

Economic Provisions of Collective Bargaining Agreements in 2008 (Second of a three-part series)*

The Philippine Labor Code recognizes the importance of collective bargaining in the promotion and maintenance of industrial peace and in the attainment of stable employment relations. Essentially, collective bargaining involves two parties: 1) the representative of the employer; and 2) a union duly authorized by the majority of the employees within a bargaining unit called **exclusive bargaining agent**. It is a process where the parties agree to fix and administer the terms and conditions of employment and to set a mechanism for resolving grievances.

The end result of the collective process is a contract called the **collective bargaining agreement (CBA)**. A CBA generally contains economic and non-economic provisions. Economic provisions refer to those clauses on the terms and conditions of employment with monetary value, e.g., wage increases, allowances, bonuses, longevity pay, insurance, separation pay, monetary assistance, death aid, funeral assistance, leave benefits, retirement plan and other fringe benefits. The non-economic provisions, on the other hand, include union security clauses, grievance procedures, labor management cooperation schemes, among others. The economic provisions have a term of 5 years but may be renegotiated before the end of the third year of the effectivity of the CBA.

The three series of LABSTAT Updates focus on the statistics on CBAs gathered from the CBA documents filed at the Bureau of Labor Relations. Specifically, this Part 2 issue provides a descriptive analysis on the economic provisions granted by the CBAs registered in 2008.

WAGE INCREASE PROVISIONS

- About three-fifths (208 or 60.5%) of the 344 CBAs registered in 2008 provided varying amount of wage increases for the duration of the agreement. The increases provided were either in peso terms or percent increase in the daily or monthly wage.
- In proportion to the registered CBAs by industry, all CBAs in mining and quarrying (2) and financial intermediation (7) had provisions for wage increases. About 4 out of every 5 CBAs in manufacturing (117 or 80.7%) and wholesale and retail trade (12 or 80.0%) included such provisions.
- Only few CBAs provided for specific wage increases in real estate, renting and business activities (8.2%); other community, social and personal service activities (15.0%); and education (16.7%).

Number and Percent Share of Collective Bargaining Agreements
With Wage Increase Provisions by Major Industry Group,
Philippines: 2008

MAJOR INDUSTRY GROUP	No. of Registered CBAs	CBAs With Wage Increase Provisions	Percent Share
All Industries	344	208	60.5
Agriculture, Hunting and Forestry	24	16	66.7
Mining and Quarrying	2	2	100.0
Manufacturing	145	117	80.7
Electricity, Gas and Water Supply	18	10	55.6
Construction	3	2	66.7
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	15	12	80.0
Hotels and Restaurants	12	9	75.0
Transport, Storage and Communications	31	20	64.5
Financial Intermediation	7	7	100.0
Real Estate, Renting and Business Activities	49	4	8.2
Education	12	2	16.7
Health and Social Work	6	4	66.7
Other Community, Social and Personal Service Activities	20	3	15.0

* With contributions from Mr. Joshua Angelo N. Estrella, BS Statistics, University of the Philippines Los Baños.

The Bureau of Labor and Employment Statistics bears no responsibility for the use of the data or for interpretation or inferences made by the data users outside BLES.

Daily Wage Increase

- About 4 out of every 11 CBAs (36.9%) or 127 of the total 344 registered CBAs stipulated for increases in daily wage. (Table 1)
- By industry, CBAs in the transport, storage and communications negotiated the lowest minimum daily wage increase of ₱0.50 while health and social work posted the highest minimum increase of ₱90 for the whole duration of the CBAs.
- Meanwhile, the maximum amount of daily wage increase granted ranged from ₱3 (other community, social and personal service activities) to ₱250 (agriculture, hunting and forestry).

Monthly Wage Increase

- One out of every 8 registered CBAs (43 or 12.5%) opted for an increase in monthly wage rate for the duration of the CBAs. Those CBAs in other community, social and personal service activities provided for the lowest minimum monthly increase of only ₱4.20 while a CBA in mining and quarrying granted the highest minimum increase of ₱6,100. (Table 2)
- The maximum monthly increases stipulated in the CBAs ranged from ₱871.50 (education) to ₱8,400 (manufacturing).
- Other industries which granted notable increases were electricity, gas and water supply (₱8,275) and wholesale and retail trade (₱7,350).

Percent Increase in Basic Pay

- Other CBAs (17 or 4.9% of total 344) negotiated for wage increase in terms of percent increase in basic pay. Across industries, the minimum percentage increases in basic pay provided ranged from 1.0% (manufacturing) to 19.5% (electricity, gas and water supply). (Table 3)
- On the other hand, maximum percent wage increases granted in CBAs greatly varied from a low of 4.0% in the education industry to as high as 100.0% in electricity, gas and water supply industry.

WELFARE BENEFITS

Medical Services

- The provision of medical services was negotiated in about 3 out of every 4 registered CBAs (268). These include hospitalization coverage/assistance, medicine allowance, first-aid medicine, medical reimbursement or health fund for employees.



MEDICAL SERVICES BENEFITS	No. of CBAs	Amount Granted (₱)	
		Minimum	Maximum
Total	268	-	-
Hospitalization assistance	172	500	500,000
Medicine allowance	53	500	25,000
First-Aid medicine	50	1,500	1,500
Medical reimbursement	39	500	20,000
Health fund	19	200	1,100,000

Note: Details may not add up to totals due to multiple responses.

Death Benefits

- Provisions on death benefits were likewise stipulated in 333 CBAs. The amount of benefits however, differ largely among CBAs from a minimum of ₱250 to a maximum of ₱3.510 million in case of employee's death and ₱250 to ₱25,000 for the death of immediate family member of the employee.

DEATH BENEFITS	Number of CBAs	Amount Granted (₱)	
		Minimum	Maximum
Total	333	-	-
Death of employee	174	250	3,510,000
Death of immediate family member	97	250	25,000
Funeral/burial aid	127	-	-
Death of employee	113	800	100,000
Death of immediate family member	73	250	30,000

Note: Details may not add up to totals due to multiple responses.

- As part of death benefits, other CBAs (127) provided for funeral/burial aid. For the death of employee, the amount granted ranged from ₱800 to ₱100,000 and for the death of employee's

immediate family member at ₱250 to ₱30,000.

Maternity and Paternity Benefits

- Various types of maternity assistance for women workers were also stipulated in 29 CBAs or 8.4% of the registered CBAs in 2008. Specifically, it covered normal delivery (from ₱450 to ₱60,000) and caesarian delivery (from ₱1,500 to ₱100,000). In some CBAs, female workers also received ₱1,000 if the delivery occurred at home or an amount of ₱8,000 to ₱25,000 in the event of miscarriage.

MATERNITY/ PATERNITY BENEFITS	Number of CBAs	Amount Granted (₱)	
		Minimum	Maximum
Maternity Assistance	29	-	-
Normal Delivery	19	450	60,000
Caesarian Delivery	17	1,500	100,000
Miscarriage	5	8,000	25,000
Home Delivery	1	1,000	1,000
Paternity Assistance	4	300	12,500

Note: Details may not add up to totals due to multiple responses.

- Male workers, on the other hand, were given paternity assistance in 4 CBAs. The amount ranged from ₱300 to ₱12,500.

- The provision of loan to workers is also one of the important economic benefits specified in 4 out of every 10 (131 or 38.1%) registered CBAs. Emergency loan which was the most popularly granted ranged from ₱500 to ₱150,000.

- Educational loan came second as it was provided in 30 CBAs (22.9%). The amount granted varied from a low of ₱1,000 to a high of ₱40,000. Other negotiated loan benefits included the following: personal loan where the amount granted ranged from ₱5,000.00 to ₱10.0 million; company loan (₱1,000.00 to ₱200,000); and multi-purpose loan (₱10,000 to ₱2 million).

LOAN BENEFITS	Number of CBAs	Amount Granted (₱)	
		Minimum	Maximum
Total	131	-	-
Emergency Loan	65	500	150,000
Educational Loan	30	1,000	40,000
Personal Loan	17	5,000	10,000,000
Company Loan	14	1,000	200,000
Multi-Purpose Loan	13	10,000	2,000,000
Calamity Loan	10	1,700	10,000
Medical Loan	7	5,000	50,000
Cash Advance Loan	7	2,000	20,000
Bereavement Loan	5	10,000	30,000
Union Loan	3	40,000	60,000
Convention Loan	1	3,000	3,000

Note: Details may not add up to totals due to multiple responses.

FOR INQUIRIES:

Regarding this report contact **LABOR RELATIONS STATISTICS DIVISION at 527-30-00 local 319**

Regarding other statistics and technical services contact **BLES DATABANK at 527-30-00 local 317**

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TABLE 1 - Collective Bargaining Agreements With Provision for Daily Wage Increase by Amount of Minimum and Maximum Increases Granted for the Duration of the CBA and Major Industry Group, Philippines: 2008

MAJOR INDUSTRY GROUP	Number of CBAs	Daily Wage Increase Granted (₱)	
		Minimum	Maximum
TOTAL	127	0.50	250.00
Agriculture, Hunting and Forestry	14	10.00	250.00
Mining and Quarrying	1	86.00	86.00
Manufacturing	81	3.00	220.00
Electricity, Gas and Water Supply	2	9.00	90.00
Construction	1	72.00	72.00
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal, and Household Goods	9	4.50	51.00
Hotels and Restaurants	2	15.00	76.00
Transport, Storage and Communications	14	0.50	150.00
Financial Intermediation	-	-	-
Real Estate, Renting and Business Activities	1	10.00	10.00
Education	-	-	-
Health and Social Work	1	90.00	90.00
Other Community, Social and Personal Service Activities	1	3.00	3.00

Sources of data: Bureau of Labor Relations.
Bureau of Labor and Employment Statistics.

TABLE 2 - Collective Bargaining Agreements With Provision for Monthly Wage Increase by Amount of Minimum and Maximum Increases Granted for the Duration of the CBA and Major Industry Group, Philippines: 2008

MAJOR INDUSTRY GROUP	Number of CBAs	Monthly Wage Increase Granted (₱)	
		Minimum	Maximum
TOTAL	43	4.20	8,400.00
Agriculture, Hunting and Forestry	1	1,000.00	1,000.00
Mining and Quarrying	1	6,100.00	6,100.00
Manufacturing	15	15.00	8,400.00
Electricity, Gas and Water Supply	6	210.00	8,275.00
Construction	-	-	-
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal, and Household Goods	2	36.00	7,350.00
Hotels and Restaurants	4	19.00	3,000.00
Transport, Storage and Communications	2	125.00	1,050.00
Financial Intermediation	5	990.00	4,000.00
Real Estate, Renting and Business Activities	1	16.70	3,800.00
Education	1	871.50	871.50
Health and Social Work	3	1,390.00	3,300.00
Other Community, Social and Personal Service Activities	2	4.20	2,263.00

Sources of data: Bureau of Labor Relations.
Bureau of Labor and Employment Statistics.

TABLE 3 - Collective Bargaining Agreements With Provisions for Percent Increase in Basic Pay by Minimum and Maximum Percent Increase Granted for the Duration of the CBA and Major Industry Group, Philippines: 2008

MAJOR INDUSTRY GROUP	Number of CBAs	Percent Increase Granted	
		Minimum	Maximum
TOTAL	17	1.0	100.0
Agriculture, Hunting and Forestry	-	-	-
Mining and Quarrying	-	-	-
Manufacturing	9	1.0	19.0
Electricity, Gas and Water Supply	2	19.5	100.0
Construction	-	-	-
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal, and Household Goods	-	-	-
Hotels and Restaurants	-	-	-
Transport, Storage and Communications	2	9.0	15.9
Financial Intermediation	2	8.0	12.0
Real Estate, Renting and Business Activities	1	5.0	5.0
Education	1	4.0	4.0
Health and Social Work	-	-	-
Other Community, Social and Personal Service Activities	-	-	-

*Sources of data: Bureau of Labor Relations.
Bureau of Labor and Employment Statistics.*