

LMCs IN THE PHILIPPINES: ISSUES AND PROSPECTS*

Lorenzo B. Ziga**

But we think it fitting to call attention to the fact that the problem of the participation of the workers is an ever present one, whether the enterprise is private or public; at any rate every effort should be made that the enterprise become a community of persons in the dealings, activities, and standing of all its members.

This demands that the relations between the employers and directors on the one hand, and the employees on the other, be marked by appreciation, understanding, a loyal and active cooperation, and devotion to an undertaking common to both, and the work be considered and effected by all members of the enterprise, not merely as a source of income, but also as the fulfillment of a duty and the rendering of a service. This also means that the workers may have their say in and make their contribution to the efficient running and development of the enterprise.

-Mater et Magistra¹

Labor-management cooperation (LMC) is an idea whose time has come, but in the Philippines at least, its influence in the shop floor still has to be fully felt. Since public imagination and popular admiration are stirred by the *galpe* and thunder of rallies and worker's barricades, labor-management cooperation is considered as a subversion that promises to redefine the tenor of Philippine industrial relations.

That promise of stable though dynamic interaction between managers of enterprises and all the stakeholders within, particularly their workforce, has gained headway in the Philippines with a number of outstanding benchmarks. A lot of ground remains to be covered, however, not only by the government agencies and non-government organizations advocating the option of labor-management cooperation. In many ways, the greatest obstacle met in this regard is the traditional notion of labor-management relations where one party demands and the other party opposes, bitter adversaries with no hostages taken in many instances, both sides

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**President, Philippine League of Labor Management Cooperation Practitioners, Inc. (PHILAMCOP); Senior Lecturer, University of the Philippines School of Labor and Industrial Relations (UP SOLAIR); Department Manager, HRD & Legal, Asian Transmission Corporation.

¹ Encyclical Letter of Pope John XXIII, *On Recent Developments of the Social Question in the Light of Christian Teaching* (1961).

hesitant to explore win-win paradigms that offer quiet though no less dramatic resolutions to their conflicts and issues.

Merely describing the ground covered is far too easy. For the advocates of labor-management cooperation in the Philippines, future directions may be charted more competently by evaluating the character of the stakeholders, the dynamic of their relations, as well as the issues that must be addressed as both parties seek to move forward.

I. PHILIPPINE INDUSTRIAL RELATIONS AT THE CROSSROAD

For several years now, the effort to retool the Labor Code of the Philippines has been in the legislative agenda of both Houses of Congress.² Several proposals have been forwarded by various sectors to the Joint Labor Commission prompted primarily by the recognition that globalization had greatly transformed the workplace. Among others, it was felt that the amendments to the Labor Code should respond to the challenges of economic growth, international competitiveness and high levels of decent employment with necessary flexibility serving workers and employers.³

One of the most crucial areas in this regard is the pressure on the economy to create more employment. From 1975 to 1995, the population grew from 42.07 million to 68.616 million and the labor force from 15.161 million to 28.04 million.⁴ As of 2001, the labor force has grown to 32.808 million with about 800,000 entrants to the labor force annually. Total employed persons for the year were estimated at 29.155 million. The number of unemployed stood at 3.459 million while the full year unemployment rate stood at 11.2%. It was also recognized that while there was a growth in the employment rate, much of this was due to the expansion of part-time work mostly in agriculture and the trade sectors.⁵

Thus, the government has promised the creation of one million jobs in fisheries and agriculture, initiating pump priming measures as well as an aggressive campaign to attract investments.⁶ To address the shift in the migrant labor markets that provide employment for some 2.78 million Filipinos, there is a move to deregulate the overseas employment program.

² Joint Resolution No. 31 created the Congressional Commission on Labor which had been conducting sectoral consultations since 1999.

³ Gert Gust, *Fundamental Labor Rights and their Relevance for the Philippines*, in UP SOLAIR-CIDS STUDY GROUP ON PHILIPPINE LABOR LAW REFORMS AND THE FUTURE OF WORK RELATIONS 4 (2000).

⁴ DOLE, *Trends and Emerging Issues on Labor and Employment* (2000).

⁵ DOLE Annual Report (2001).

⁶ President Gloria Macapagal-Arroyo, State of the Nation Address (SONA) at the opening of the 13th Congress in Batasang Pambansa (23 July 2001).

The Philippines was not spared by the Asian financial crisis from 1997 to 2000.⁷ Its lowest employment rate for the decade was in 1998 at 89.9% when closures of establishments and retrenchments of workers peaked. The number of affected establishments totaled 3,072 of which 642 closed shop. The number of affected workers reached 155,198.

With these developments, more and more Filipinos seek employment in the services sector particularly in the new industries clustered around information technology and the higher end of overseas employment such as seafarers and mariners. However, the problem of the ability of the economy to absorb new entrants to the labor is likely to persist particularly since the Philippines has one of the highest enrollment rates in the secondary and tertiary levels among many developing countries and corollarily, a great number of entrants to the labor force each end of the school year.⁸

In Southeast Asia where the trend is toward higher value-added and more skill-intensive production such as in Hongkong and Singapore, the Philippines was viewed to take up the slack that the more developed countries will leave behind as can be seen in the electronics and garments sector which were among the country's principal exports until a few years ago. While the flow of foreign direct investments (FDI) has remained low relative to neighboring countries, the government's support toward the creation of export processing zones or special economic zones as in the case of the two former American military bases in Subic and Clark, is the centerpiece program to attract FDIs. The proliferation of the so-called industrial parks or estates is also behind the economic boom in the CALABARZON (Cavite, Laguna, Batangas, Rizal, Quezon provinces, all in Region IV) area which was the hub of the country's progress in the last decade.

II. A CENTURY OF THE PHILIPPINE LABOR MOVEMENT

The foremost achievement of the Philippine labor movement inheres not in its long history but in its ability to redefine and reinvent itself in the light of the most crucial issues that confronted the Filipino nation.

The militant tradition of the Philippine labor movement began during the period of revolution against Spain. In the latter part of the 19th century, workers' associations for mutual aid and benefit were organized in the printing, carpentry, and painting trades known as gremios or guilds. Among the best known of these were

⁷ Philippine country paper prepared by the Institute for Labor Studies, *Addressing the Labor and Employment Impact of the Asian Crisis: The Philippine Response*, 24 PHIL. LAB. REV. 82, 82-101 (January-June, 2000).

⁸ Aniceto C. Orbeta Jr. and Ma. Teresa C. Sanchez, *The Philippines in the Regional Division of Labor*, 20 PHIL. LAB. REV. 43, 43-81 (January-June, 1996).

the *Gremios de Obreros de Sampaloc*, *Gremios de Escultores del Barrio Santa Cruz*, *Gremio de Carpinteros*, and the *Gremio de Impresores*.⁹ As a portent of things to come, the *Gremio de Impresores* staged the first workers' strike—by walking out of their presses—in 1872 and again in 1893, to protest the maltreatment of one of their own in a German publishing firm.¹⁰

This period coincided with the nationalist agitation spurred by the writings of Jose P. Rizal, Marcelo H. del Pilar, and the other patriots of the Propaganda movement that catalyzed the formation of a national consciousness and identity as against the Spanish colonizers. With the exile of Rizal to Dapitan in Mindanao and his subsequent martyrdom, the La Liga Filipina, the reformist society he founded, gave birth to the *Katipunan*, the secret revolutionary society founded by Andres Bonifacio. It is easy to deduce from the initial leadership and core group of the *Katipunan* that its ranks were swelled by the workers and masses of the time.¹¹

This nationalist agenda continued its growth even as Admiral Dewey and his flotilla sailed into the Manila Bay, indicating the entry of another Western power as sovereign in the Philippines. As American troops conducted mopping up operations throughout the country, the Union Obrera Democratica (UOD) was launched on February 2, 1902 by Isabelo de los Reyes and other activists from the *gremios* that had consolidated into the country's first labor federation. In a country where the population was only seven million and Manila, the capital city, only had 500,000 residents, UOD was able to mobilize some 20,000 workers and unify some 150 unions into the federation. Considered a threat to the American colonial authorities, De los Reyes was arrested in August, 1902—just six months after UOD was established.¹²

De los Reyes and Dominador Gomez, his successor at Union Obrera Democratica Filipina, firmly ingrained the patriotic fervor for independence in the Philippine labor movement, at a time when the foremost thought on every Filipino consciousness was winning back the national independence they had won from Spain and lost when Spain and the United States entered into the Treaty of Paris. By virtue of this treaty, Spain ceded the Philippines at a time when its own forces no longer controlled the islands, as the Spanish arms were concentrated in a pocket at the walled city of Manila. Although this patriotism established the labor unions as bulwarks of nationalism agitating for political independence, the growth of the labor

⁹ ALFREDO B. SAULO, COMMUNISM IN THE PHILIPPINES: AN INTRODUCTION 6 (1969).

¹⁰ *Id.* at 7.

¹¹ See RENATO CONSTANTINO, THE PHILIPPINES: A PAST REVISITED 161 (1975).

¹² Rene E. Ofreneo, *Isabelo de los Reyes and the Organized Labor Movement*, 18 PHIL. J. LAB. INDUS. REL. 92, 93-94 (1998).

movement was hampered as labor leaders came under surveillance by the colonial authorities.¹³

By the 1930s, while Filipino politicians continued the quest for independence in parliamentary debates, the festering agrarian issues started to define a socialist agenda that found resonance among urban workers and even more in the countryside, where farmers denounced the vast landholdings of a few families and asked for a more equitable distribution of wealth. Political unionism at that time took a decided turn when Crisanto Evangelista, a former member of one of the numerous Independence Missions to Washington, D.C., realized the futility of traditional political parties, advocated class struggle, and founded the Partido Komunista ng Pilipinas (Philippine Communist Party).

When the war broke out, consistent with the tradition of heeding the popular cause, labor unions unified into a resistance movement where both leftist-oriented trade union leaders, the Socialist Party, and the Communist Party carried out guerilla warfare against the Japanese aggressors.

The Philippines emerged as one of the most ravaged economy after the war. Although the national community was focused on how to deal with their leaders who had collaborated with the Japanese aggressors, revolutionary unionism continued with the founding of the Congress of Labor Organizations (CLO) on March 14, 1945. Among its organizers were veteran labor and guerilla leaders such as Felixberto Olalia Sr., Guillermo Capadocia, and Mariano Balgos. It was affiliated with the World Federation of Trade Unions (WFTU), a Russian Communist labor organization. CLO rapidly grew to become the country's largest federation with 78 union affiliates representing some 100,000 workers.¹⁴ Thereafter, when the Philippines, still very much under the influence of the United States, was brought into the cold war, trade union policy shifted to economism with the institution of the collective bargaining agreement (CBA) through the Industrial Peace Act of 1953 which was largely based on the US National Labor Relations Act, also known as the Wagner Act.

During the martial law period, human rights and individual civil liberties, including the workers' rights to self-organization and to take collective action, were increasingly besieged. The labor sector mounted the first challenge to the authoritarian Marcos regime. On October 24-25, 1975, workers in La Tondeña Inc. staged the first strike during the martial law period. The strike was transformed into a political rallying point for the religious, community workers, urban poor, and

¹³ ELIAS T. RAMOS, *PHILIPPINE LABOR MOVEMENT IN TRANSITION* 17 (1976).

¹⁴ LEOPOLDO J. DEJILLAS, *TRADE UNION BEHAVIOR IN THE PHILIPPINES, 1946-1990* 36 (1994).

students eager to strike a blow against a regime that made it a policy to repress the rights of workers as an incentive to foreign investments.

However, despite the long and lonely fight by militant groups against the Marcos dictatorship, the Philippine Left as well as labor unions aligned with them, were left out in the broad alliance of forces that swept the Marcoses to exile on February 25, 1986. This was brought about initially by the decision of the Left to boycott the Presidential snap elections on February 7, 1986 where Corazon C. Aquino was the candidate supported by the Roman Catholic hierarchy and the moderate anti-Marcos forces. The boycott decision decisively sidelined the Left from much of what later happened after the so-called snap elections. The Left later admitted that the decision was “a major political blunder.”¹⁵ However, later in the term of President Aquino, the militant labor groups were at the forefront against the renewal of the US-RP Military Bases agreement.

From this error, the Left rebounded and learned from it well as they became a part of the civil society group that launched the call for and brought about the fall of former President Joseph Estrada on January 19, 2001.¹⁶

By no means is the labor movement solely primed at political unionism. As early as the American occupation, a contemporary of Dominador Gomez, novelist Lope K. Santos pursued a different political direction from Gomez and de los Reyes since he was inclined towards cooperating with colonial authorities and minimizing the trade union’s direct involvement in political activity.¹⁷

The roots of economic unionism may be traced to the introduction of the Industrial Peace Act in the 1950s which emphasized collective bargaining, grievance handling and arbitration. Thus, the unions that emerged during this period pursued purely factory-focused and economic-oriented issues and oriented their political involvement mainly toward regulating the arbitrary action of employers.¹⁸

At present, the cross currents among the major labor federations and groups in the Philippines may be viewed in a spectrum where political and revolutionary unionism are represented at one end by the Kilusang Mayo Uno (May First Movement) and its allied groups such as the Association of Democratic Labor

¹⁵ Central Committee of the Communist Party of the Philippines, *Party Conducts Assessment, says boycott policy was wrong*, ANG BAYAN, May 1986, at 1-3.

¹⁶ The high esteem for the leftist labor federation Kilusang Mayo Uno is indicated by the fact that its chairperson, Crispin Beltran, sits as a party list representative at the House of Representatives having been elected together with two other nominees of Bayan Muna party. The Trade Union Congress of the Philippines (TUCP) failed to get its nominees elected to Congress.

¹⁷ E. RAMOS, *supra* note 14, at 17.

¹⁸ L. DEJILLAS, *supra* note 15, at 43.

Organizations (ADLO), National Federation of Labor Unions (NAFLU), National Federation of Labor (NFL), Trade Unions of the Philippines and Allied Services (TUPAS), Southern Philippines Federation of Labor (SPFL), and United Lumber and General Workers of the Philippines (ULGWP) and shading off gradually to the other end of economic unionism represented by the Trade Union Congress of the Philippines (TUCP), the Federation of Free Workers (FFW), and the Lakas ng Manggagawa Labor Center.¹⁹

The Kilusang Mayo Uno (KMU) was the result of the efforts of the national democratic forces to forge a core group within the trade union movement.²⁰ It was formally established on May 1, 1980 under the leadership of Felixberto Olalia Sr. following several attempts by the national democratic forces to gain a foothold in the labor movement. For the KMU, the ultimate goal of trade union movement was the establishment of socialism. Crispin Beltran, former KMU Chairperson and now a Party-List Representative, defined socialism as “a social order in which the economic means of production are controlled by the State, and in which the political power of the State is taken over and controlled by the people.” This can only come about after the structures of imperialist control are dismantled. Thus, labor unions must direct their struggle to include broader political goals.²¹

The Federation of Free Workers (FFW) derives its roots from the Jesuit’s concern for building a just social order based on the social teachings of the Church. In 1946, Jesuit priest, Walter B. Hogan, and Ateneo alumnus, Juan Tan, sought to organize a labor federation along the lines of Christian social doctrines as a counter point to the communist-influenced CLO. Thus, FFW was born on June 15, 1950.²²

The TUCP is best viewed in the light of three major developments in its history:²³

- (a) As a brainchild of the government, it was organized at a time when the Marcos regime wanted the active support of labor and was actively involved in moves to unify the labor movement along industry lines;
- (b) It received active support from the United States through the American-Asian Free Labor Institute (AAFLI), as well as grants from the National Endowment for Democracy which is believed to be backed by the US Central Intelligence Agency (CIA); and

¹⁹ ELIAS T. RAMOS, *DUALISTIC UNIONISM AND INDUSTRIAL RELATIONS* (1990).

²⁰ The national democrats are identified with the Communist Party of the Philippines and its armed group, the New People’s Army.

²¹ L. DEJILLAS, *supra* note 15, at 74-75.

²² *Id.* at 84-87.

²³ *Id.* at 71-72.

- (c) It started out as an economic union but as Philippine society polarized after the assassination of former Sen. Benigno S. Aquino, it became increasingly vocal about democratic and political issues focusing, among others, on broadening worker rights and establishing a society based on social justice, freedom and democracy.²⁴

III. THE EMPLOYERS AND MANAGERS

Many Filipinos recall, with understandable pride, the time after the war when the Philippines was supposed to have been second to Japan in Asia. Together with a protectionist "Filipino First" policy in the 1950s was an import-substitution policy that developed a hub of industrial enterprises. With these came a parallel effort to professionalize the practice of personnel management. Thus, in 1956, the Personnel Management Association of the Philippines (PMAP) was organized. Its first generation members came from the group of modern Philippine corporations with their own management groups. This differentiated them from the majority of Filipino companies which were family-owned and which were run as an extension of the family that owned them. To date, the PMAP has chapters in almost all the 13 regions of the country and is the best purveyor of American literature, ideas, and developments in industrial relations.²⁵

In 1973, the Ranis Mission, a project of the International Labor Organization (ILO) and supported by the World Bank, came out with wide-ranging recommendations for employment and growth that could be adopted by the Marcos martial law administration. Among its foremost recommendations was the adoption of an export-oriented industrialization (EOI) which was viewed as capable of creating more jobs to absorb the large supply of labor. Depressing wages, by extension, was thought to enable the employer to expand operations easier.

The corporatist thrust of the government found expression not only in the official policy of tripartism adopted by the Labor Code but also in the creation of counterpart sectoral organizations: the Trade Union Congress of the Philippines (TUCP) for the labor sector, and the Employers Confederation of the Philippines (ECOP) for employers.

²⁴ In 1983, TUCP Vice-President Ernesto A. Herrera was designated as member of the Agrava Fact Finding Board that investigated the circumstances behind Ninoy Aquino's assassination. He was among the four members of the board who found a high-level military conspiracy. TUCP was also part of the governing board of the National Citizens Movement for Free Elections (NAMFREL) which shadowed the conduct of the elections in May, 1984 as well as the February 7, 1986 "snap" Presidential elections.

²⁵ Rene E. Ofreneo, *Philippine Industrialization and Industrial Relations*, in *EMPLOYMENT RELATIONS IN THE GROWING ASIAN ECONOMIES* 223 (1995).

The circumstances behind the birth of ECOP is more pertinently highlighted in its own Handbook, thus:

Its birth was manifested in the great display of unity by employer groups that distinguished themselves in three major events: the evolution of a new Labour [sic] Code that later became a law on May 1, 1974; the analysis and detailed review of a Report on the Philippines of an ILO expert Team better known as the Ranis Report; and the tripartite conference on wages, prices and incomes policy.

That display of unity was coordinated by a council of employers' organizations composed of the Chamber of Commerce of the Philippines, the Philippine Chamber of Industries and the Personnel Management Association of the Philippines . . .

The evolution of a strong and unified employers' organization was encouraged by no less than Labor Minister Blas F. Ople who decided to build the bases for tripartism in this country as an approach to the solution of labour [sic] and social policy questions and as a vehicle for bringing about industrial peace.²⁶

The influence of the ECOP cannot be gainsaid. In 1987, the then Minister of Labor, Augusto Sanchez, a former lawyer for political detainees of the Marcos regime, was perceived by big businesses to be anti-business and pro-labor. There ensued a clamor for his removal from office.²⁷ After his ouster, the business community became very supportive of the government's labor initiatives by enforcing the strike laws, strengthening the system of dispute settlement, and promoting proactive labor relations program. ECOP has been at the forefront of various tripartite initiatives of the government. Annually, it organizes the National Conference of Employers whose keynote speaker is usually the incumbent President of the Philippines. Each year during this conference, before the President proceeds to the plenary, there is usually a period for consultations with the country's top business leaders and employers.

IV. LABOR-MANAGEMENT COOPERATION UNDER MARTIAL LAW

Since it was in the area of labor relations where the Marcos regime achieved some measure of success, particularly with the enactment of the Labor Code in 1974 and the organization of ECOP and TUCP thereby bringing about some semblance of tripartism, the experimentations extended into joint labor-management initiatives as instruments of achieving industrial peace. To wit:

²⁶ *Id.* at 223-224.

²⁷ Sanchez was replaced by his Deputy, Franklin M. Drilon, ECOP Vice-President (1986) and former partner in the law firm of Angara, Concepcion, Cruz, Regala, and Abello (ACCRA), whose clients are some of the biggest multinationals in the Philippines. Drilon is now the Senate President.

- (a) Policy Instruction No. 17 (May 31, 1976) which provides that after November 1, 1974, a CBA may be certified provided it contains “provisions for labor-management cooperation schemes for increasing productivity, sharing of the benefits resulting therefrom, workers education, reduction of the monotony of work and recreational activities and job enrichment.”

The implied threat of non-certification in the foregoing meant that the “contract bar rule” would not apply; hence, there would be no stability to the agreements made by labor and management. However, this policy proved to be ineffective. Thus, the new policy announced in Policy Instruction No. 17 dated May 31, 1976 rendered the said requirement as merely directory, no longer mandatory.²⁸

- (b) Letter of Instruction No. 688 (May 1, 1978) directing the Secretary of Labor and the Presidents of ECOP and TUCP to devise a scheme which would promote systematically and on a sustained basis the establishment of an adequate machinery for positive cooperation between labor and management at appropriate levels of the enterprise. Such machinery should focus on matters of common interest to workers and employers but are not usually the subject of collective bargaining. The purpose is to broaden the base of labor-management cooperation and make them true partners in the pursuit of justice-based development.

Again the directive failed to move both labor and management to seriously consider LMCs as an option.

Thus, a series of changes were carried out by Batas Pambansa Blg. 130 in both the Labor Code and its Implementing Rules and Regulations:

- (c) Article 278 of the Labor Code as amended by BP 130 (August 21, 1981) provides, among others, that “The Ministry shall help promote and gradually develop, with the agreement of labor organizations and employers, labor-management cooperation programs at appropriate levels of the enterprise based on shared responsibility and mutual respect in order to ensure industrial peace and improvement in productivity, working conditions and the quality of working life.” It also provided that “in establishments where no labor organizations exists, labor management committees may be formed voluntarily by workers and employers for the purpose of promoting industrial peace.”
- (d) Rule XII, Book V of the Implementing Rules of the Labor Code (September 4, 1981) provides for the promotion of constructive and

²⁸ Eleuterio Cojuangco, *The National Conciliation and Mediation Board's Labor Management Cooperation Program Report*, in Report of Proceedings DOLE/ILO Training Assessment & Planning Workshop on Labor Management Relations (1991).

positive cooperation by requiring certain reports on labor management cooperation activities undertaken: "The employer and the labor union concerned shall be encouraged to report to the Department of Labor labor-management cooperation programs which may have been undertaken by them. The employer shall likewise report the creation of any labor-management committee within its establishments. He shall also report the activities of such committee from time to time whenever required by the Department."

However nobly framed these pronouncements were, the LMC program of the Marcos-era remained nebulous particularly since the other policies of the government that pertained to labor belied the sincerity of the foregoing. Moreover, no particular agency was mandated to spearhead the program thus, few, if any, shop floor developments pursued the policy initiatives. Indeed, at the time the National Conciliation and Mediation Board (NCMB) was organized in 1988, it was discovered that there were only 28 companies with functional LMCs.²⁹

V. ENHANCING THE LMC PROGRAM

As the Marcos regime waned, labor unrest over the various government policies steeped up. The protests staged by the labor unions added to the simmering political tension as various sectors of society drifted toward polarization. The long repressed grievances by the labor sector easily surfaced as more sectors of society found the courage to take to the streets, each protest action delivering a blow to the economy and the regime's stability.

The momentum of protests carried over to early years of the Aquino government. From 371 actual strikes in 1985 involving 2,458,000 manhours lost, this reached 581 actual strikes in 1986, the first year of the Aquino government, involving an incredible 3,638,000 manhours lost.³⁰ The unrest in the labor sector coincided with the travails of the new government asserting its authority against challenges from the right-wing fringe of the military and the Left with whom the Aquino government was holding peace talks. However, the season of wildcat strikes in the country's industrial centers contributed to the instability. Thus, the business community openly applauded the get-tough policy against strikes unveiled by President Aquino on October 20, 1987.³¹

²⁹ *Id.* "Bayanihan" of Unilab, a pharmaceutical company, asserts that it was a prototype of an LMC as early as 1958. See Benito M. Claudio, Labor Management Cooperation on Higher Productivity: Role of Management in the Philippines 5 (1998) (unpublished work, University of the Philippines, Diliman) (on file with the UP School of Labor and Industrial Relations Library).

³⁰ Statistics from the Bureau of Employment Statistics and NCMB. It was not until 1994 when actual strikes fell below 100.

³¹ Ofreneo, *supra* note 26, at 224.

Among the options considered to mitigate the unrest at the labor front was the formation of labor-management cooperation. The Department of Trade and Industry (DTI), at this time headed by industrialist Jose Concepcion, a known political ally of President Aquino, and the then UP Institute of Industrial Relations (later the UP School of Labor and Industrial Relations or SOLAIR) launched a Pro-Active Program for Industrial Peace and Harmony as a joint project on October 26, 1986. Earlier, DTI organized the Center for Labor Relations Assistance (DTI-CLARA), precisely to address the labor relations concerns of the business community as it was felt that the Department of Labor and Employment (DOLE) had its hands full.³² The joint efforts of these two institutions carried out 20 LMC orientation and 18 training seminars all over the country.³³

Responding to the situation, President Aquino reorganized the then Ministry of Labor and Employment by issuing Executive Order No. 126 on January 31, 1987. To de-emphasize the legalistic parameters in the settlement of industrial disputes and thus facilitate pro-active interventions to promote industrial peace, the conciliation, mediation, and voluntary arbitration functions of the Bureau of Labor Relations (BLR) were transferred to the newly created NCMB. Among its principal mandates was the formulation of policies, plans, programs, standards, procedures, manuals of operation and guidelines pertaining to the promotion of *cooperative and non-adversarial schemes*, grievance handling, voluntary arbitration and other voluntary modes of dispute settlement.

Thereafter, Department Order No. 7, Series of 1987 (May 7, 1987) was issued. This directive ordered labor and management to “adopt labor-management cooperation programs promotive of employees participation and commitment in deciding ways of improving the quality of working life, thereby improving work efficiency and cooperation”. It also directed DOLE to “initiate and coordinate, with the assistance of other agencies and institutions involved in workers’ education and training, programs and educate labor and management on the cooperation program.”

VI. CONSTITUTIONAL BASIS FOR LMCS

The 1987 Constitution, ratified on February 2, 1987, contains an expanded provision on Social Justice which, among others, provides:

The State shall afford protection to labor...

It 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 be entitled to security of

³² JOSE C. GATCHALIAN ET AL., HANDBOOK ON LABOR MANAGEMENT COOPERATION (LMC FOR THE PHILIPPINE SETTING) 7 (1989).

³³ *Id.* at 8.

tenure, humane conditions of work, and a living wage. *They shall also 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 employers and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.³⁴ [Emphasis supplied.]

VII. RE-DEFINING THE LABOR-MANAGEMENT COOPERATION PROGRAM

With its reorganization, the DOLE buckled down to drafting guidelines and reinventing its LMC program. Its policy was “to promote LMC pursuant to the constitutional mandate of encouraging shared responsibility between workers and employers, voluntary approaches to dispute settlement and prevention, and enhancing workers participation in decision-making.” More importantly, its policy emphasized that “LMC shall be promoted at all times within the framework of the State guarantee of freedom of association and collective bargaining.”³⁵

The term “labor-management cooperation” referred to any of the variety of ways by which labor and management can work jointly to identify and solve problems and address concerns of mutual interest to them. In fact the issuance stopped short of indorsing any particular model of labor-management cooperation but sought instead to prescribe possible directions that may be taken:³⁶

- (a) as a vehicle for promoting non-adversarial and harmonious relationship between labor and management;
- (b) as a tool for both short term and long term conflict prevention and resolution;
- (c) complement or supplement, but not supplant collective bargaining, the dispute settlement machinery in place (e.g. grievance machinery) or other mechanisms (e.g. safety committees); and
- (d) may be translated into programs mutually beneficial to labor and management such as schemes for enhancing enterprise and workers productivity, reducing wastage, improving the quality of goods and services, facilitating the acceptance of technological change and opening channels/venues for free communication.

³⁴ CONST. art. XII, sec. 3.

³⁵ DOLE Order No. 21, par. 2 (1988).

³⁶ *Id.* at par. 3.

It was emphasized that LMCs shall be voluntary on the part of both labor and management and that it was desirable that labor enjoys equal footing with management.³⁷ All matters pertaining to employment not covered by CBA shall be areas of concern for the LMC. Moreover, it may be formally structured as in the case of Labor-Management Councils, or it may be informal or unstructured, but in whatever form, they “shall provide avenues and opportunities for dialogues, consultations and participative decision-making.” LMCs may also be organized at regional, provincial, community, industry, or sectoral levels.³⁸

In promoting LMCs, the readiness and maturity of both parties as well as previous consultation between them should be taken into account. The flexibility as to the form of the LMC was a recognition of the fact that an effective LMC is one which best suits and therefore best responds to the particular needs of the stakeholders.³⁹

In responding to the challenge, various agencies of the DOLE were each given particular assignments, hence:⁴⁰

- (a) The NCMB was tasked to formulate and develop concepts and programs to promote LMC at all levels;
- (b) The staff bureaus of attached agencies concerned were tasked to formulate and develop concepts and programs for legally prescribed or specialized sub-committees of the LMC such as safety committees and family welfare committees;
- (c) The BLR was tasked to formulate and develop modules to promote LMCs through labor education with the modules created by the Institute for Labor Studies (ILAS) being turned over to the BLR for implementation by the regional offices;
- (d) The NCMB regional branches were tasked to implement the LMC program at the plant level though at the time that the NCMB regional branches were not yet fully grounded, the DOLE regional offices would assist their NCMB counterparts; and
- (e) The DOLE regional offices would implement LMC programs for both organized and unorganized labor at industry, municipal, provincial and regional levels. LMCs organized with the help of NCMB regional

³⁷ *Id.* at par. 4.

³⁸ *Id.* at par. 3.

³⁹ *Id.* at par. 5.

⁴⁰ *Id.* at par. 6.

offices shall be turned over to the DOLE regional offices so that they can be organized into industry, municipal, provincial, or regional LMCs which would remain the responsibility of the DOLE regional offices.

Apart from the NCMB, other institutions that have provided training and orientation on LMCs are the DTI-CLARA, UP SOLAIR, and the Development Academy of the Philippines (DAP) through its Productivity Development Center (PDC).

The recognition of LMC's potential in bringing about a stable though dynamic industrial relations was further firmed up and given statutory expression when Republic Act 6715, also known as the Herrera law, was enacted on March 2, 1989.⁴¹ In amending the Labor Code provision on exclusive bargaining representation, the law recognized that the CBA was not the only means by which workers can participate in decision-making at the shop floor. Article 255 provides in part:

...

Any provision of law to the contrary notwithstanding, subject to such rules and regulations as the Secretary of Labor and Employment may promulgate, to participate in policy and decision-making processes of the establishments where they are employed insofar as said processes will directly affect their rights, benefits, and welfare. For this purpose, workers and employers may form labor-management councils: Provided that the representatives of the workers in such labor-management councils shall be elected by at least the majority of all employees in said establishment.

The clear intent to provide the push for joint labor-management initiatives in the workplace was amplified further in the amendment to article 277 of the Labor Code by the same law which granted workers and management in unorganized establishment the LMC option, hence:

- (h) In establishments where no legitimate labor organizations exist, labor management committees may be formed voluntarily by workers and employers for the purpose of promoting industrial peace. The Department of Labor and Employment shall endeavor to enlighten and educate the workers and employers on their rights and responsibilities through labor education with emphasis on the policy thrusts of this Code.

Given the hospitable policy environment, one would surmise that the widespread acceptance of LMCs would soon follow. To date however, it is admitted

⁴¹ Named after the principal author of the bill at the Senate, Sen. Ernesto Herrera, a former ranking officer of TUCP, who was elected to the Senate as a candidate of President Aquino's coalition party.

that a lot of ground must be covered in the promotion of LMC. In certain instances, the law on LMCs has become the source of irritants particularly from organized labor.

VIII. FRAMING APPROPRIATE PERSPECTIVES FOR LMC

It was understandable that during the turbulent period following the assumption of the Aquino administration, the LMC, at that time a newly introduced approach to industrial relations, was viewed as a near cure-all for ills that beset a work place.

With no guiding principles on hand and with the NCMB still to be organized in 1988, the approaches to LMC that were being disseminated at the time seemed to promote LMCs at the expense of the workers' right to self-organization. In 1990, ECOP, together with NIKKEIREN and ILO organized a policy seminar on Labor-Management Consultation Mechanism. This provided the occasion for Dr. Rene E. Ofreneo, then the Dean of UP SOLAIR, to air the Resolution adopted by the UP School of Labor and Industrial Relations on September 6, 1989, thus:

The UP School of Labor and Industrial Relations (UP SOLAIR) is a firm advocate of unionism, collective bargaining and industrial democracy. It supports any initiative that will help deepen and broaden industrial democracy, which is a *sine qua non* in the realization of a truly progressive industrial society in the Philippines.

Lately, there have been wide discussions on labor-management committees or councils and their supposedly magical impact on industrial peace. The UP SOLAIR supports LMCs and other forms of cooperative partnership between labor and management if their establishment is consistent with the requirements of industrial democracy and do no harm to unionism and the universally accepted system of collective bargaining. In fact, LMCs and the like grow out of unionism and collective bargaining.

In this context, the UP SOLAIR condemns strongly those who peddle or promote, through subtle or not-too-subtle ways, the concept that LMCs can be a substitute for unionism and collective bargaining. Examples of crude distortions: statements saying that LMCs can process labor grievances and that LMCs are superior to the collective bargaining process (The two are not really comparable because they serve different purposes. Ideally, they should be made complementary to each other.) Examples of subtle distortions: setting up of an LMC labor panel without the union consent and establishment of LMCs to divert attention from pressing union issues. Such approaches collide head-on with the principles of industrial democracy. In practice, it is also counter-productive to those who adopt such a distorted view of LMCs

because it can not and will not guarantee industrial peace even in the short run.⁴²

Ofreneo noted that while LMCs are widely accepted and practiced in Japan, this came about only after Japan's economy had attained full bloom. He likewise observed that while LMC is a pillar of the Japanese industrial relations system together with collective bargaining and small group activities (Quality Circles), all of these complement one another and LMC is in fact a subject of collective bargaining.⁴³

Indeed, the Japanese success at labor-management cooperation provides a model that has become the choice for many companies with LMCs, more so in the light of a big number of Japanese companies in the Philippines where the interface between Japanese and Filipino work practices are a matter of course. In Japan, labor-management cooperation was part of the so-called Three Guiding Principles (Increase employment; Labor-management cooperation; Fair distribution of productivity gains) proclaimed by the Japan Productivity Center upon its establishment in 1955.⁴⁴

The slow acceptance of LMCs in the Philippines is not at all unique. Japanese unionists denounced labor-management cooperation in its early years for being contrary to the Marxist theory of class struggle.⁴⁵ It was only from 1976 to 1985, when the decreasing demand for labor and the ageing of the workforce started to appear, that both sides were urged to join hands to account for their responsibility to society.⁴⁶ At present, it is said that majority of Japanese unions (50.5%) prefer joint consultations, with 78.1 % of the unions having a joint consultative body and 85.6% of these unions distinguishing between matters dealt with through joint consultation and those dealt with at the CBA.⁴⁷

The work of the NCMB in this regard has adhered to the framework enunciated in Department Order 21 that the LMCs are not intended in any way to supplant workers' organizations. In contrast to the conceptual framework of the other institutions also promoting LMCs, the area-wide seminars and orientations

⁴² Remarks by Dean Rene E. Ofreneo, ECOP/NIKKEIREN/ILO Policy Seminar on Labor-Management Consultation Mechanism, March 2, 1990, Notes on Japanese Labor-Management Consultation Mechanism (1990). NIKKEIREN is the Japanese counterpart of ECOP.

⁴³ *Id.* Quality Circles is a productivity intervention at the workplace where workers on their own discuss and resolve problems encountered at the course of doing their jobs.

⁴⁴ Jinnosuke Miyai, *Productivity and Labor Management Cooperation*, in *Labor Management Cooperation: Workers' Participation*, Asia Productivity Organization 43 (1997).

⁴⁵ *Id.*

⁴⁶ Hisaharu Hara, *From Labor Dispute to Cooperation*, in *Labor Management Cooperation: From Labor Dispute to Cooperation*, Asia Productivity Organization 12-13 (1996).

⁴⁷ Japan Institute of Labor, Bulletin No. 8, Vol. 37 (August 1, 1998).

sponsored by the NCMB took pains to emphasize that while CBA, the grievance machinery, and the LMC provide avenues for workers' participation in decision-making at the enterprise level, each of them has particular areas of emphasis.⁴⁸

Under the Labor Code, collective bargaining covers wages, hours of work, and all other terms and conditions of employment including proposals for the adjustment of grievances and questions arising from such agreement.⁴⁹ The grievance machinery covers only two matters: grievances arising from the interpretation or implementation of the CBA and those arising from the interpretation or enforcement of company personnel policies which, if not settled at the shop floor through the procedures agreed upon by the parties, will be submitted to the Voluntary Arbitrators and thereafter appealed to the Court of Appeals and to the Supreme Court.⁵⁰

The LMC covers matters that involve "enlarging the pie":

- (a) review of the performance against targets for the period;
- (b) presentation and explanation of the company plans and targets for the next period;
- (c) policies and strategies relating to the company plan;
- (d) major organizational changes;
- (e) major investment plans, if any;
- (f) specific issues relating to productivity; and
- (g) specific issues relating to the welfare of the employees.⁵¹

The NCMB has consistently emphasized that rather than just viewing LMCs as just another intervention to enhance workplace productivity, a sound and stable relationship between workers and management should be in place before other productivity programs such as 5S, Quality Circles, J-I-T, and the like could be put in place.⁵² In this regard, LMC is the basic cornerstone for productivity. This view seems to be validated by observations during discussions with the staff of the DAP-PDC, one of the leading advocates of the productivity movement in the Philippines

⁴⁸ The author was a lecturer at a number of these NCMB-organized area-wide orientation seminars from 1998-1999.

⁴⁹ LABOR CODE, art. 202.

⁵⁰ LABOR CODE, art. 260.

⁵¹ Atsuo Ishiware, *An Introduction to Labor Management Consultation: A Basic Approach Towards Productivity Improvement* (1994) (unpublished work) (on file with the Development Academy of the Philippines-Productivity and Development Center).

⁵² 5S is a Housekeeping program to promote safety and orderliness in the workplace. The words are self-explanatory: Seiri (Sort), Seiton (Systematize), Seiso (Sweep), Seiketsu (Sanitize) and Shitsuke (Self-discipline). J-I-T (Just-in-time) is a material handling system that enables factories and establishments to minimize inventory by producing and delivering orders just in time to meet the deadlines, thus reducing the cost of inventory.

and the secretariat for the Philippine Quality Award (PQA) for the Public Sector since 1997. It has been recognized that unless there is a certain degree of mutual trust and stable relations between the management and the workers, the introduction of productivity programs will be viewed as exploitative, making its success difficult due to the withholding of support—or lukewarm response—from the workers in the enterprise.

IX. STATE OF LMC PRACTICE

Perhaps largely as a continuing reaction to the previous controversy that LMCs were being used to supplant trade unions, there has been a steady attribution of certain influences in the workplace—about the so-called weakening of the hold of unions—to LMCs and its ambivalent effects on the unions. This may be due to the fact that the literature on LMCs in the Philippines has come few and far between, much of it derived from case studies that are, for the most part, anecdotal.

As early as 1981, a group of researchers from UP SOLAIR conducted a survey of the CBAs of 15 textile and electronics companies in Metro Manila.⁵³ It may be noted that this was done during the height of the authoritarian regime of President Marcos when the government's LMC program stalled. Yet, the team concluded that the existence of an LMC at an establishment is significantly related to the provision of bonuses like the 13th month pay, Christmas bonus, year-end, signing, and loyalty incentives. They also found out that workers in establishments without an LMC did not enjoy as many types of bonuses as those covered by agreements with provisions for LMC.

A pioneering study of LMCs in the Philippines was conducted jointly by the DAP-PDC and the DOLE-NCMB in 1994. The survey questionnaire was administered to 252 companies (organized) previously listed by DOLE-NCMB as LMC practitioners from all the 14 regions supposedly with an equal number of respondents from both sides. Eventually, however, only 128 companies responded, with 102 management respondents and 63 labor respondents.⁵⁴

One discovery of the study was that the oldest LMC among the respondents was established in an electronics company with Japanese origins that had to adopt the policies of its mother company, one of which was to organize its own LMC.⁵⁵ Among the respondents, only five had LMCs which were organized

⁵³ Marie E. Aganon et al., *Fringe Benefits and Labor Management Committees in Selected Textile and Electronics Establishments in Metro Manila* 55 (1981) (unpublished work, University of the Philippines, Diliman) (on file with the UP School of Labor and Industrial Relations library).

⁵⁴ DAP-PDC and DOLE-NCMB, *A Survey on the Status of Labor Management Consultation (LMC) in the Philippines 2* (1995).

⁵⁵ *Id.* at 6.

before 1986. In the organization of their LMCs, 50% of the respondents revealed that they took their own initiative, while 48 % were assisted by NCMB and 2% by DTI-CLARA.

The management panels in the LMCs were usually composed of four to six members with the same number from labor. However, an equal representation of both labor and management panels in the LMC existed only in eight cases according to the study. From the management panel, the most frequent members among the respondents were the Personnel Manager (30%), Production Manager (21.2%), Finance Manager (13.9%), Company President (9.3%), and Marketing Manager (7.3%). From the labor panel, the Union President was the most frequent member (28%) while the Union Vice President and Secretary both ranked second (23%).

Both management and labor panels perceived that the main objectives of the LMC were to minimize conflicts between labor and management; enhance labor-management relations; and improve productivity of the company. Other objectives cited by the respondents were to open up the lines of communications, to develop shared responsibility and mutual respect, and to supplement the grievance process.

For both sides, the most frequently discussed topics in the LMCs were:

- (a) employee welfare;
- (b) productivity improvement in the company;
- (c) company performance;
- (d) policies and strategies relating to company plans;
- (e) plans;
- (f) major organizational changes; and
- (g) major investment plans.

Only 51% of the respondents from the ranks of labor validated that LMCs contribute to productivity improvement while 60% of the respondents from management held the same view. Some 54% of management respondents felt that they need assistance to enhance their respective LMC programs while a higher percentage of the labor respondents (65%) revealed the need for such assistance.

As to problems in implementing LMC programs, the following were ranked highly by both sides:

- (a) irregular meetings;
- (b) difficulty in arriving at decisions;
- (c) poor dissemination of information;
- (d) ill-prepared meetings;

- (e) lack of top management commitment;
- (f) mistrust;
- (g) adversarial conduct of meetings;
- (h) lack of representation by the CEO from the management side; and
- (i) non-implementation of agreed plans.

Management representatives indicated other issues such as lack of budget for LMC projects; lack of topics set for discussion; meeting time taken up by follow-ups and minor matters; postponement of LMC meetings; and, unions' view of LMC as a venue for gripe sessions.

On the other hand, labor respondents indicated several additional issues, such as lack of management concern regarding problems involving money; management representatives not authorized to decide on matters being discussed; overlapping functions of LMC members; and, productivity programs being treated as exclusively management prerogative.

Most of the foregoing issues zero in on the insufficient support given by the management to the LMCs, particularly with the finding that in only 9% of the respondent companies was the President or CEO a member of the management panel in the LMCs surveyed. This is a crucial factor in the success of LMCs since by the mere presence of the top decision-maker's in the LMC meetings, the importance of the LMC is emphasized.

The study recommended that a greater focus on productivity and quality improvement must be taken by companies in their LMCs to broaden its scope beyond mere conflict resolution or industrial relations concerns. The results indicated that management must take steps to carry out greater transparency in their operations such as informing their workers about company plans and targets so that there could be feedback on the viability of these goals and targets.

X. NON-UNIONIZED ESTABLISHMENTS

Among the non-unionized establishments, the practice in consultation mechanisms seem to be more varied though in many ways similar to those in labor-management cooperation. As previously discussed, Art. 277 (h) of the Labor Code permits the organization of labor-management committees provided that the worker representatives to such bodies are chosen by the workers themselves.

It goes without saying that the nature of interaction between workers and management in a non-unionized company is vastly different from that in a unionized or organized establishment. Even in organized companies where the possibility of concerted actions in cases of bargaining deadlocks or other causes provided for by

law is very real, it is not uncommon for collective bargaining negotiations to last for months or even years. In non-unionized companies where such pressure does not obtain, it may be more difficult for the workers thereat to parley with management.

While some non-unionized establishments in the Philippines have adopted the LMC scheme for their own purposes, there are some non-unionized companies that have organized the so-called *employees' councils* instead. The idea of employees' councils began with United Laboratories (UNILAB), a sprawling pharmaceutical company owned by Jose Yao Campos, a businessman known to be an associate of former President Marcos. The employees' council was the only venue for employee-employer dialogue in the non-unionized company. In time, several other companies that were mostly non-unionized copied the model.⁵⁶

Unlike in most LMCs where ideally a proportionate representation of management and labor representatives works best, in employees' councils, the employees in each unit or department numbering about 20-30 would choose one employee council representative (ECR). In addition to the elected ECRs, the management also names its representatives who may even be rank and file employees provided they are trustworthy and have proven integrity. The number of ECRs depends on the size of the company. Thus, there may be more worker representatives than management representatives. However, while the council deliberates on an issue, the distinction between the ECRs of the workers and of the management is not supposed to matter before the body can reach a consensus. What is emphasized instead is that everyone belongs to one company and they must focus on the common good. In companies where *employee councils* are organized, the President and CEO is just another ECR. As with LMCs, management support is crucial to the success of the body.

XI. EVALUATING THE RESPONSES TO LMC

If conflict resolution and problem solving were the principal focus for the promotion of LMC during the Aquino administration, the gradual but steady decrease in the number of actual strikes over the years, from 581 in 1986 to 92 in 1998, appear to indicate that the intentions for organizing LMCs were gaining acceptance even if few were actually prepared to establish their own LMCs. This observation may be validated by the fact that LMCs were just being introduced to the various regions of the country during this period; hence, the decline in industrial strife may be traced to other factors— rather than just the establishment of LMCs.

⁵⁶ Interview with Gloria S. Gapuz, President of the Employees' Councils Association of the Philippines (ECAP), in Manila (May 4, 2002).

At the same time, the actual number of LMCs actually existing during this period never exceeded 1,000. It may be argued though that the companies that have organized their own LMCs are some of the biggest companies of the country.

There have been those who, while admitting the salutary effects of LMCs in the workplaces in the Philippines, have also dismissed the same as “primitive”, in the category of “tea, towels, and toilets”.⁵⁷ However, in a country where the foremost labor issues remain to be minimum wage fixing and labor standards and workplace compliance thereof, it is easy to discern that “tea, towels, and toilets” requiring as they do actual outlay of funds imply a victory, even if only on a symbolic level, for workers’ participation in decision-making. Moreover, it is easy to anticipate the reluctance of most workplaces to focus on a participatory system despite some obvious benefits and benchmarks aplenty given the fragile state of the Philippine economy with most companies focusing on short-term strategies for survival.

As in Japan, harmonious relations between workers and management came only after economic affluence, when both stakeholders became fully aware of their society’s pre-eminence as a global economic power. It must be recognized that there are comfort zones at which management may be confident enough to recognize and allow dilution of its traditional prerogatives as an owner and manager so that it can elicit ideas from its workers than can boost productivity and operational savings.

It must be clarified that LMCs are not the same as the Works Council in certain European and Scandinavian countries where the law provides for a number of workers’ representatives to sit in the board of their corporations, their number of representatives in proportion to the number of employees in that particular employer.⁵⁸

As with all interventions at the workplace, the role of the LMCs in a workplace will largely depend on how management and labor unions define the tenor of their interaction. For example, in Asian Transmission Corporation (ATC), the LMC has served as a venue for direct dialogue between the company’s Executive Committee, with the President and CEO of the company as chairperson of the LMC Central Committee facing the top union officers. Their dialogue has produced dramatic results ranging from mutual decisions to withdraw cases pending at the NCMB, improvement on benefits previously obtained by the unions during the CBA negotiation, and most importantly, together with their adoption of a non-legalistic framework for CBA negotiations, reduction of the CBA negotiating period from the

⁵⁷ Jose C. Gatchalian, *Employee representation and workplace participation: Focus on Labor-Management Councils*, 29-30 PHIL J. LAB. INDUS. REL. 41, 49 (1999-2000).

⁵⁸ Johannes Schreggle, *Workers’ Participation in Decision-Making within Undertakings*, 3 PHIL LAB. REV. 45, 56 (4th Quarter, 1978).

previous eight months during their 7th CBA to only 17 hours of informal negotiations during the 8th and 9th CBAs.

For sure, the basis for the fears about supplanting the unions came from Art. 277 (h) of the Labor Code which allows LMCs to be formed in non-unionized organizations. The most that can be said about this is that on the part of management, there is a general reluctance to explore interventions that can delimit their so-called prerogatives as this can be the seed for eventual unionization of their enterprises. However, if properly handled, there are more benefits to an active dialogue, including a well-motivated workforce that can surely become a reliable partner and stakeholder for the growth of the enterprise. On the part of the employees, limited though the dialogue can be since the tenor of interaction between management and labor is vastly different in an unorganized establishment, the dialogue can be a window to obtaining improvements in the work place.

In the same way that there are success stories such as the ATC case, there are also notable failures. In 2001, a Japanese LMC expert was invited to speak before a convention and along the way he was taken to an automotive company in the Calabarzon area where he was requested for suggestions on the company's LMC. The Japanese expert admitted that he was hard-pressed for noteworthy suggestions because he elicited the unmistakable impression that the management of the company was clearly anti-union and the so-called LMC was not really an LMC but an extension of the anti-worker policies of management.

XII. ORGANIZED LABOR'S RESPONSE TO LMC

More problematic are the official positions adopted by some labor federations on LMCs.⁵⁹

The organized sector comprises only a small portion of the entire labor force of the country. As early as 1986, former Secretary of Labor, now Senate President Franklin M. Drilon, argued that the future of the labor movement hinged on two issues: expansion and legitimacy of representation.⁶⁰ One reason for this is that labor unions in the Philippines have concentrated mainly on the manufacturing, service, and commercial sectors and in large establishments leaving behind the greater majority of the labor force, including the marginalized sectors such as the

⁵⁹ On October 27, 2001, the Philippine League of LMC Practitioners Inc. (PHILAMCOP) invited all the major labor federations to its 3rd National Convention of LMC. Only FFW, TUCP and KMU attended and stated their respective positions on LMC.

⁶⁰ Bach Macaraya, "Where to Trade Unions?" 14 PHIL. LAB. REV. 31, 45 (January-June, 1990).

unemployed, self-employed, disabled, women, and youth. Thus, there was failure of achieving a mass-based character.⁶¹

Still, others view the trade union membership in the country as static because instead of expanding membership to cover the unorganized sectors, trade unions raid each other's ranks apparently contented with the degree of unionization they have achieved and satisfied with the exercise of the power and influence that have been bestowed on them by society as the so-called representatives of the working class.⁶²

In December 1991, during the DOLE/ILO Training Assessment and Planning Workshop on Labor-Management Relations, Mr. Felicisimo Joson, then FFW Vice President and Chairperson of the Labor Advisory and Consultative Council (LACC) for that month, stated what may be the FFW position on LMC:

The conditions which the worker wants to thrive on are those that give him first, the opportunity to participate in any decision-making process affecting his work and life, and second, the opportunity to meet his livelihood requirement as his standard of living continuously depends on his capacity to earn.

The goal of any trade union, as well as that of management, is to recognize both these needs and the wide-ranging opportunities that [are] available for use at the enterprise level. As the styles of management and the characters of trade unions play an important role in shaping the kind of industrial relations in a given enterprise, it also ought to be their concern to adapt the strategies that will help them achieve stability and harmony in such an enterprise.

The present trend to form labor-management councils and other similar structures helps to achieve the first opportunity, giving the chance for the worker to participate in the discussion of issues apart from the collective bargaining, although such issues may soon end in the area of negotiation in the future.

The traditional collective bargaining strategy that contain the terms and conditions of work is sometimes becoming inadequate to satisfy the opportunity for more earnings for the workers and their families while the contract is still in force.

In 2001, Atty. Allan Montano, National Vice President of the FFW, affirmed the continuing support of the federation to shop floor LMCs.

⁶¹ *Id.*

⁶² *Id.* at 44.

In the same forum in 1991, Mr. Avelino Valerio, then the Vice President of the TUCP, stated TUCP's position on LMC, hence:

At the outset, let me state categorically that the TUCP is fully supportive of the efforts by our government and the private sector to promote labor-management cooperation schemes. We believe that the workers, given the necessary incentives, participation, and sense of involvement cannot but deliver the kind of work expected of them...

Labor-management cooperation (LMC) schemes have not achieved a high level of acceptance and appreciation in the Philippines because of this low regard for workers. More often than not, workers themselves are skeptical and suspicious about the motives behind the introduction of LMC in the workplace . . .

It must be stressed therefore that any labor-management cooperation scheme can be successful if it has the support of the unions. Aside from this very important precondition, labor relations experts are of the consensus that the following should also be present: mutual trust and respect between workers and employers, participation of the union in labor-management cooperation schemes, fair sharing between workers and employers of the fruits of labor-management schemes, and the assurance from employers that participation in labor-management cooperation schemes will not adversely affect employment or working conditions.

More recently, however, despite affirming their continued acceptance and support for LMCs, TUCP Vice President Zoilo de la Cruz expressed irritation at how LMCs have been used to supplant unions particularly at the special economic zones. However, despite this broadside, no specifics were available.⁶³

In the last few years, the KMU had successfully addressed perception problems by exploring mainstream political currents, particularly by striking moderate positions on a number of issues and by being a visible member of civil society during the efforts to oust former President Estrada. However, in the matter of LMCs, the doctrinaire position remains unchanged:

LMC is good for management—it would mean less headaches about labor disputes. It is good for the government—less involvement as it “devolves” its functions. But is LMC good for labor? Can it be applied here? Two questions. It may be good but it cannot be applied. It may be applicable, but then it's not good. Those are KMU's answers.

⁶³ Speech of a TUCP representative during the 3rd National Convention of LMC (October 26-27, 2001).

Philippine labor is hardly unionized. Even those covered by CBAs are but a fraction of the total working force. Ask the statistics of the Labor Department. LMC simply cannot be practiced under such conditions . . .⁶⁴

To be accurate however, despite the seemingly unchanging position taken by KMU as a labor federation, it has not prevented unions at the establishment level under its influence to join hands with the management of their respective enterprises in organizing LMCs.⁶⁵ In practice, it has allowed allied unions to determine for themselves if the LMC concept would work for them in their dealings with management.

More significant however is that KMU allowed itself to participate in a dialogue with LMC practitioners as well as state their positions in a forum together with other federations that have previously declared their support for LMCs such as the FFW and the TUCP. In the past, KMU simply ignored all such invitations, thus its presence at the 3rd National Convention on LMC was a breakthrough. Despite the divergent positions, the Philippine League of Labor Management Cooperation Practitioners, Inc. (PHILAMCOP) considered it an accomplishment to have been able to convene all the major federations and in the process, make it possible to determine which areas have to be addressed to clarify common grounds.

XIII. SPREADING THE WORD ON LMCS

An important component in the dissemination and consolidation of LMC practice in the Philippines is the organization of various LMC practitioners. The organizing activities allow companies with LMCs to benchmark their practice as well as exchange notes on other pertinent issues.

Typically, the backbone of these organizations clusters around the government agency or prime mover. The Philippine Association of Labor Management Councils (PALMCO) organized in 1992 is identified with the then DTI-CLARA which had been re-fashioned as the DTI Center for Industrial Competitiveness (DTI-CIC). The Center has also broadened its scope to offering orientations on the Philippine Quality Awards (PQA) as well as on various productivity interventions in the workplace such as 5S and Quality Circles. It has re-tooled its LMC programs into Partnerships for Productivity and Quality, a concept that is also espoused by Dr. Jose C. Gatchalian, former Dean of UP SOLAIR and one of the pioneer advocates of LMC in the academe. At present, PALMCO has more than 100 member companies, most of them based in Metro Manila.⁶⁶ It

⁶⁴ Speech of Sammy Malunes, KMU representative, 3rd National Convention of LMC (October 26-27, 2001).

⁶⁵ See Directory of LMC Practitioners in the Philippines, PHILAMCOP (2002).

⁶⁶ Claudio, *supra* note 30, at 8.

accepts both unionized and non-unionized companies with LMCs as members. It holds an annual convention as well as learning sessions on various issues for its members.

The Employees Councils Association of the Philippines (ECAP) was organized in 1998. Among ECAP's members are Philippine Seven Corp. which is the local franchisee of the 7-11 chain of stores as well as Max's, a chain of restaurants popular in the Philippines, both of which are non-unionized. ECAP is a purely private sector initiative whose core officers are formerly employees of UNILAB. ECAP advocates the organization of employee councils among companies without unions. It promotes employees' councils as the "alternative to labor harmony" in companies that have no unions but does not propagate the same to those which have been organized. It strives to project employees' councils as different from LMCs despite their many similarities since it is felt that many companies shy away from employees' councils whenever mentioned in the same breath as LMCs, considering that LMCs connote labor unions. Great care is taken to distance employees' councils from unions because the councils are supposed to be the "peaceful alternative to labor relations in the Philippine setting." ECAP proposes employees' councils as the better option to having labor unions.

The PHILAMCOP is the biggest association of LMC practitioners in the Philippines with principal focus on organized establishments following the mandate in Department Order No. 21. Its organization in 1997 was spearheaded by the NCMB during the First National Convention on LMC in Tacloban City. The LMC Division of the NCMB acts as the Secretariat of the organization.

PHILAMCOP has 17 regional LMC associations under its umbrella.⁶⁷ The regional associations deal with the day to day concerns of the companies with LMCs in their respective areas while the national association focuses on the general concerns of LMC practitioners, including the conduct of national information and education campaigns on LMC and the facilitation of organizational consensus on

⁶⁷ The LMC regional associations under PHILAMCOP are: NCR— A Society of Advocates for Peace and Progress (ASAPP); CAR— CAR Association of Labor-Management (CALMA); Reg. I— Region I LMC Practitioners; Reg. II— Association of Labor-Management Cooperation Practitioners (ALMACOP II); Reg. III— LMC Practitioners Association (LMCPA); Reg. IV— Southern Tagalog Region LMC Practitioners (STAR); Reg. V— Labor-Management Industrial Peace Advocates (LAMIPA); Reg. VI— LMC Panay Guimaras Chapter/Association of Labor-Management Councils Negros Occidental Chapter (ALMC-NOC); Reg. VII— Association of Industrial Peace Advocates Inc. (AIPA); Reg. VIII— Region Eight Labor Management Cooperation Practitioners' League (RELAMACOP); Reg. IX— Western Mindanao Labor-Management Cooperation Practitioners, Inc. (Wesmin-Lamacop); Reg. X— Labor-Management Cooperation Industrial Peace Advocates of Region 10 (LMCP-10); Reg. XI— Association of Labor-Management Cooperation Practitioners, Inc. (ALMACOP); Reg. XII— Labor-Management Cooperation Practitioners Association Cotabato/Iligan; CARAGA— Labor and Management Practitioners' Association for Regional Advancement (LAMPARA).

vital issues of concern to both labor and management, for example, the proposed rules on flexible labor. PHILAMCOP likewise coordinates with government broadcast facilities on its information campaigns and liaises with PMAP and similar sectoral associations on strategic undertakings.

The organization has focused on the establishment of the National Resource Center on Labor Management Cooperation (Resource Center) not only as a library and research center on LMC but also a nerve center for LMC-related activities of the NCMB such as the biennial search for Best LMCs. Satellite resource centers are projected to be established in all the regions to address the demand for information and education materials on LMC and related concerns. In this regard, PHILAMCOP officers as well as those of its regional LMC associations have fully assisted the NCMB in the area-wide seminars as resource persons and trainers of LMC and various productivity interventions in the workplace.

PHILAMCOP has worked with the Asian Productivity Organization (APO) as one of the Philippine participants to the annual LMC Top Forum in Tokyo and with the US Federal Mediation and Conciliation Service (FMCS) as a representative to the 11th National Labor Management Conference in Chicago. PHILAMCOP has also tapped the ILO as one of its partners together with the NCMB, the DAP-PDC, and the UP SOLAIR in formulating information and education kits on LMC and in conceptualizing a uniform curriculum for LMC training and orientation to upgrade the quality of instructional resources for companies interested in initiating or enhancing LMC practice. In this regard, the US FMCS has also graciously allowed the use of its materials as models in this undertaking.

The biennial national convention on LMC, formerly organized by the NCMB, was turned over to PHILAMCOP in 2001. The convention, attended by delegates from all the regions of the country, has evolved not only as a forum for policy-makers and government officials to articulate programs and policies on labor-management cooperation but more importantly as a channel for dialogue among these sectors. During the convention, the companies with the most successful LMC programs are showcased together with modules that focus on LMC practice overseas.

The challenge, however, is not in the number of organizations on LMC that proliferate but rather on how these organizations spread, disseminate and facilitate the acceptance of LMCs beyond the conferences and conventions. PHILAMCOP has worked hand in hand with NCMB taking notice that while the LMC program of the agency has grown to include some 639 LMCs from the 28 that were in place in 1988, the goal of 1,000 LMCs by 2003 remains modest if it is viewed

against the almost 3,000 establishments with registered CBAs. In the end, the spread of LMCs is the best proof that indeed LMC is an idea whose time has come.

To recognize outstanding LMC practices as well as to offer these companies as models for other companies and thus, encourage the organization of LMCs, various organizations have started giving out awards and recognition. Among the most prestigious and pioneering in this regard was the Sikap Gawa awards for Industrial Peace given out from 1991 to 1998 by the Bishops-Businessmen's Conference For Human Development (BBC). One of the categories in the annual awards was in the field of Labor-Management Cooperation.⁶⁸ The DTI-CIC also gives out its Pro-Active Model Company awards where one of the categories is in LMC.

Since 1999 and every other year, coinciding with the national convention on LMC, the DOLE-NCMB gives out recognition for the three Best LMCs in the country. The award follows a thorough screening process where nominees, supported by the local NCMB branch or the regional LMC associations, come from the various regions. The awards were put together in part to fill in the void left by the demise of the Sikap Gawa awards.⁶⁹

XIV. A JOURNEY OF A THOUSAND MILES

At this point, the LMC program has clearly taken some roots. Despite uneven progress through the years, the efforts taken by both government agencies and non-government organizations to disseminate and spread the idea of LMC among work places and among workers and management ensure that the option of non-adversarial relations can work for both sides. This idea attains greater focus as the workplace becomes more competitive and Philippine industries and establishments, in their desire to keep up with global trade, are compelled to adopt appropriate strategies.⁷⁰

No less than former President Joseph E. Estrada took note of the achievements and importance of the LMC program in the Philippines during his May 1, 1999 Labor Day message to the nation when he said:

⁶⁸ Among the winners in this category of the Sikap Gawa awards are: Philippine Appliance Corp. (1991); Avon Products Mfg., Inc. (1992); Royal Undergarments Corp. (1993); Lapanday Agricultural and Development Corp. (1994); Benguet Management Corp. (1995); Mitsubishi Motors Phils. Corp. (1996); Central Azucarera Don Pedro (1997); and Dyno Nobel Phils./Asian Transmission Corp (1998).

⁶⁹ In 1999, the companies cited by the DOLE-NCMB were Lapanday Agricultural Development Corp., Davao Light and Power and Asian Transmission Corp. In 2001, the awardees were Asian Transmission Corp., Central Azucarera Don Pedro, and Philippine Geothermal, Inc.

⁷⁰ Marie E. Aganon, *Sink or Swim: HRM Strategies in Borderless Economy and Trade Union Response*, 16 PHIL J. LAB. INDUS. REL. 6, 26 (1994-95).

I am also pleased to note that the spirit of the Social Accord has gone down to the plant level as exemplified by the three unions operating in Lapanday Agro and Development Corporation, Davao Light and Power, and Asian Transmission Corporation.

In those firms, the unions and management have gone beyond the traditional framework of collective bargaining by agreeing to salary adjustments and productivity and training incentives. They have discarded their past enmities and history of strikes in order to forge a more productive partnership. This is the kind of cooperation that we must see in all work places.

After more than a decade since LMCs began to be pushed as a government program, there is a need to introduce a number of focus and refinements in the program, mainly by way of learning from the collective experiences not only from the government agencies and non-government organizations involved but also from the work places where LMCs were organized and where they either flourished or perished.

It is easy to observe that unlike conciliation and mediation or even voluntary arbitration, the work in LMCs do not end when they are organized or when the conflict is resolved. In fact the organization of an LMC does not promise nor does it mean that henceforth there will be no more contentious issues between the workers and the employers in that establishments. What LMCs assure is a channel where mutual concerns can be addressed or an issue can be discussed before it festers. In this regard, the organization of an LMC in an establishment reflects not a completion but rather a first step toward a more "talky" relationship between the stakeholders. From experience, it is better when parties talk rather than when barricades are put up.

The 639 LMCs existing in the Philippine cannot be dismissed outright. In the first place, NCMB's strategy was to focus their efforts on conflict-ridden companies. Therefore, these 639 existing LMCs easily reflect the number of notices of strikes or preventive mediations carried out. It may be said that a certain critical mass has been attained.

Training and orientation. Most of the training efforts in LMC that are carried out by government agencies and non-government organizations address the introductory phase: diagnosing the conditions in the workplace, assessing the state of relations between management and workers, and setting up the LMC. Thus, the training materials that exist, if any, are oriented toward participants who have little or no background or those who have not had any experience in joint labor-management ventures. These activities and materials continue to be relevant to those at the preliminary stage. But after more than a decade and with enough LMCs

that have been existing for a couple of years now, there should be training activities geared toward enhancing, maintaining, and expanding the scope of existing LMCs, in other words, addressing the intermediate stage of LMC work.

After enough area-wide training has been conducted, there should be an effort to evaluate its reach. During this training, representatives from participating companies—usually one from labor and one from management—undergo the various sessions with the underlying assumption that the knowledge acquired will be disseminated to the workers in their workplace of origin through echo seminars. It is easy to see that these echo-learning sessions hardly take place. Participants should be prodded by monitoring to determine whether they conducted activities to utilize their knowledge at the plant level. Otherwise, there should be more plant-level orientations to actually reach out to more of the critical clientele and audience. These activities can be conducted alongside and parallel to the traditional forms of training in LMC. In this regard, the non-government organizations (NGOs) of LMC practitioners can be tapped to share their experiences and expertise.

There should be an effort as well to monitor the quality of training that takes place. At present, there is no accreditation of LMC training providers such that outside of the NCMB, DAP-PDC, and DTI-CIC, the training can range from being competent to a sham. The perspectives of the training can depend largely on the personality of the trainors. Thus, in one instance, the participants in an LMC training in Metro Manila exchanged nervous smiles as one trainor passed off a recognizable church hymn as “the LMC Song”. In addition, because of the dearth of training materials, some trainors can get carried away in their off-the-cuff remarks, cross the line of divide feared by labor federations, and unhesitatingly indorse LMCs as the substitute for workers’ organizations.

The concerns in this area can be addressed by developing teaching materials that embody the values and perspectives that are sought to be brought about by LMCs rather than leaving each training provider with the opportunity to run wild and wreak havoc in the process.

Enhancing existing LMCs. While there is great drama in seeing the number of organized LMCs expand, to focus on organizing new LMCs alone would cause the LMC movement a setback since along the way, previously organized LMCs may fall through sheer neglect. There is a need to document successful LMCs by way of encouraging them to continue and enhance their success. Their continued existence is the best proof that LMC works and is the best motivator for other companies to follow their path.

More interaction is needed between LMC NGOs and government agencies to determine areas where companies with existing LMCs need help, such as in enhancing communication or listening skills or in making committee work more effective or in such areas which are the subject of private sector feedback. Perhaps the NCMB and PHILAMCOP can organize clinics to help LMCs that are in trouble.

Interface with other sectors. The work in spreading LMCs is much too big for government agencies and LMC NGOs alone. ECOP has indorsed LMCs as early as 1991. PMAP, the nationwide organization of HR managers, should also be a strategic partner together with labor federations such as TUCP, FFW, and KMU with whom a constant and enlightened dialogue and encounter should take place to clarify positions and strengthen approaches to LMC that should be acceptable to all concerned. In addition, government agencies carrying out LMC activities can improve their coordination so that services to their target sectors can be more efficient.

Maturity of labor and management. Unlike other interventions in the workplace, LMCs require both labor and management to attain a certain level of maturity. In Japan, an important component for the acceptance of labor-management consultation mechanisms is the system of long-term employment that vests in the employees the feeling of security in their employment. It allows workers to become stakeholders in the direction and success of the company. Moreover, employers have an ingrained sense of duty to share with their workers the fruits of increased productivity. It remains to be seen whether the same developments will come about in the Philippines with a more stable and progressive economy.

Unlike in conciliation, mediation or voluntary arbitration, LMC requires both sides to do more than just to attend meetings or submit position papers. It requires the parties to continuously take stock of their strengths and areas for growth. For management, the greater effort lies in discarding the habit of unilateral decisions and in recognizing that their workers are not just extensions of their production schedules and machines but partners who, when given the chance, can provide new impetus to efficiency and innovation in the work place.

For workers, what is required is an adjustment on how they would proceed to address and resolve their grievances using tools like debate, discussion, sobriety, and ultimately compromise or the adoption of more scientific problem-solving methods such as the Ishikawa diagram, Pareto analysis and the like. LMCs would also require labor unions to be able to prioritize their concerns and strategize accordingly. This means that they have to study transformations in the workplace in the same pace as with HRD managers and staff.

An important component in the success of LMCs is the willingness of management to share information with the workers. Few Philippine companies are willing to do so, whether out of a genuine fear that the information will find their way to competitors or the more immediate concern that their transparency would be rewarded by more difficult CBA negotiations.

One concern that should be addressed by the labor sector in particular, by way of resolving the problem of the diminishing organizing base of unions in establishments, is in formulating their own strategies to cope with the rise of flexible labor which is considered as a threat to the stability of labor unions. Thus far, the strategy of Philippine labor has been to condemn flexible labor as a threat to the jobs of their members and lobby against every regulatory measure the DOLE has promulgated in this area. For management, however, flexible labor is part of the strategies that they must consider to stay afloat and competitive in an era of globalized trade. Many Philippine companies will increasingly use flexible labor given the abundance of labor and the willingness of workers to accept such jobs in view of scarce employment opportunities in the country. It is clear, therefore, that labor's focus on policy alone would not suffice but a more creative approach is called for. In Japan, the unions of Isetann, a chain of department stores with branches all over Japan and Southeast Asia, after discussing their options with the store management, decided to organize the flexible labor force of the company although separately from the regular employees of the chain store.

Energizing the bureaucracy. In many ways, the success of the LMC programs relies on how the regional offices of the DOLE and NCMB propagate LMCs. No other agency carrying out LMC activities has the nationwide reach of NCMB and DOLE. While they understandably suffer from an overload of other concerns, both the LMC program and their other activities can benefit from a clearer set of priorities. For the LMC program, the NCR, Region IV, Region III, Region VII, and Region XI have been identified as priority areas since most of the country's industrial establishments may be found in these areas. But whether it is due to staff overload or for some other reasons, the initiatives in these regions certainly call for improvement. For example, Region IV is comprised of the high growth provinces of Cavite, Rizal, Batangas, Laguna, and Quezon. However, the growth of LMCs in these provinces has been slow. Many companies who are otherwise interested in establishing their plant-level LMCs have not been given the assistance they need. On the other hand, many companies with existing LMCs have not been given help to sustain what they have begun. The latter problem recurs in Metro Manila (NCR).

In some instances, even agencies require refresher courses for their own people on their own programs. It is discouraging to hear responsible officials of these agencies admit that they are not kept abreast of developments in their own

programs or that their knowledge of LMC is elementary. While top-level officials of these agencies make diligent effort to keep themselves informed, mid-level officials find it difficult to do so. This would not be so alarming were they not supposed to be the workhorses for the agency's programs. This explains why in case there are requirements for LMC activities, the initial reaction would be to refuse to act, then to find a justification later on. In many cases, they are the first to express their doubts whether or not the LMC program can succeed in the Philippines.

Unlike voluntary arbitration where individual arbitrators, on their own, can judge a case with little help from the NCMB, the LMC program significantly depends on the push from the government. LMC NGOs like the PHILAMCOP can do little to spread the program on their own. In fact, they may not be allowed to penetrate the premises of most establishments. The most that they can do is to support the efforts of the NCMB, particularly in enhancing public awareness on LMC.

Reinventing relations between employees and management. What the growth of LMCs has accomplished, if any, has been to increase the acceptability of labor-management partnerships as a valid and respectable option for any labor union. It is submitted that this burden tilts heavily on labor than on management. Given the economic difficulties since 1997 and the thousand of workers who have lost jobs since, there are few who would outright condemn unions that accept the organization of a plant-level LMC dominated by management.

The generally negative perception of continued adversarial relations between labor and management is something that was bound to happen given the circumstances in the last two decades. While the strikes called by labor groups have steadily waned from the high of 581 in 1986 with 3,638,000 man hours lost to only 92 strikes in 1998 that entailed 557,000 man hours lost, it is easily observed that an economy battered from all directions and with unemployment rate of 11% cannot sustain labor militancy indefinitely. As more factories closed shop due to management's refusal to bow down to the demands of striking workers, whatever sympathy from the public won by militant labor groups from their face-to-face confrontations with the Marcos regime was lost in time. Thus the early 1990s saw fewer strikes being waged by KMU and other groups.⁷¹

It is probably due to the present low tide of industrial conflicts that the early bureaucratic enthusiasm toward pro-active interventions in the workplace such as LMCs appear to have simmered down as the government's mediation and

⁷¹ Rene E. Ofreneo, *Decline of Labor Militance in the Philippines 18* (1994) (unpublished work, University of the Philippines, Diliman) (on file with the UP School of Labor and Industrial Relations library).

conciliation functions appear adequate to handle the flow of cases between workers and employers.

What is important at this time is to sustain public attention and awareness that there is an option other than strikes and militant concerted action, far less troublesome, far more pro-active than conciliation and mediation, which discusses issues at their inception: the work place. What is more important in LMCs is that the parties to the issue identify their options on their own, fully realizing that they are the best party to resolve their issues. After decades of unrest in the labor front and given the developments in the world economy, the workplace in the Philippines is the last battlefield where employers and employees can join hands and lock efforts for mutual gain.

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