

## Economic Provisions of Collective Bargaining Agreements in 2011 (Second of a three-part series)

The Labor Code of the Philippines recognizes the importance of collective bargaining as one of the most fundamental and important elements in the promotion of harmonious labor-management relations and industrial peace. Collective bargaining basically involves a process of negotiations between an employer and registered labor organization/s concerning wages, hours of work and working conditions of employees.

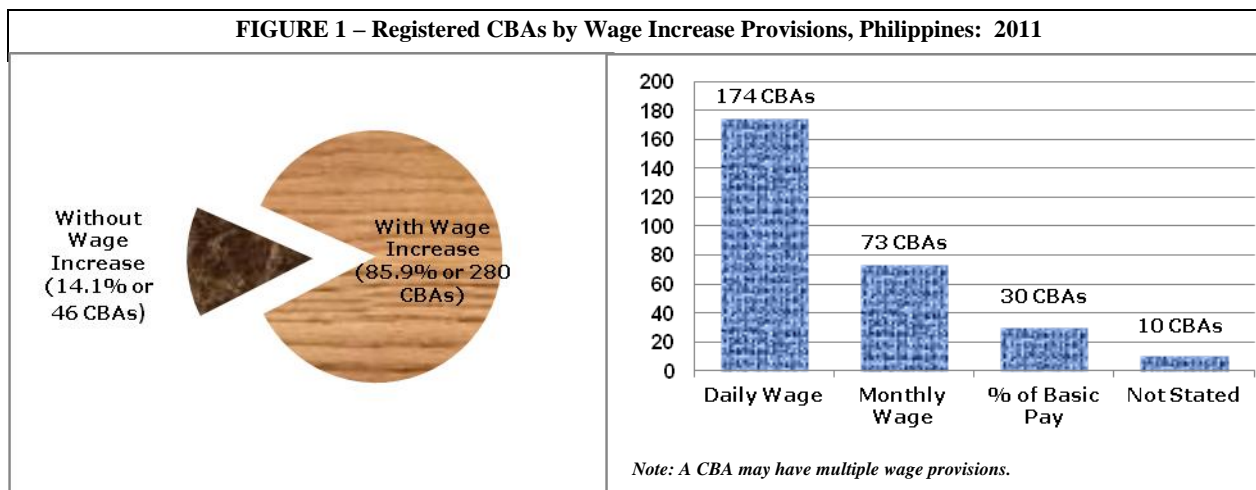
The ultimate goal of the collective bargaining process is a Collective Bargaining Agreement (CBA), which serves as a contract between a legitimate labor union and the employer. A CBA generally contains economic clauses or provisions on the terms and conditions of employment with monetary value including wage increases, loan benefits, bonuses, allowances, retirement plan, and other fringe benefits. It likewise includes non-economic provisions, e.g., union security clauses, grievance procedures, labor-management cooperation schemes, and other stipulations without monetary value.

This three-part series of LABSTAT Updates focus on the statistics of CBAs gathered from the documents filed at the Bureau of Labor Relations (BLR). Specifically, this second issue provides a descriptive analysis on the economic provisions of CBAs registered in 2011.

### WAGE INCREASE PROVISIONS

- About 85.9% (280) of the total of 326 registered CBAs in 2011 had wage increase provisions. The provisions for wage increases varied across CBAs. A large number stipulated a specific amount of increase (in pesos) in the daily (174 CBAs) and/or monthly basic pay (73 CBAs). (Figure 1)
- Others granted a percentage increase in the basic pay (30 CBAs) of the workers for the duration of the CBAs. A lesser number (10 CBAs) had stipulations on wage increases but did not specify any amount in the agreement.

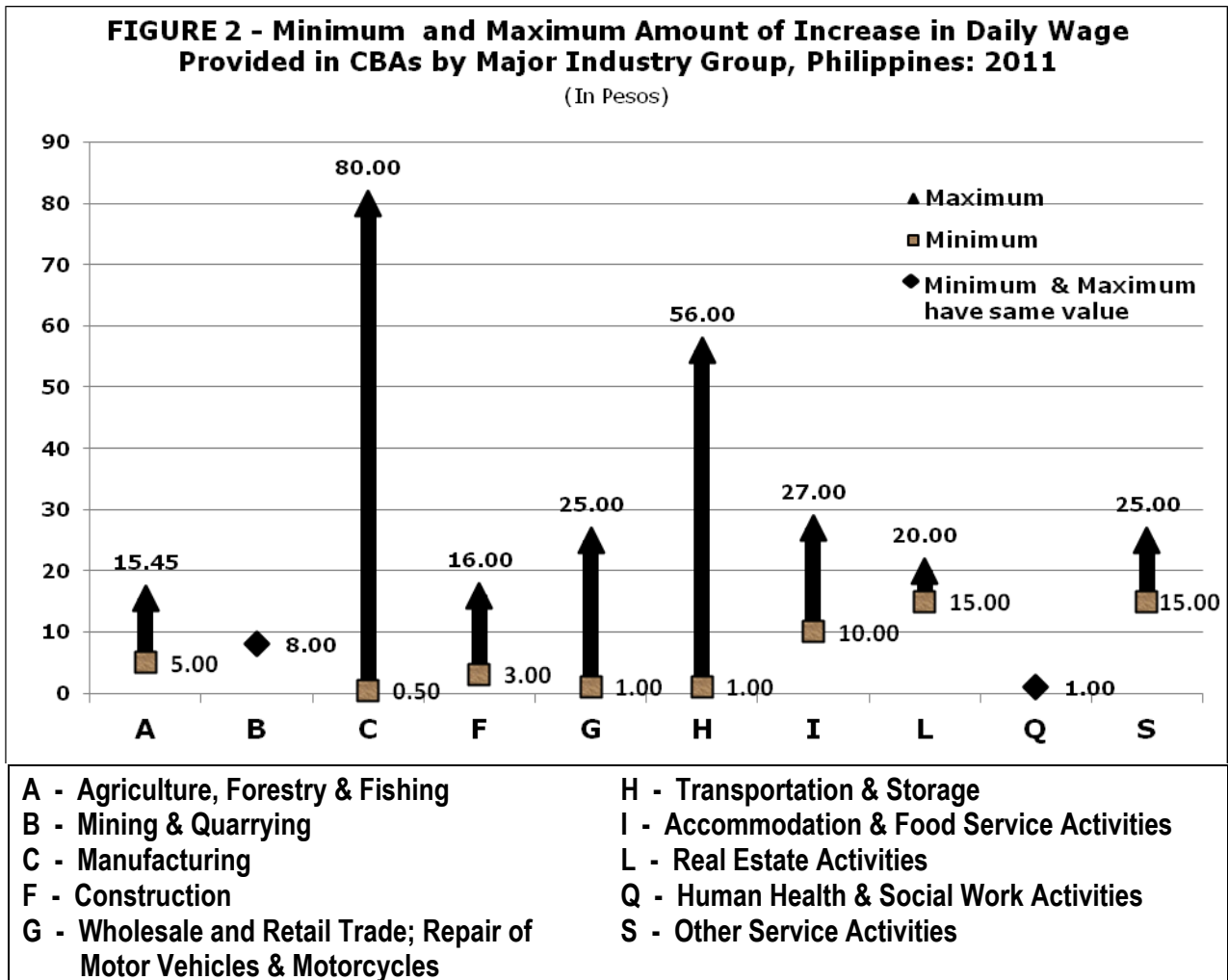
**FIGURE 1 – Registered CBAs by Wage Increase Provisions, Philippines: 2011**



- Notably, all CBAs from the financial and insurance activities (14); construction; and human health and social work activities (5 each); information and communication (3); real estate activities; and water supply, sewerage, waste management and remediation activities (2 each); other service activities; and mining and quarrying (1 each); had provisions for wage increases. (Table 1)
- It was likewise granted in majority of the CBAs from manufacturing (156 or 90.2%); agriculture, forestry and fishing (15 or 88.2%); electricity, gas, steam and air-conditioning supply (14 or 87.5%); transportation and storage (22 or 81.5%); wholesale and retail trade; repair of motor vehicles and motorcycles (17 or 73.9%); education (11 or 68.8%); and accommodation and food service activities (11 or 64.7%). Only 1 out of 2 CBAs in arts, entertainment and recreation industry had wage increase provisions.

**Daily Wage Increase**

- A little more than half (53.4% or 174) of the 326 registered CBAs granted increases in the daily wage. (Table 2)
- Industry-wise, the only CBA registered in mining and quarrying; and other service activities provided for increases in the daily wage. In agriculture, forestry and fishing, it was granted in 3 out of every 4 CBAs and in 7 out every 10 CBAs in the manufacturing industry.
- The minimum amount of increase in the daily wage ranged from P0.50 (manufacturing) to P15.00 (real estate activities; and other service activities) while the maximum increase provided ranged from P1.00 (human health and social work activities) to P80.00 (manufacturing). (Figure 2)

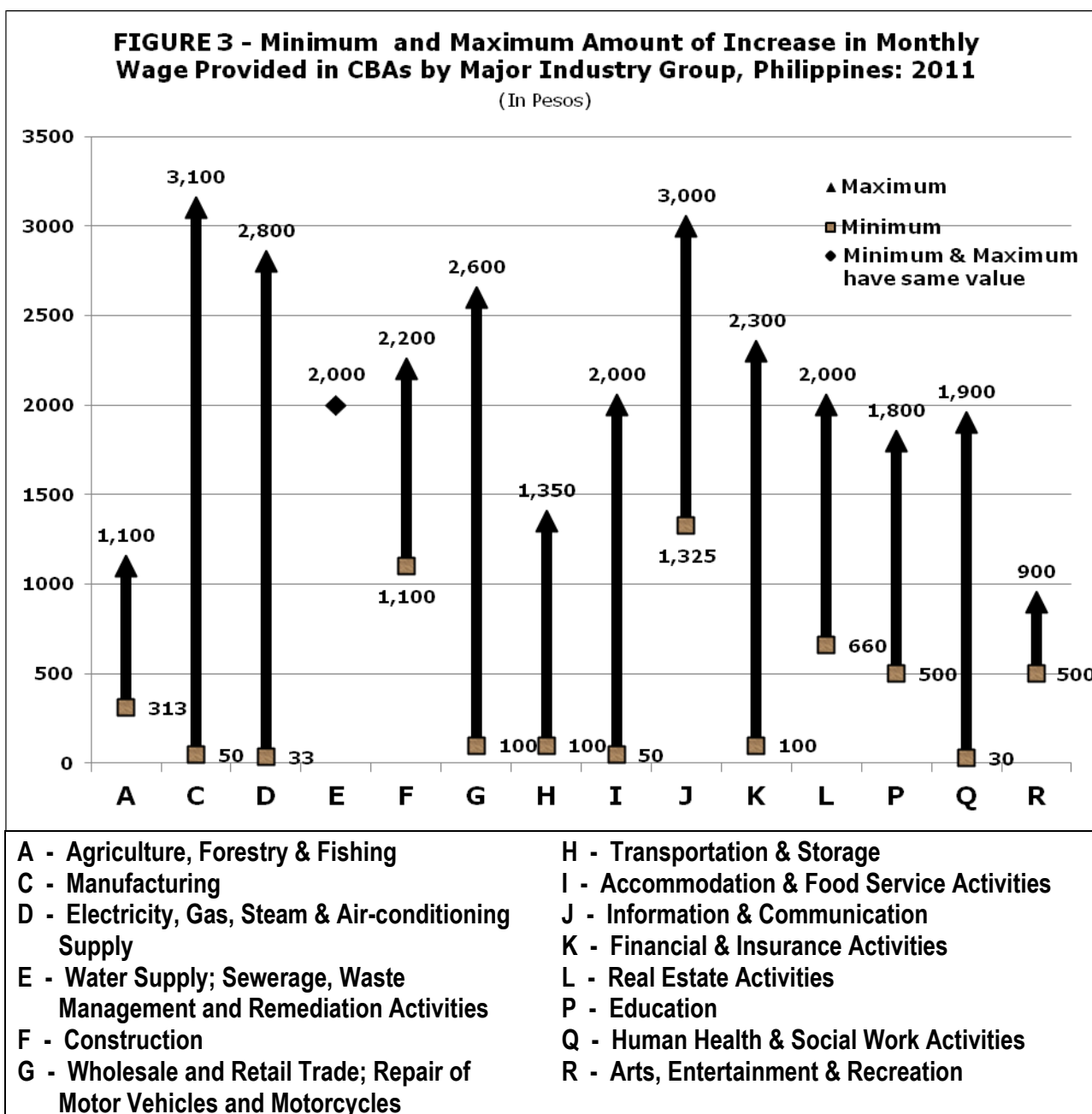


### Monthly Wage Increase

- A total of 73 CBAs provided a specific amount (in pesos) for increases in the monthly wage. Notably, it was provided in majority of the registered CBAs in financial and insurance activities (85.7%); electricity, gas, steam and air-conditioning supply (81.3%); information and communication (66.7%); and construction (60.0%). (Table 2)
- Only 1 out of 2 CBAs in water supply; sewerage, waste management and remediation activities; real estate

activities; and arts, entertainment and recreation had such provisions.

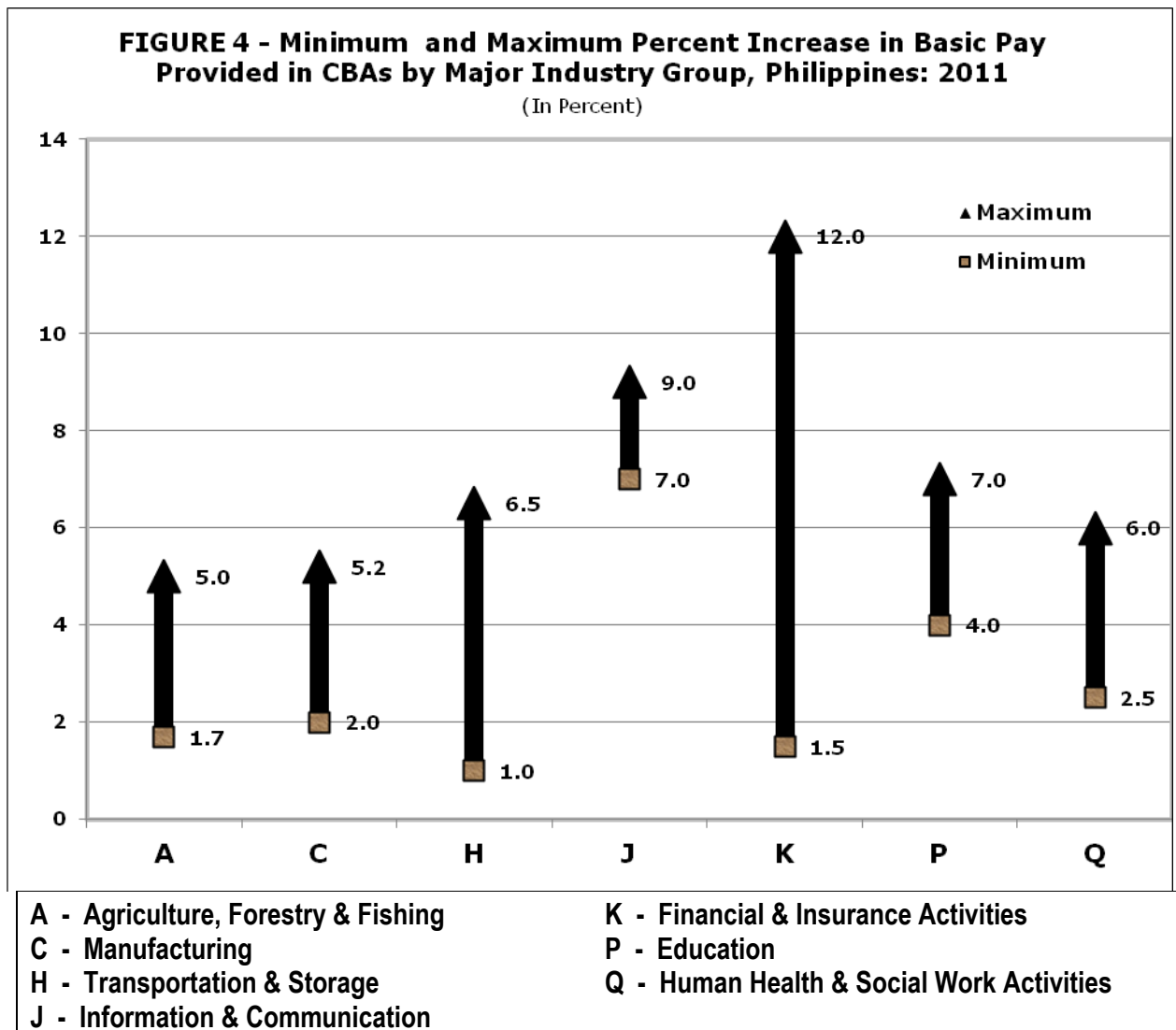
- The amount of increase in the monthly wage varied across CBAs. The minimum increase granted ranged from P30 (human health and social work activities) to P2,000 (water supply; sewerage, waste management and remediation activities). (Figure 3)
- The maximum increase on the other hand, ranged from P900 (arts, entertainment and recreation activities) to P3,100 (manufacturing).



**Percent Increase in Basic Pay**

- Only 9.2% (30) of the registered CBAs granted a percentage increase in the basic pay of the workers. (Table 2)
- This was provided in CBAs in information and communication (66.7%); financial and insurance activities (42.9%); and human health and social work activities (40.0%).

The minimum increase granted ranged from 1.0% of basic pay (transportation and storage) to 7.0% (information and communication) while the maximum increase varied from 5.0% (agriculture, forestry and fishing) to 12.0% of basic pay (financial and insurance activities). (Figure 4)



**WELFARE BENEFITS**

- Aside from increase in wages, CBAs also stipulated benefits for the welfare of the workers and their families. These primarily include medical, maternity and paternity, death benefits as well as, loan benefits.

**Medical Benefits**

- About 5 out of every 8 registered CBAs (62.0% or 202) granted various types of medical benefits.

- Hospital assistance was provided in 3 out of every 8 CBAs (39.3%) while 2 out of every 11 CBAs (19.3%) issued Health Maintenance Organization (HMO) cards.
- Medicine allowance (12.9%); medical reimbursement (10.4%); and health fund (6.4%) were other medical benefits granted. The amount provided varied across CBAs as shown below:

MEDICAL SERVICES BENEFITS	Number of CBAs	Amount Granted (P)	
		Minimum	Maximum
<b>Total</b>	<b>202</b>	-	-
Hospitalization assistance	128	300	700,000
HMO card provision	63	-	-
Medicine allowance	42	300	10,000
Medical reimbursement	34	150	50,000
Health fund	21	120	200,000

Note: Details do not add up to total due to multiple responses.

### Maternity and Paternity Benefits

- Only few CBAs (15 or 4.6%) included maternity assistance to female workers covered by CBA.

MATERNITY/PATERNITY BENEFITS	Number of CBAs	Amount Granted (P)	
		Minimum	Maximum
<b>Maternity Assistance</b>	<b>15</b>	-	-
Normal Delivery	14	500	8,000
Caesarian Delivery	15	500	20,000
Other Maternity Assistance	14	1,000	8,000
<b>Paternity Assistance</b>	<b>4</b>	<b>1,500</b>	<b>12,000</b>

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

- The provision of maternity assistance covered child delivery by normal procedure (P500 to P8,000) and/or by Caesarian section (P500 to P20,000).
- The same CBAs also provided for other maternity assistance in the amount of P1,000 to P8,000.

- Only 4 CBAs gave paternity assistance ranging from P1,500 to P12,000.

### Death Benefits

- About three-fifths of registered CBAs (60.7% or 198) had provisions on death benefits. The amount of benefit ranged from P300 to P225,000, in case of death of the worker; and P300 to P60,000, in case of death of immediate family member.

DEATH/FUNERAL BENEFITS	Number of CBAs	Amount Granted (P)	
		Minimum	Maximum
<b>Total</b>	<b>198</b>	-	-
Death of employee	127	300	225,000
Death of immediate family member	81	300	60,000
Funeral/burial aid	142	-	-
Death of employee	132	100	100,000
Death of immediate family member	92	375	50,000

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

- Funeral/burial aid was likewise granted in 43.6% or 142 CBAs. In case of death of the covered worker, the assistance ranged from P100 to P100,000; and P375 to P50,000, for the death of the worker's immediate family member.

### Loan Benefits

- Other monetary assistance in the form of loans was included in 42.3% (138) of the total CBAs.
- Of the various loans provided, topmost was emergency loan which was granted in 63 CBAs (19.3%). The amount of loan ranged from P500 to P25,000 depending on the CBA.
- Educational loan was also available to covered workers in 37 CBAs (11.4%). The amount granted varied from a low of P500 to a high of P35,000.
- Provision of cash advance or "vale" in the amount of P200 to P15,000 was likewise stipulated in 22 CBAs (6.8%).

- Notably, larger amount was provided for multi-purpose loan (P5,000 to P500,000) in 13 CBAs; housing loan (P1,200 to P300,000) in 12 CBAs; salary loan (P1,200 to P120,000) in 11 CBAs; and car loan (P20,000 to P200,000) in 5 CBAs.
- Other benefits/assistance negotiated in CBAs were enumerated below with the corresponding amount of entitlement:

LOAN BENEFITS	Number of CBAs	Amount Granted (P)	
		Minimum	Maximum
<b>Total</b>	<b>138</b>	-	-
Emergency Loan	63	500	25,000
Educational Loan	37	500	35,000
Cash Advance	22	200	15,000
Calamity Loan	14	7,000	25,000
Multi-Purpose Loan	13	5,000	500,000
Housing Loan	12	1,200	300,000
Salary Loan	11	1,200	120,000
Company Loan	9	2,000	30,000
Car Loan	5	20,000	200,000
Bereavement Loan	4	2,500	30,000
Medical Loan	3	15,000	40,000

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

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**FOR INQUIRIES**

Regarding this report contact **Labor Relations Statistics Division** at 527-3000 local 319 (Telefax)  
 Regarding other statistics and technical services contact **BLES Data Bank** at 527-9311 (Telefax)  
 Or Write to BLES c/o **Data Bank**, 3/F DOLE Bldg., Gen. Luna St., Intramuros, Manila, 1002  
 Fax: 527-5506 E-mail: bles\_lrsd@dole.gov.ph Website: <http://www.bles.dole.gov.ph>

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**TABLE 1 – Number and Percent Share of Registered CBAs With Provisions for Wage Increases by Major Industry Group, Philippines: 2011**

MAJOR INDUSTRY GROUP	Registered CBAs	With Provisions for Wage Increases	Percent Share
<b>ALL INDUSTRIES</b>	<b>326</b>	<b>280</b>	<b>85.9</b>
Agriculture, Forestry and Fishing	17	15	88.2
Mining and Quarrying	1	1	100.0
Manufacturing	173	156	90.2
Electricity, Gas, Steam and Air-Conditioning Supply	16	14	87.5
Water Supply; Sewerage, Waste Management and Remediation Activities	2	2	100.0
Construction	5	5	100.0
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	23	17	73.9
Transportation and Storage	27	22	81.5
Accommodation and Food Service Activities	17	11	64.7
Information and Communication	3	3	100.0
Financial and Insurance Activities	14	14	100.0
Real Estate Activities	2	2	100.0
Administrative and Support Service Activities	2	-	0.0
Education	16	11	68.8
Human Health and Social Work Activities	5	5	100.0
Arts, Entertainment and Recreation	2	1	50.0
Other Service Activities	1	1	100.0

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

**TABLE 2 – Number of Collective Bargaining Agreements by Provision for Wage Increases and Major Industry Group, Philippines: 2011**

MAJOR INDUSTRY GROUP	Registered CBAs	With Provisions for Wage Increases				
		Total	Daily Wage	Monthly Wage	Percent Increase in Basic Pay	Not Stated
<b>ALL INDUSTRIES</b>	<b>326</b>	<b>280</b>	<b>174</b>	<b>73</b>	<b>30</b>	<b>10</b>
Agriculture, Forestry and Fishing	17	15	13	2	2	-
Mining and Quarrying	1	1	1	-	-	-
Manufacturing	173	156	122	19	10	5
Electricity, Gas, Steam and Air-Conditioning Supply	16	14	1	13	-	-
Water Supply; Sewerage, Waste Management and Remediation Activities	2	2	-	1	-	1
Construction	5	5	2	3	-	-
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	23	17	15	2	-	-
Transportation and Storage	27	22	14	4	4	-
Accommodation and Food Service Activities	17	11	3	7	-	1
Information and Communication	3	3	-	2	2	-
Financial and Insurance Activities	14	14	-	12	6	-
Real Estate Activities	2	2	1	1	-	-
Administrative and Support Activities	2	-	-	-	-	-
Education	16	11	-	4	4	3
Human Health and Social Work Activities	5	5	1	2	2	-
Arts, Entertainment and Recreation	2	1	-	1	-	-
Other Service Activities	1	1	1	-	-	-

Note: Breakdown of each major industry group may not add up to respective total due to multiple responses.  
Sources of data: Bureau of Labor Relations.  
Bureau of Labor and Employment Statistics.