

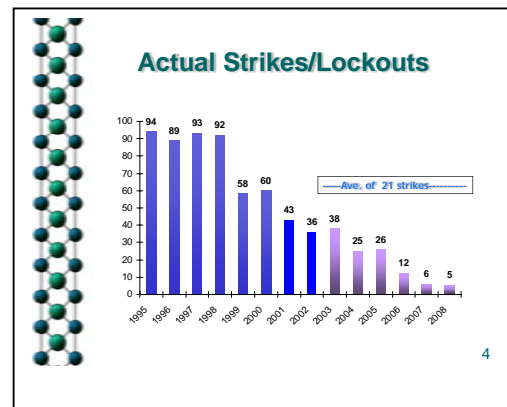
Effectiveness of Conciliation-Mediation Services

A Report Covering NCMB's Accomplishment during the Last Five Years (2003-2007) and the First Nine Months of 2008

The National Conciliation and Mediation Board (NCMB) has continuously reduced the number of work stoppages since its inception in 1988. It has been largely instrumental in the reduction of strike cases through the provision of timely, efficient and effective conciliation mediation services.

Actual Strikes/Lockouts

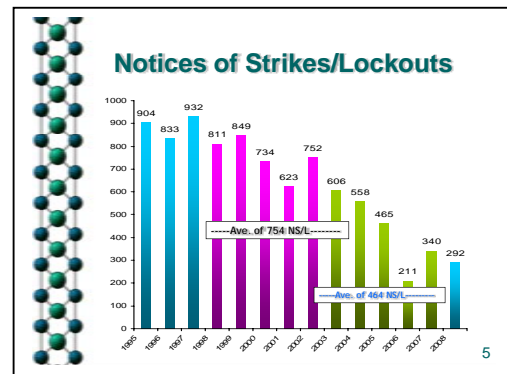
Beginning in 1994, the Board managed to keep the number of strikes/lockouts below the one hundred mark with 93 strikes declared comprising 8% of 1,173 notices of strike/lockout handled. The downward trend would continue from there to breach the single digit mark in 2007. The 8% level (or the number of strike notices materializing into actual strikes) in 1994 went down to 1.6% in 2007. Strike figures during the last five years (2003 to 2007) also show an average of 21 strikes per year, indicating a 64% improvement from the annual average of 58 cases during the immediately preceding five-year period (1998 to 2002).



For the period ending September 30, 2008, only five actual strikes are recorded, indicating a marked improvement of 16.67% from the six strikes recorded last year. The five strikes comprise 1.5% of the total notices handled during the period.

Notices of Strike/Lockout

The filing of notices of strike/lockout follows the declining trend in the incidence of work stoppages. From over 1,000 NS/L cases filed yearly from 1988 to 1994, the number went down to 340 cases in 2007. Average annual filing during the last five years (2003-2007) is placed at 464 cases compared to 754 during the immediately preceding five-year period (1998-2002), a decline of 38.5%.



For the period January to September 30, 2008, some 292 notices of strike/lockout have been received, 28 cases or 11% higher than the strike notices filed

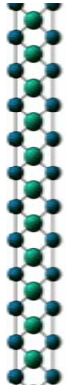
during the same period in 2007, indicating a modest increase in the filing of NS/L cases compared to year ago figures.

Issues Raised in Conciliation-Mediation cases

Almost three-fourths (73%) of the actual strikes/lockouts declared since 1988 were grounded on unfair labor practices. Bargaining deadlock accounted only for 26%. The remaining 1% involved a combination of unfair labor practice and bargaining deadlock issues.

On the other hand, ULP issues were raised in 76% of the total notices of strike/lockouts cases filed, while those cases where BD issues were invoked make up 23% of the total. A combination of ULP and BD issues were invoked in the remaining one percent of the cases filed.


Looking into the specific issues raised, the bulk of the bargaining deadlock cases mostly involved economic provisions. For ULP, the most commonly raised issues are discrimination against/harassment of union members, followed by illegal dismissal/suspension of union officers/members, violation/non-implementation of the CBA, and refusal to bargain/bargaining in bad faith. These issues are commonly perceived to involve political and representation issues which hinder the speedy settlement of cases. Other issues raised occasionally pertain to contracting out of services and formation of company-dominated unions.



Actual Strikes/Lockouts

YEAR	ACTUAL STRIKE/LOCKOUTS						TOTAL ASL
	BD	% to total	ULP	% to total	ULP/BD	% to total	
1995	24	36%	40	64%		0%	94
1996	21	24%	48	76%		0%	89
1997	19	20%	74	80%		0%	93
1998	12	13%	80	87%		0%	92
1999	17	29%	41	71%		0%	58
2000	16	27%	44	73%		0%	60
2001	6	14%	35	81%	2	5%	43
2002	7	19%	27	75%	2	6%	36
2003	8	21%	24	63%	6	16%	38
2004	6	24%	16	64%	3	12%	25
2005	6	23%	19	73%	1	4%	26
2006	2	17%	10	83%		0%	12
2007	1	17%	5	83%		0%	6
2008 (Jan 1 - Sept. 30)		0%	5	100%		0%	5
TOTAL	155	23%	508	75%	14	2%	677

11



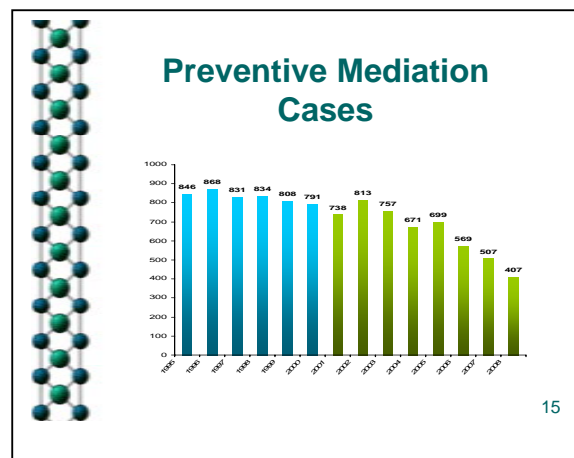
Notices of Strike/Lockout

YEAR	NOTICES OF STRIKE/LOCKOUTS						TOTAL NS/L
	BD	% to total	ULP	% to total	ULP/BD	% to total	
1995	284	31%	620	69%	0	0%	904
1996	199	24%	634	76%	0	0%	833
1997	179	19%	753	81%	0	0%	932
1998	175	22%	636	78%	0	0%	811
1999	224	26%	625	74%	0	0%	849
2000	161	22%	573	78%	0	0%	734
2001	120	19%	456	73%	47	8%	623
2002	128	17%	589	78%	35	5%	752
2003	123	20%	437	72%	46	8%	606
2004	138	25%	401	72%	19	3%	558
2005	124	27%	307	66%	34	7%	465
2006	70	20%	259	73%	24	7%	353
2007	82	24%	237	70%	21	6%	340
2008 (Jan 1 - Sept. 30)	40	14%	232	79%	20	7%	292
TOTAL	2,047	23%	6,759	75%	246	2%	9,052

10

Preventive Mediation

Preventive Mediation (PM) as a buttress to managing strikes continues to be one of the flagship programs of NCMB. The number of PM cases filed since 1988 has reached 15,221, averaging at 760 cases per year. As of 30 September 2008, requests for preventive mediation cases reached 407,



two cases lower than those filed in similar period in 2007.

Con-Med Cases by Geographical Location

Expectedly, strike incidence is concentrated in the mega regions of NCR, IV and III. From the total of 1,852 strikes declared from 1988 to September 30, 2008, 973 or 53% occurred in Metro Manila; 286 or 15% occurred in Region IV and 215 or 12% occurred in Region III. Region 7 had 100, Region 8 had 58 and Regions 10 and 11 had 44 and 49 cases, respectively. Other regions had minimal occurrences of work stoppage, while Regions 2, 4B, and 13 remained strike-free since 1988.

Of the five actual strikes in 2008, two occurred in Metro Manila, while the three cases occurred in Region IV-A, VII and XI.

Disposition of Con-Med Cases

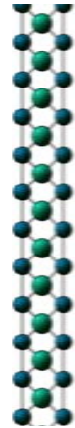
Disposition of actual strikes during the last five years (2003-2007) is computed at 96.8%. Quality settlement, on the other hand, ran at an average rate of 63%. As of 30 September 2008, four of the five actual strikes have already been disposed, showing a work normalization rate of 80%.

Average disposition rate for notices of strike/lockout during the same period was 90.4% with only about 4.1% of the total cases handled during the five-year period materializing into actual strike/lockouts. Settlement rates averaged 73%.

From January to September 2008, the Board disposed 84% and attained quality settlement in 72% of notices of strike/lockout handled.

The Board likewise achieved higher disposition rate for preventive mediation cases, registering an average disposition rate of 94% during the five-year period from 2003 to 2007. Quality settlement is computed at of 86% during the same period.

For the period January to September 2008, the Board disposed 86% and amicably settled 80% of the preventive mediation cases handled during the period.



AS/L	Work Normalization Rate	Settlement Rate
2003 - 2007 (ave.)	96.8%	63%
As of September 2008	80%	40%
NS/L	Disposition Rate	Settlement Rate
2003 - 2007 (ave.)	90.2%	73%
As of September 2008	84%	72%
PM	Disposition Rate	Settlement Rate
2003 - 2007 (ave.)	93.6%	86.2%
As of September 2008	86%	80%

28

In addition to high disposition and settlement rates, NCMB maintains its credibility to labor and management through speedy disposition of cases. The Board disposed of actual strikes in an average of 22 days during the last five years (2003-2007). The shortest duration was 11 days while the longest lasted for 34 days. For the period ending September 30, 2008, the average strike duration is 26 days.

Ave. Duration to Dispose/Settle			
Period	AS/L	NS/L	PM
1998 - 2002	29	34	29
2003 - 2007	22	43	30
2008 (Jan 1 - Sept. 30)	26	43	34

Likewise, the average duration to settle a notice of strike/lockout is registered at 43 days, while preventive mediation is generally settled at an average of 30 days during the last five years. From January to September 2008, the Board settled notices of strike/lockout and preventive mediation cases in an average of 43 and 34 days, respectively.

Mandays Lost from Work Stoppages

From January to September 2008, man days lost as a result of work stoppages is computed at 32,611. For the last five years (2003-2007), some 381,000 in productive mandays were lost on account of industrial strikes.

Moreover, as of September 30, 2008, estimated losses on actual strikes/lockouts total P32.7M. During the last 5 years, estimated losses amount to P1.5B.

Monetary Benefits Accruing from Successful Conciliation

From 2003-2007, total monetary benefits resulting from successful case resolution amounted to P7.273B for 175,590 workers. These benefits consist of P5.847B in CBA package benefiting 79,201 workers and P738.9M in separation and other benefits for 78,534 workers.

From January to September 30, 2008, the Board facilitated a total of P1,075,820,451 in benefits for an estimated 14,950 workers. The total amount comprise P588.5M in CBA package benefiting 8,564 workers and P1.076B in separation pay for 6,386 workers.

Government Intervention in Labor Disputes

The timely intervention of the Secretary of Labor and Employment, although maintained at a minimal level, is a significant factor in containing the incidence of

strikes in industries that are indispensable to national interest. Available records indicate that from 2003 to 2007, the Secretary of Labor and Employment assumed jurisdiction in 159 cases, kept at an average rate of 2.6% of the total NS/L and PM cases handled during the same period. From January to September 2008, there were seven cases assumed jurisdiction by the Secretary which comprise 1% of the total NS/L and PM cases handled.

Timely Intervention by the Secretary of Labor and Employment

INDICATOR	2003 - 2007				2008 (Jan. 1 - Sept. 30)			
	AS/L	NS/L	PM	TOTAL	AS/L	NS/L	PM	TOTAL
Cases Handled	113	2,641	3,442	6,196	5	336	440	781
Assumed Jurisdiction	12	103	0	115	0	6	1	7
% Assumed	11%	4%	0%	1.9%	0%	2%	0%	0.9%
Certified for Compulsory Arbitration	19	119	0	138	1	20	0	21
% Certified	17%	5%	0%	2.2%	20%	6%	0%	2.7%

29

Some 138 cases were certified for compulsory arbitration from 2003 to 2007, comprising 2.27% of the total NS/L and PM cases handled during the same period. From January to September 2008, 21 cases were certified for compulsory arbitration, comprising 2.7% of the total cases handled.

Other ADR Programs such as LMC, GM and VA

The success of NCMB in managing actual strikes/lockouts at a minimum level is attributed mainly to the effectiveness of its conciliation mediation program as a valid and acceptable option for resolving labor-management disputes. Likewise, the continued decrease in the number of notices of strike/lockout filed and actual strikes declared can be attributed, among others, on: 1) Strengthened promotional campaign on the preferential use of bipartite plant-level communication and dispute resolution mechanisms, such as, Labor Management Committees/Councils and Grievance Machinery; 2) Strengthened Voluntary Arbitration Program; and 3) the implementation of various programs intended to improve the capacity of the NCMB in attending to potential and brewing labor disputes and work for their early and amicable settlement like the Strategic Action Group for Industrial Peace/Quick Response Team (SAGIP/QRT) Program, and the Free Legal Aid and Voluntary Arbitration Services (FLAVAS) which seeks to extend the Board’s conciliation-mediation services beyond purely organized groups to individual workers and complainants from unorganized companies. FLAVAS follows the concept of single Entry approach in the filing of cases with conciliation as the entry point. If conciliation fails, the parties can elevate the issue either to Voluntary Arbitration or to other offices of the Department.

In 2007, the Board facilitated the setting up of 196 bipartite *workplace cooperation and partnership* (WCP) mechanisms in both the organized and unorganized companies and enhanced one hundred twenty eight (128) existing WCPs/LMCs through orientation seminars, skills training and/or consultation

meetings. As of September 15, 2008, there are 1,111 existing LMCs or 56.6% of the 1,962 existing organized establishments nationwide. Some 361 LMCs in unorganized establishments across the country have also been set up by NCMB. The 1,472 combined number of LMCs in organized and unorganized establishments continue to benefit about 315,000 workers nationwide in terms of best management practices, improved productivity, open communication lines, improved corporate social responsibility and fewer incidence of labor disputes. Further, there are 1,144 active and functioning grievance machinery nationwide as of September 30, 2008.

Meanwhile, case submission to voluntary arbitration reached 248 from January 2007 to September 30, 2008. Disposition rate during the period is 64%.

The promotion of grievance handling at the workplace has made grievance machineries functional allowing labor disputes to be addressed at the plant level. Oftentimes when these happen, only a few of the grievances managed to reach voluntary arbitration, hence the decline in VA cases.

Decisions of accredited voluntary arbitrators continue to enjoy wide acceptance with a high 82% affirmation rate. Reversal rate is computed at merely 18%.

From January 2007 to September 2008, Board received a total of 819 requests for assistance involving more than 1,000 workers. Total FLAVAS cases handled during the period totaled 869. The resolution of FLAVAS cases benefited 1,058 workers with P112M in restitution packages.

Policy Directions

NCMB ensures that appropriate studies are being undertaken to anticipate the bulk and nature of cases that may be filed for the incoming period. This includes the conduct of comprehensive study on “Strike tendency of companies with expiring CBAs”. For 2009, NCMB study has identified 460 companies with expiring CBAs. The study further shows a regional distribution of the CBAs covered, including expiration by month and by industry. It likewise identifies the establishments that are likely to have strikes and lockouts.

NCMB has also adopted Regional Clustering to improve coordination in the implementation of the its programs and projects and to intensify the promotion of the culture of conciliation-mediation. In addition, the NCMB also adopted the Buddy System and Team Conciliation Approach to focus on coordination rather than jurisdiction in the handling of conciliation cases. This is expected to further heighten the coordination and cooperation between and among conciliators.

The NCMB intensified its advocacy on the ADR program emphasizing on workplace relations enhancement and workplace dispute prevention and settlement processes. These are the objectives of the NCMB’s nationwide training program on

Conciliation-Mediation for DOLE Hearing Officers as well as for LGUs, social partners and other stakeholders.