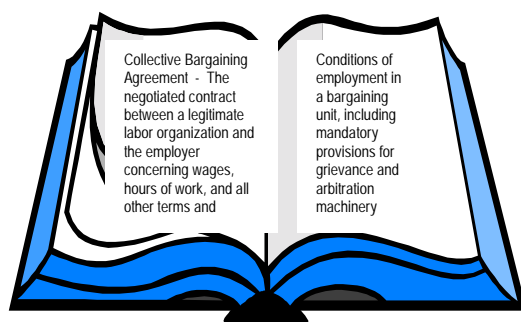




Collective Bargaining Agreements in 1996: Their Profile and Economic Provisions



This article highlights the profile and economic provisions of CBAs filed in 1996. It is the first of a two-part series to be published by the Bureau of Labor and Employment Statistics (BLES) this year. Part II will focus on non-economic provisions.

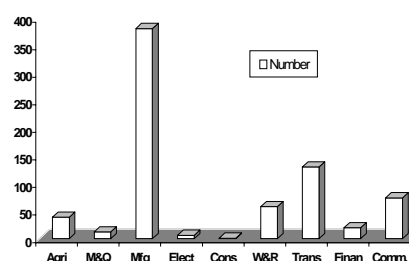
A similar study was conducted last year focusing on the CBAs filed in 1993, 1994 and 1995. Highlights of results were published in LABSTAT Updates Vol. 1 Nos. 8, 9 and 12.

A. CBA Profile

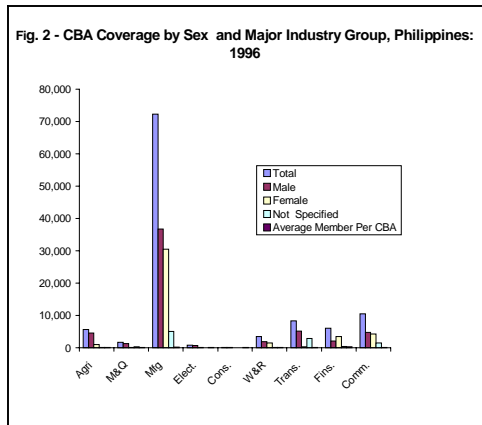
Here are some of the features of the newly registered CBAs in 1996:

- A total of 721 CBAs were registered in 1996, summing up the total number of CBAs in effect to 3,398. Compared to 7,610 existing unions, around 44.6% of the unions were with CBAs during the year.
- Among regions, the National Capital Region (NCR) registered the most number of CBAs which accounted for 55.6 percent of the total CBAs nationwide. Region IV followed with 13.5 percent. The rest of the regions posted shares of less than 10.0 percent.
- The bulk (444 or 61.6%) of registered CBAs were negotiated by affiliated unions while the remaining 38.4 percent or 277 belonged to independent unions.
- More than half (52.8% or 381) of the registered CBAs came from the manufacturing sector. Most of the registrants in this sector were from establishments engaged in textile, wearing apparel and leather industry. (Fig. 1.)

Fig.1 - Number of Registered CBAs by Major Industry Group, Philippines: 1996



- Most of the registered CBAs (716) covered the rank and file employees. This translates to 99.3 percent of the total 721 registered CBAs nationwide. Only five or 0.7 percent of the CBAs had supervisors as their bargaining unit.
- A total of 108,794 employees were covered by CBAs. About 46.0 percent were workers in establishments based in NCR. The rest were distributed in Region IV (23.5%), Region XI (10.1%), Region III (8%) and Region VII (5.2%). CBA coverage was relatively low in the remaining regions (less than 3.0% each).
- A total of 72,329 (66.5%) workers covered by CBA came from the manufacturing sector. (Fig. 2)



- The males comprised 52.6 percent of the total CBA coverage while females accounted for only 37.9 percent. The sex composition of more than nine percent of the total workers covered by CBAs was not specified.

B. Economic Provisions

◆ Wage Increases*

Provision for wage increases varies

- A total of 391 CBAs provided peso wage increases to daily-paid workers. Of these, 163 had negotiated an increase between P5.00 - P19.99 while 183 were able to bargain for a relatively higher amount, i.e. between P20.00 to P99.99. Other CBAs (28) settled for less than P5.00 increase. Very few CBAs (17) provided for an increase of P100.00 or more. The computed average daily increase was P32.28.
- Meanwhile, of the 115 CBAs with provisions for peso wage increases covering the monthly-paid employees, 51.3 percent approved for an increase of less than P2,000. Only nine CBAs provided for wage increases of P5,000 or more. On the average, the monthly increase was computed at P2,302.45.
- Percentage increases in the basic pay were likewise adopted in 41 CBAs. A total of 22 CBAs (53.6%) provided for a yearly increase ranging from 10.0 percent to 29.0 percent. Only 7.3 percent of the CBAs provided percentage increases of 50.0 percent and over. The average percentage increase was estimated at 30.3 percent.

*Computed by getting the sum of the yearly increases specified in each CBA. The amount of increase reported in this study refers to total increases for the period of 3-5 years depending on the agreement reached by the parties.

◆ **Overtime Premium Rates**

Most CBAs subscribed to the statutory premium rate requirement

- More than 80.0% of the CBAs subscribed to the mandatory overtime rates imposed on restdays/Sundays, regular holidays and on regular holidays falling on a restday. This observation holds true for all regions and all industries.

◆ **Welfare Benefits**

Provision for Medical/Dental Services is the most mentioned benefit in CBAs

- Various type of welfare benefits were enjoyed by workers covered by CBAs. The top five benefits and their corresponding percentage shares to total number of registered CBAs in 1996 are as follows:

| Welfare Benefits | Percent Share |
|--------------------------|---------------|
| Medical/Dental Services | 77.9 |
| Family Planning Services | 77.0 |
| Hospitalization Plan | 65.6 |
| Burial Aid | 60.0 |
| Workers Education | 52.7 |

- Provisions for medical/dental and family planning services topped the list of welfare benefits for workers in 1996. These were stipulated in more than 75.0 percent of the CBAs filed during the period. Realizing the escalating cost of hospitalization, the workers pushed for the provision of hospitalization plan in their CBAs. This provision was mentioned in 65.6 percent of the CBAs. Other welfare benefits considered relevant by the workers were burial aid

(60.0%) and workers education, training and development (52.7%).

◆ **Supplementary Benefits**

A total of 680 CBAs included provisions for supplementary benefits in 1996. Granting of Christmas Bonus tops in supplementary benefits for workers

- The top five supplementary benefits granted were: Christmas bonus (52.6%), provision of set of uniforms (46.8%), signing bonus (25.1%), merit increases/incentive pay (10.3%), and longevity pay (9.7%).

◆ **Leave Benefits**

Provision for vacation leave is mentioned in most CBAs

- Vacation and sick leave benefits were two of the most popular leave benefit provisions with respective shares of 85.6 percent and 76.6 percent of the total CBAs. Despite the passage of RA 7322 (Maternity leave) and RA 8187 (paternity leave) still, some 40.9 percent and 37.0 percent, respectively included these provisions in their CBAs. The following show the top five leave benefit provisions and their corresponding percentage shares to the total number of registered CBAs in 1996.

| Leave Benefit | Percent Share |
|-----------------|---------------|
| Vacation leave | 85.6 |
| Sick leave | 76.6 |
| Maternity leave | 40.9 |
| Paternity leave | 37.0 |
| Emergency leave | 36.5 |

- Generally, the number of days entitlement of workers to paid vacation and sick leave benefits are included in CBA negotiations. For this year, CBAs with provision for vacation leave (73.0%) and CBAs with provision for sick leave (77.0%) subscribed to a fixed number of paid vacation and sick leaves. The rest of the CBAs conformed to a graduated scale depending on the worker's years of service.
- A considerable number of CBAs favored the conversion of all unused vacation (66.6%) and (67.6%) sick leaves into cash. The rest of the CBAs (33.4% and 32.4%, respectively) stipulated for the non-conversion into cash of the unused leave benefits earned.

Most CBAs favor the conversion of all unused vacation and sick leaves into cash.

- Specific clauses as to whether the unused vacation and sick leaves could be converted into cash or could be accumulated if unused for a certain period of time were also deliberated upon on the bargaining table. More than 90.0 percent of the registered CBAs adopted the non-accumulation of unused vacation and sick leaves.

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