers and Enlisted Personnel of the AFP (July 25, 1987)	Daily Subsistence Allowance: increase from P12.00 to P18.00/day
VI. OTHERS	
E.O. No. 251 Amending Certain Sections of Executive Order No. 126 Dated Jan. 30, 1987 (July 25, 1987)	To make the on-going reorganization of the DOLE urgent demands of national economic and employment more responsive to the recovery and to promote efficiency and effectiveness in the delivery of public services

Appendix C
BILLS FILED IN AND RECENTLY APPROVED BY CONGRESS
AFFECTING LABOR AND EMPLOYMENT

S.B. NO.	TITLE	DESCRIPTION
I. EMPLOYMENT CREATION AND PROMOTION		
SB. No. 29 (Gonzales)	An Act to Help Students Pursue their Education by Encouraging their Employment During Summer Vacation by Granting Incentives to Employers in the Form of Subsidy Equivalent to the Salary or Wage to be Paid Refundable in Cash or in the form of Tax Credits and for Other Purposes	<p>Coverage: Employer or entity employing at least 50 persons may employ students 16 and over</p> <p>Salary or Wage: Not lower than minimum wage provided by law</p> <p>Benefits: 50% of salary or wage shall be refunded by gov't to employer within 30 days from presentation of payroll or voucher tax credit</p>
SB. No. 125 (Mercado)	An Act Granting Special Tax Incentive to Employers Who Employ Disadvantaged Persons	<p>Policy: -promote and ensure full employment opportunities to all citizens -encourage employment of disadvantaged persons</p> <p>Disadvantaged Persons: -handicapped, ex-convicts, out-of-school youth, rehabilitated drug abusers, those who need rehabilitation and are qualified to be hired as workers or employees</p> <p>Privileges to employers: -for income tax purposes: additional expense deduction of 5% of gross salaries paid during the year (provided the number of disadvantaged persons employed is at least 5) -special tax credit for employers whose fringe benefits include workers training, education, research and dev</p>
SB. No. 265 (Lina)	An Act to Generate Employment in the Rural Areas by Providing Incentives Therefore, and for Other Purposes	<p>Policy: -promote comprehensive rural development</p> <p>Fiscal Incentives: -Cottage or SMIs registered according to this Act: a) Income Tax Exemption (10 years) b) Tax Duty Exemption on Imported Capital Equipment: exemption from customs duties and national internal revenues taxes (100%)</p>

S.B. NO.	TITLE	DESCRIPTION
SB No. 678 (Tañada)	An Act Providing Employment in th Rural Areas, Creating A Coordinating Council, and for Other Purposes	<ul style="list-style-type: none"> c) Tax Credit for Taxes and Duties on Materials and Supplies d) Access to Bonded and Warehousing System e) Exemption from Contractor's Tax f) Exemption from wharfage dues, exports tax, duty, import as fee? <p>Protection of Investments: Registered industries are entitled to:</p> <ul style="list-style-type: none"> a) Repatriation of Investments b) Remittance of Earnings c) Foreign loans and Contracts d) Freedom from Expropriation e) Freedom from requisition of Investment <p>Non-fiscal Incentives:</p> <ul style="list-style-type: none"> -preferential treatment of registered industries in availment of commercial/or development loans particularly for operating capital requirements <p>Setting-up of Employment Generation and Incentives Funds:-for loans dev't and operating capital requirements of registered industries</p> <ul style="list-style-type: none"> -Gives priority to rural employment to strengthen and stabilize the economic, political and social structure of the national gov't in the rural areas and in keeping with its obligation to provide for the greatest number of people basic needs in order to make their existence decent -Coordinating Council shall be: <ul style="list-style-type: none"> responsible for planning, developing and implementing rural employment programs designed to create maximum employment opportunities in gov't-financed projects; promotion of cottage industries; conservation and reforestation of forest resources; public works projects; which promote economic growth, such as dev't. projects; national and commercial irrigation, river control and drainage; airports and ports construction, improvement and maintenance, shore protection, construction and maintenance of highways and feeders roads connecting agricultural areas with market centers
SB No. 153 (Pimentel)	An Act to Insure Equal Employment Opportunities to Muslims and Tribal Filipinos	<p>Policy:</p> <ul style="list-style-type: none"> -to promote social justice by equal employment opportunities to Muslims and Tribal Filipinos <p>Opportunities:</p> <ul style="list-style-type: none"> -hiring and union membership

S.B. NO.	TITLE	DESCRIPTION
SB No.757	An Act Requiring the Investment of the Investible Funds of the BSIS and the SSS in Labor Intensive Industries	<p>Gov't sector: -reserve at least 10% of rank and file positions for tribal Filipinos (in accordance with Civil Service Law)</p> <p>Private Enterprises: -which obtains loans, grants or financial assistance from government/institutions should hire at least 20% of labor force in the region where it is located</p> <p>Other Privileges: -Employees right to actively participate in religious or ethnic activities</p> <p>-provided that investments, loans or programs directly in favor of employee members shall not be affected by this Act</p> <p>Purpose: -generate more employment opportunities</p>
SB No.743	Magna Carta for Small Business	<p>I.Objective: -accelerate the growth of small enterprises through the provision of credit and incentives</p> <p>II.Coverage: -small enterprises whose: a) assets do not exceed P5 M after the loan b) employees do not exceed 99 workers c) micro and cottage enterprises</p> <p>III.Nationality Requirement: a) Single proprietorships - 100% Filipino-owned b) judicial entity - 60% Filipino-owned</p> <p>IV.Eligible Projects: a) projects that promote self-employment and livelihood b) labor-intensive c) export-oriented d) import-substitute e) promote regional development and sub-contracting f) generate development.</p> <p>V.Incentives: A. Credit 1. Mandatory allocation - all lending institutions within the region to retain 50% of funds to fund projects 2. Preferential interest rates on loans which shall remain fixed for the duration of obligation; 3. Collateral-free or less collaterally burdened loans as complemented by a guarantee and insurance system</p>

S.B. NO.	TITLE	DESCRIPTION
HB No. 17848	Kalakalan ng 28	<p>B. Tax</p> <ol style="list-style-type: none"> 1. Exemption from import tax, for importation of machinery and spare parts 2. Tax credit on purchase of domestically manufactured equipment, machinery and spare parts 3. Small enterprises grouping together for establishment and use of common facilities or industry complex shall enjoy abovementioned tax privileges <p>VI. Registration: - regional or provincial offices of the DTI</p> <p>VII. Research/Technical Assistance: DTI, NEDA, DOLE, DOST, CB, DOF, DBM, DA, DAR, DENR (Inter-Agency Council)</p> <p>VIII. Nature of Assistance Presented:</p> <p>A. Marketing Assistance</p> <ol style="list-style-type: none"> 1. Inter-agency council shall establish a medium of assistance in terms of marketing and distribution 2. Small enterprises seeking to supply goods and services to the gov't shall be entitled to a share of 15% of total procurements value. <p>B. Raw Materials Assistance - reference in the procurement of raw materials supply particularly, forest and marine products</p> <p>IX. Labor Regulations - Provincial wage rates, whenever advantageous to both small enterprise and employer, subject to rules of DOLE</p> <p>I. Objectives: - enhance the growth of Countryside Business Entities (CBEs) through incentives and Minimal gov't intervention</p> <p>II. Coverage: CBEs whose</p> <ol style="list-style-type: none"> A. Assets do not exceed P500,000 before financing and do not exceed P 5 M during the 5-yr. period. B. Capitalization not exceeding P50,000 for every worker C. Employees do not exceed 20 workers D. Principal location of business is in the countryside <p>III. Incentives</p> <p>A. Credit:</p> <ol style="list-style-type: none"> 1. 85% project loan financing at a maximum effective subsidized rate of 12% p.a. 2. collateral free other than equipment to be financed by the loan

S.B. NO.	TITLE	DESCRIPTION
		3. participating financial institutions -loans exempted from gross receipt tax -interest income tax deductible B. Tax -exemptions from income tax and VAT IV.Registration -Municipality or City: CBEs shall pay annual registration fee of P 250 for every P 50,000 of assets V. Research/Technical Assistance DTI, UP ISSI, NEDA, NGOs VI. Nature of Assistance Presented A. Marketing Assistance DTI shall provide information as regards input and output prices, markets, possible business ventures, etc. VII.Labor Regulations A. Minimum wage law is suspended for those with 20 or less but not laws on labor standards, social security, employees compensation, medicare, health, and safety standards B. CBEs employing more than 20 are covered by all labor and social security legislations
II. WAGES, SALARIES AND OTHER FORMS OF COMPENSATION		
SB. No. 70	An Act Providing for An Increase of P 20 to the Daily Basic Wage of Public and Private Employees and for Other Purposes	Salary Increase: - P 20 / day government and private
SB. No.134	An Act Providing for An Increase in the Statutory Minimum Wage Rates of Employees in the Private Sector and for Other Purposes	a) non-agri workers P 6.00 upon approval of this Act and 2.00 effective Jan. 1, 1988 b) Agri workers in Retail/Service establishments regularly employing not more than 10 workers P 4.00 Upon approval of this Act and P 2.00 effective Jan. 1, 1988
		Workers paid by result shall receive not less than the applicable statutory minimum wage prescribed per 8 hours of work per day, on a proportion of for working less than 8 hours
		Learners, Apprentices and handicapped workers -not less than 75% of minimum wage rates
SB. No.156	An Act Proving for an Increase in the Wage of Public or Gov't Sector Employees on a Daily Wage Basis and in the Statutory Minimum Wage of Employees	a) All Workers and employees in the Public or Gov't sector = P 10/day

S.B. NO.	TITLE	DESCRIPTION
	Workers in the Private Sector and for Other Purposes	b) Private Sector Employees or Workers -Agri or non-agri including retail establishment regularly employing not more than 10 workers: P 18 / day -Non-agri workers outside MM: P 11/day
SB. No. 271 (Angara)	An Act Amending Section 2 of RA 6640 and for Other Purposes	-exempts financially distressed private educational institutions from paying required minimum wage(RA6640) and for other purposes
SB. No. 576 (Lina, Jr.)	An Act Amending Section 5, Rule XII of the Labor Code of the Philippines, and for Other Purposes	Minimum Monthly Wage of Househelpes: 1) NCR: P 200 2) Other Chartered cities and first-class Municipalities: P 150 3) Other municipalities: P 100 Note: the Labor Code of the Phil. mandates that the minimum wage for househelpers (Sec. 5 of Rule XII) 1) NCR: P 60 2) other chartered cities and first-class municipalities: P 45 3) Other municipalities: P 30
SB No. 802 (Saguisag)	An Act to Enforce Section 8 of Article IX-B of the Constitution Prohibiting Elective or Appointive Officers or Employees from Receiving, Directly or Indirectly, Additional, Double or Indirect Compensation, Unless Specifically Authorized by Law	Punishment for Offending public Officer or Employee: -return treble the amount of compensation received -second conviction: return treble of the amount received; imprisonment for a period not exceeding 5 years; forfeiture of position; absolute perpetual disqualification
SB No. 803 (Saguisag)	An Act to Put a Ceiling on the Salary or Compensation of Public Officials and Employees	Coverage: -public official -public employee including those in gov't-owned or controlled corporation Prohibition: -to receive addition or indirect compensation -an amount in excess of basic salary in his office -such basic salary + allowances, bonuses, etc. shall not exceed basic annual salary of the President Violation: -leads to conviction and return of the amount not to exceed treble the amount of the compensation received
SB No. 135 (Maceda)	An Act Increasing the P 12/per Day the Present Minimum Wage for All Workers and Employees in the Govt and Private Sectors	Gov't or Private Whether Agri or Non-Agri: -P 12/day Increase in Minimum Wage Every Year: -by not more than 10% of current minimum wage taking into account cost of living index, economic recovery requirement social justice, etc.

S.B. NO.	TITLE	DESCRIPTION
III. LABOR RELATIONS		
SB No. 15 (Herrera & Maceda)	An Act to Amend Certain Provision of the Labor Code of the Phils. to Promote Gainful Employment, Strengthen the Rights of the Workers to Self-Organization and to Bargain Collectively, Promote Industrial Peace and Harmony and to Reorganize the DOLE and for other purposes	<p>This proposed Act seeks the ff:</p> <ol style="list-style-type: none"> 1. To promote Gainful Employment by: <ol style="list-style-type: none"> a) Upholding the full application of the legal minimum wages (begin at no less than 75%) in leadership and apprenticeship (not exceeding 6 mos.) agreements and in the employment of the handicapped (75% of applicable legal minimum wage); b) Providing equal employment opportunities to the handicapped (every employer shall employ handicapped representing at least 5% of its work force); c) Protecting tenurial security in employment thru the establishment of mandatory procedural requirements, <ul style="list-style-type: none"> -e.g., allowing issuance of interlocutory orders for provisional reinstatement -providing coercive affirmative punitive reliefs in cases of illegal dismissal -mandating the regularization of janitorial services; d) Increasing the service incentive leave benefit; e) Making Sunday as the mandatory weekly rest day and increasing the premium compensation for work rendered on Sundays, regular holidays, and special day; f) Making unpaid employees' claims a statutory first lien on the employers' assets, over and above those of the gov't and other creditors 2. To Strengthen the Right to Self-Organization and CB By: <ol style="list-style-type: none"> a) Establishing a positive mechanism towards the accelerated formation of a truly independent and free trade unionism by making mandatory the certification election in unorganized establishments and the direct election of national union and funds; b) Restoring to the managerial employees the right to the managerial employees the right to self-organization thru the formation of labor organizations separate from and independent of the organization of the rank-and-file c) Prohibiting the issuance of restraining orders or writs of injunction in labor disputes except in cases certified by the President for compulsory arbitration; d) Allowing criminal prosecution for acts constituting unfair labor practice simultaneously with or independently of or separately from the administrative action for the same acts; e) Shortening the freedom period from 60 to 30 days; f) Fixing a longer term for collective bargaining agreements to avoid frequent intra-union disputes;

S.B. NO.	TITLE	DESCRIPTION
		<ul style="list-style-type: none"> g) Providing for the effectivity date of any renewed or new collective bargaining agreement; h) Doing away with the expensive and divisive run-off election; i) Including labor standard violations as a strikeable issue; j) Eliminating the pre-strike requirement of strike vote and strike vote notice; and k) Identifying the responsible officers who are jointly and severally liable with the company in cases of illegal lockout <p>3. To Promote Industrial Peace and Harmony by:</p> <ul style="list-style-type: none"> a) Complying with the constitutional guarantee of the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities by extending said rights to gov't employees with the exception of members of the military and police forces; b) Enhancing the constitutional mandate of tripartism in policy-making bodies of the gov't c) Increasing workers' monetary benefits in cases of retirement, certain types of business closure and cessation or changes in business operation <p>4. To Reorganize the Department of Labor and Employment By: Aligning its structure and functions with the 1987 Constitution and present national needs</p>
SB No. 217 (Paterno)	An Act to Promote Industrial Peace by Guaranteeing the Rights of Workers in the Private Sector to Engage in Peaceful Concerted Activities and to Strike in Accordance with Law, and of Employers to Lockout and for Other Purposes	<p>Policy: guarantee right to engage in</p> <ul style="list-style-type: none"> 1) peaceful concerted activities and to obtain (workers) 2) lockout (employers)
SB No. 891	(Labor Education Act of 1988) An Act to Institute Labor Education, Uphold Unionism, Foster Industrial Peace, by Creating the Philippine Institute of Labor, Appropriating Funds Therefore, and for Other Purposes	<p>It is the policy of the State to promote the quality of labor education, uphold the right of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law, and enhance the development of the principle of shared responsibility between workers and employers and foster industrial peace.</p> <p>To these end, the act therefore seeks the creation of a Philippine Institute of Labor whose functions are, among others,</p> <ul style="list-style-type: none"> a) the promotion of awareness among workers of their rights, duties, and obligations, and

S.B. NO.	TITLE	DESCRIPTION
		b) to undertake studies and researches on labor law, labor relations, productivity, occupational health and safety and on such other subjects or areas necessary in the performance of its functions and to publish the results of its researches and studies
SB No. 731	An Act to Protect and Promote the Right to Self-organization and Collective Bargaining of Gov't Employees, Creating a Civil Service Labor Relations Board, Appropriated Funds Therefore, and for Other Purposes (Civil Service Labor Relations Act)	1) Declaration of Policy: protect and promote the rights of employees in the civil service to self-organization, collective bargaining and negotiation, and peaceful concerted activities, including the right to strike in accordance with law 2) Coverage: Government Employees 3) -right to self-organization -protection of the right to self-organization -right to CBA -right to engage in concerted activities and to strike subject to limitations and restrictions
SB No. 647 (Rosulo)	An Act to Provide for Labor Representation in the Board of Directors of Gov't-owned and Controlled Corporation (Labor Sector Representation in the Board of Directors of Gov't-owned and Controlled Corporation Act of 1988)	-One representative from the rank and file employees to be elected by all employees; -As the labor representative to the Board of Directors will have the same functions, voting rights, be paid the same emoluments, and enjoy the same privileges
SB No. 891	(Labor Education Act of 1988) An Act to Institute Labor Education, Uphold Unionism, Foster Industrial Peace, by Creating the Philippine Institute of Labor, Appropriating Funds Therefore, and for Other Purposes	It is the policy of the State to promote the quality of labor education, uphold the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law, and enhance the dev't of the principle of shared responsibility between workers and employers and foster industrial peace To these ends, the act therefore seeks the creation of a Philippine Institute of Labor whose functions are among others, a) the promotion of awareness among workers of their rights, duties and obligations, and b) to undertake studies and researches on labor law, labor relations, productivity, occupational health and safety and on such other subjects or areas necessary in the performance of its functions and to publish the results of its researches and studies
IV. PRODUCTIVITY		
SB No. 10 (Guingona)	Agro-industrial Incentives Act of 1987 An Act to Provide Further Incentives to Labor and Capital of Industrial Enterprises to the End that Both Productivity and Income Will be Increased	-provides incentives to all industrial enterprises who grant proportionate bonuses to their employees and whose employees voluntarily adhere to industrial peace -industrial enterprises shall establish welfare councils to create and incentives program based on an agreed criterion of the production for the past 3 years, costs, and manpower

S.B. NO.	TITLE	DESCRIPTION
SB No. 176 (Suingona)	An Act to (Provide) Encourage and Maintain Industrial Peace by Providing (Further) Incentives to Both Labor and Capital (Industrial Enterprises to the End that Both Productivity and Income will be Increased) and for Other Purposes	<p>Benefits:</p> <p>-industrial enterprises which adopt incentives programs agreed upon by the welfare councils who grant proportional bonuses to employees based on criteria established by said council, and whose management and labor voluntarily agree in writing to desist from lockouts and strikes for a continuous period of 3 years to ensure industrial peace, shall be granted the right of tax deduction double that of the bonuses given to the employees as well as manpower training and studies abroad for said employees pursuant to a program prepared by the appropriate gov't agencies</p> <p>Policy:</p> <p>-promote greater sharing by the workers in the fruits of their labor to increase productivity</p> <p>-provide incentive for voluntary programs which grant productivity bonuses to employers</p>
HB No. 16710	(Industrial Incentives Act of 1988) An Act Providing Incentives to Labor and Capital of Industrial Enterprises in Order to Increase Productivity and Income	<p>"Industrial Peace and Productivity Incentives Act of 1988"</p> <p>Scope:</p> <p>-all industrial and agro-industrial enterprises</p> <p>Incentives Program:</p> <p>a) Workers: granted salary bonuses proportionate to increase current productivity of workers over the average</p> <p>b) Employers: tax incentives</p> <p>The bill seeks to give incentives for management and labor to maintain industrial peace by virtue of a written voluntary agreement to desist from lock-outs and from strikes. Central to the achievement shall be equally represented in these SWC: which are tasked to determine their own incentives program for their respective establishments' employees "based on an agreed criterion, based on the production for the past 3 years, costs and manpower."</p> <p>Industrial establishments which can maintain industrial peace for a continuous period of a 3 years shall be granted the right to tax deduction double that of bonuses given to their employees, as well as manpower training and studies abroad for said employees pursuant to a program designed by the appropriate government agencies.</p>

S.B. NO.	TITLE	DESCRIPTION
V. OVERSEAS WORKERS		
SB No. 19 (Romulo & Herrera)	An Act Providing for Credit Assistance for Overseas Workers	<ul style="list-style-type: none"> -loan assistance for support of the family or beneficiaries of (qualified) overseas workers -loans shall not bear interest and shall be made payable in (ten) 10 equal monthly installments -no bond, collateral -tide over money not exceeding P5,000 can be availed of upon the workers departure -the grantee shall remit to the Phils. at least 50% of his earnings while on foreign deployment with provision for deduction of the monthly amortization of his loan.
SB. No.371 (Maceda)	An Act to Fix the Minimum Wage for Overseas Domestic Helpers and to Provide Penalties for Violation Thereof	Minimum Wage of Domestic Helpers for Overseas Employment fixed: US \$ 400/month
SB No. 214 (Herrera & Saguisag)	An Act Extending the Compulsory Coverage of the SSS to Overseas Contract Workers, Further Amending R.A. No. 1161, As Amended, Otherwise Known as the Social Security Law and for Other Purposes	Coverage: -Compulsory-all Filipino Workers recruited in the Philippines by foreign-based employers for Employment abroad Contributions: -determined in Accordance with Sec. 18 of this Act
SB No. 689 (Herrera)	An Act Providing for the Monthly Minimum Basic Wage of Filipino Able Seamen (AB) Employed on Foreign Flagships and For Other Purposes	All Filipino Able Seamen (AB) employed on foreign flagships shall receive a monthly minimum basic wage of U.S.\$280 or the officially recommended International Labor Organization (ILO) minimum monthly salary rate, whichever is higher.
SB No. 618 (Maceda & Herrera)	An Act to Phase Out Within Five Years the Mandatory Remittance to the Philippines of Foreign Exchange Earnings of Filipino Workers Abroad	The mandatory remittance to the Phils. of foreign exchange earnings of Filipino workers shall be phased out and shall cease to have any legal effect within a period of 5 years from the effectivity of this act Schedule: 1) 60% of basic salary within the first 2 yrs. and 30% of the same thereafter until the 5th year -Seamen or Mariners -Workers of Filipino Contractors and Construction Companies -Doctors, engineers, teachers, nurses and other professional worker whose contract provide for free board and lodging 2) 40% of basic salary within the first 2 years and 20% of the same thereafter until the 5th year. -All other professional workers whose employment contracts do not provide for free board and lodging facilities -domestic and other service workers -all other workers not falling under the above-mentioned categories

S.B. NO.	TITLE	DESCRIPTION
VI. LABOR STANDARDS AND WORKERS' WELFARE		
SB No. 819 (Rasul)	An Act Strengthening the Merit and Fitness System by Requiring Promotions to be Based Primarily on Satisfactory Job Performance	1) Promotions in the career service based primarily on performance and competence 2) Vacant position: employee who is next in rank and who has attained at least a satisfactory performance rating, who is qualified and possesses an appropriate civil service eligibility shall be promoted
SB No. 65	An Act Amending Article 135 of the Labor Code, As Amended by Strengthening the Prohibition on Discriminating Against Women with Respect to Terms and Conditions of Employment	Discrimination of Women Prohibited: -Acts of discrimination shall include, but shall not be limited to the ff.: a) Payment of a lesser wage or salary to a female as against a male employee b) Favoring a male employee over a female employee with respect to promotion solely on account of their sexes
SB No. 213 (Rasul)	An Act Amending Article 78, and Chapter 1, Title Book 3 of the Labor Code, As Amended, by Giving Additional Protection to Handicapped Workers	Prohibited Acts (Employer) 1) to reject or discriminate against any handicapped person with respect to terms and conditions of employment solely on account of his disability 2) to reassign or transfer a handicapped worker to a job in which he cannot perform well due to his handicap 3) to discharge or dismiss an employee on account of his disability
SB No. 256 (Pimentel)	An Act Prescribing Sexual Harassment of Employees and Workers and Providing Penalties Thereof "The 1988 Act Against Sexual Harassment"	Purpose: -to uphold the dignity of workers and guarantee full respect of their human rights Sexual harassment: unlawful Employee who resigns due to sexual harassment -deemed to have been illegally dismissed Penalties: -imprisonment of not less than 1 month nor more than 6 months -fine of not less than P 1,000 nor more than P 10,000 or both
SB No. 831 (Laurel)	An Act Amending Article 279 of the New Labor Code, To Provide for Payment of Damages to Illegally Dismissed Employees	An employee who is unjustly dismissed from work shall be 1) entitled to reinstatement without loss of seniority rights 2) entitled to damages equivalent to full back wages, inclusive of allowances computed from time to time of his actual reinstatement without deductions
SB No. 79	An Act Amending Certain Provisions of Book III, Title III, Chapter III of PD No. 442, As Amended...	Minimum Wage of Househelpers: a) P 300/month (from P 60) in MM b) P 250/month (from P 45) in other chartered cities and first class municipalities c) P 200/month (from P 30) in other municipalities

S.B. NO.	TITLE	DESCRIPTION
		Normal Hours of Work: -no more than 10 hours except upon payment of additional compensation equivalent to 25% of regular wage -Assignment of nonhousehold work is prohibited -Treatment to househelpers
SB No. 775 (Laurel)	An Act to Further Promote, Improve and Enhance the Welfare of Househelpers and for the Purpose Amending Articles 146 and 147 of Book III of the Labor Code of the Phils. and Articles 1691 and 1694 of the Civil Code of the Phils.	-Opportunity for education (at least public secondary or non-formal adult education) should be provided to a househelper who is under the age of 18. -the cost of such education shall be part of the househelpers' compensation Treatment of househelpers: -just and humane manner
SB No. 771	An Act to Ensure Worker Preference in Case of Bankruptcy by Amending Article 110 of the Labor Code of the Phils.	Art. 110 Worker Preference in case of bankruptcy In the event of bankruptcy or liquidation of an employer's business, his workers shall enjoy first preference as regards wages due them for services rendered during the period prior to the bankruptcy or liquidation. Unpaid wages shall be paid in full before other creditors may establish any claim to share in the other assets of the employer, any provision of the Civil Code, the Insolvency Law, the Internal Revenue Code and Any other law to the Contrary notwithstanding
SB No. 796 (Maceda)	An Act Granting Parental Leave of Twenty Days Without Pay Every Year to All Employees in the Government and Private Sectors in the Event of Any Serious Illness or Death of Spouse, Child or Parent, in Addition to His Right to Sick and Vacation Leaves and for Other Purpose:	-Serious illness: such sickness requiring actual hospitalization of the patient -Parental leave availment shall not be a ground for suspension, dismissal and discrimination
SB No. 867 (Herrera)	An Act Providing Free Immunization in Favor of Employees and Their Dependents Amending Thereby RA No. 1161, As Amended, Otherwise Known as Social Security Law	-Program of free immunization against viral, bacterial, bacillar and similar ailments or diseases
SB No. 586 (Lina, Jr.)	An Act to Create the Domestic Service Identification and Referral System, and Amending for that Purpose Article 141 of PD No. 442, As Amended, Otherwise Known as the Labor Code of the Phils., and for Other Purposes	-Institution and implementation of a comprehensive domestic service identification and referral system by the DOLE to attain the ff. objectives: 1) Protect both the employees and househelp by providing overseas and local domestic services with an official identification system whereby employers will be given access to service records to safeguard him against unscrupulous and undesirable employers; and

S.B. NO.	TITLE	DESCRIPTION
SB No. 698 (Herrera)	An Act Strengthening the Capability of the Occupational Safety and Health Center, Establishing a Research Fund Therefor and for Other Purposes	2) Provide prospective and former employers with relevant data to be used in the selection of househelp
OTHERS		
SB No. 626 (Lina, Jr.)	An Act Amending Article 45 of PD No. 442, Otherwise Known as "The Labor Code of the Phils." by Including in the Membership of the NMYC the Executive Director of the Presidential Council for Youth Affairs or its Replacement as may be Provided for by Law	

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