

# The LMC: Prospects and Retrospect\*

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## ABSTRACT

In the Philippines, the widely preferred strategy to attain workplace cooperation is the LMC (Labor-Management Cooperation). This paper aims to enhance awareness and understanding of the LMC concept and its operational vehicle, the L-M Council (or Committee), by tracing its historical antecedents and gleaning its prospective directions. Documented case studies of two companies: the Ebara Benguet, Inc. and the Enchanted Kingdom, Inc., are presented to highlight their best practices in the utilization of a new LMC approach which was instrumental in turning around their work relationships into a more harmonious and productive partnership. Overall, this paper discusses the evolving role and diversified functions of the LMC in today's world of work, its potentials as a coping mechanism in the context of business viability and employment security and, in particular, as a cutting edge for social dialogue and more effective labor-management partnership for global competition.

## THE LMC IN RETROSPECT

The antecedents of Labor-Management Cooperation (LMC) in the Philippines may be traced as far back as the enactment of the

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\* Paper presented at the 13<sup>th</sup> Annual National Convention on LMC, March 29 – 31, 2004 Baguio City, Philippines, sponsored by the PALMCO in cooperation with UP SOLAIR.

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Industrial Peace Act (IPA) in 1953. Its evolution and development may be tracked along a timeline starting with this landmark legislation and the subsequent enactment of several labor laws. Today, the LMC figures prominently among current proposals for labor law reform, anticipated to gather more momentum as the impetus to amend the Philippine Constitution grows with the clamor to align certain laws with the sea change in today's world of work.

In retrospect, many of the pioneering initiatives of early advocates and proponents of workplace cooperation seem to have been forgotten or glossed over in the annals of the LMC. The seminal spadework done by the late Minister of Labor, Blas F. Ople, his able deputy – former Undersecretary Carmelo Noriel and other pioneers that propagated the LMC idea in industry, government, academe and other sectors appear to have been given scant recognition in historical perspective.

In this regard, unpublished documentary evidence point out that before the present concept and practice of LMC evolved to what it is today, there had been earlier initiatives to seek out and determine the appropriate form, structure and process of a suitable organ or mechanism to apply to the Philippine setting. Study committees were formed in the late 1970s and early 1980s to examine the notions of "industrial democracy", "workers' participation in decision-making", "employee involvement," etc. and their corresponding operational models in different countries. For instance, the Study Committee on Industrial Democracy (SCID) was formed at the initiative of the Ministry of Labor in 1980 and tasked to "study and promote appropriate measures for the attainment of industrial democracy in the Philippines." The Committee sought to promote, in particular, greater labor-management cooperation and workers' participation in decision-making on matters directly affecting them at the enterprise, industry and national levels. Various seminars, outreach programs, promotional campaigns and related activities were launched nationwide, featuring international experts such as Johannes Schregle, James McDonnell, etc., and supported by the International Labor Organization and the Friedrich-Ebert-Stiftung, among others (culled from unpublished *Minutes of Meetings of Study Committees, 1980s*).

A primary purpose of this paper is to provide supplementary data and information to fill in some gaps in the literature, which appear

to have glossed these over in the many accounts about LMCs in the country. It aims not only to enrich the historical lore of workplace cooperation in the Philippines but also to glean its future prospects from an international perspective. Thus, the paper ventures to explore the evolving role and diversified functions of LMCs in today's world of work, its potentials as a coping mechanism in the context of business viability and employment security. As a cutting edge for social dialogue and effective labor-management partnership for global competition, the LMC's present-day significance and usefulness can be seen more appreciatively when considering the reality that:

"The workplace is the basic foundation of the economy, and the ability of business to compete worldwide relates directly to workplace performance. The workplace labor-management relationship, therefore, has major economic implications, because it affects the product quality, productivity and profits of firms, and the jobs and employment security of workers. To assist management and labor in improving their relationship so that they can learn to work together on issues of mutual interest as a team instead of adversaries, ... a range of collaborative labor-management strategies may be applied." [Brochure, ILO/USA Declaration Project in Indonesia INS/00/M51/USA, 2000].

In the Philippines, the widely preferred strategy to attain workplace cooperation is the LMC, variously referred to as *Labor-Management Cooperation* – the concept, or the *Labor-Management Council (or Committee)* – its operational vehicle. At least three major associations are known to be actively spearheading the advocacy campaign for the nationwide promotion of LMCs: the Philippine Association of Labor-Management Councils (PALMCO), the Philippine League of Labor-Management Cooperation Practitioners (PHILAMCOP), and the Employee Councils Association of the Philippines (ECAP). In general, all three associations may appear to have similar goals and objectives, but some noteworthy distinctions may be observed among them. Members of the ECAP usually consist of companies which have no union. On the other hand, members of the PHILAMCOP generally come from predominantly unionized establishments, while the PALMCO

accepts both unionized and non-unionized companies among its members.

In some Asian countries at present, the LMC is being introduced and promoted alongside with other bipartite institutions, such as in Indonesia, Korea and Vietnam. As a historical footnote, for instance, a Filipino - Mr. Cito Domingo of Kimberly Clark - is cited as having set up one of the first LMCs in Indonesia some time in the past. In the early 1990s, this author had conducted seminars on the concept and practice of Labor- Management Cooperation in nearby Vietnam, and presented papers on the subject in the annual international conferences organized by the Instituto Mexicano de Control de Calidad (IMECCA) - in far away Mexico. For the past two years, a wide-ranging effort called the ILO/USA Declaration Project has been engaged in a nationwide campaign to promote bipartite institutions and LMCs in Indonesia. The LMC has found a niche in the HRD thrusts of the APEC which propagates its spread among many countries in the Asia-Pacific basin. Indeed, workplace cooperation has come a long way since those early years of its inception and introduction in the industrial relations system of the Philippines.

### **THE LMC IN THE CONTEXT OF THE 1987 CONSTITUTION AND PHILIPPINE INDUSTRIAL RELATIONS**

The ratification of the 1987 Constitution can be considered as one of the most significant developments in contemporary Philippine industrial relations. In the words of one of the eminent framers of the basic law, the Hon. Commissioner Vicente Foz,

"...nothing less than a major breakthrough was achieved when several new concepts in labor-management relations were included in this fundamental law of the land. These are expressly stated in the constitutional provisions where the State is mandated to "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 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 concept of "collective negotiation" is of particularly auspicious relevance to the continuing search for alternative approaches to industrial relations in Asia. The new notion, according to the above delegate to the constitutional convention, "...is a call for consensus, rather than confrontational union politics, as a means of resolving labor problems, conformably with the typical Asian, ASEAN, or Oriental way of resolving conflicts. The concept envisions the establishment of work councils at the plant or company level, or Labor-Management Committees as provided for in the Labor Code." Although the legislative specifics of the constitutional mandate has not been conclusively pushed through, Foz avers that whatever the particular arrangements reached at this point, the basic idea of the LMC remains - "...as a venue for the airing of non-adversarial issues in order to reach a consensus on remedies for disputes which affect not only industrial peace but also productivity. Viewed in this perspective, the Philippine Constitution of 1987 may be credited with having laid down the basis for a new and more appropriate relationship between labor and management, in consonance with the Filipino people's unique culture, value and traditions." (Gatchalian, 1987).

Through the years, the primacy of Collective Bargaining has stood as the linchpin of the State policy on Industrial Relations, as it was meant to be by the Industrial Peace Act of 1953. In 1987, however, the new Constitution appended to it the concept of "collective negotiation" to widen the scope of the mandate of the State of affording protection to labor. In the deliberations of the Constitutional Convention in 1986, Commissioner Teresa Nieva announced this innovation thus: "We have also added a new concept in Section 4, not only of collective bargaining, but also collective negotiation, which would extend the right to bargain for the protection of the rights of the unorganized sector. Inevitably, a critical query was posed on this during the hearings - how shall these 'participative rights' be carried out? Comm. Nieva, in taking up the cudgels for the new idea stated, "...aside from collective bargaining, other methods take various forms of Labor-Management Cooperation as in other countries." (Cacdac, 2003).

The *Record of the Hearings* of the 1986 Constitutional Convention reveal the intentions of the framers as gleaned from excerpts of the deliberations, particularly the interchange among Commissioners T. Nieva, F. Aquino and V. Foz, which provide

additional clarification and amplification on the new concept. Thus, Commissioner Nieva stated that "...Collective negotiations are especially intended for the great majority of workers who are not covered by CBAs. We feel that there are different ways of negotiating for the protection of their rights. Generally, when we say collective bargaining, we refer to those that are unionized and covered by CBAs. As mentioned here, those constitute only about 3.1 percent of the total labor force of the country, so we felt that there has to be worked out some other way of negotiating for the rights of these greater majority of people who are not covered by CBAs."

Commissioner F. Aquino acknowledged for the record, "that *collective negotiation was... an innovative concept introduced to us by the Institute of Labor and Management Relations of UP (sic)*. The specific concern of this concept is first, to address the difficulties of non-unionized employees and laborers and second, that of the government employees. These two groups would suffer the same difficulty in not having a specific collective bargaining agent to represent them. So the process of collective negotiation is to offset that disadvantage already. The idea is to recognize it and provide a constitutional mandate for the process of collective negotiation."

Comm. Aquino further elaborated on the point, by stating "One may notice that on line 4, page 2, there is a provision for collective bargaining and negotiations. The concern here is to provide for unorganized workers. So, this is the forum within which we can contemplate statutory implementation of measures that would accommodate the need of un-unionized workers in their collective negotiation with management."

Recalling his experiences during the historic event, Foz writes: "If any provision of the Constitution engaged the members of the 1986 Convention in what, perhaps, was its most protracted and heated debate on any issue or cluster of kindred issues – it was the one recognizing the right of workers to participate in policy and decision-making." At a certain point during the hearings, the exasperated Commissioner passed a handwritten note to this author suggesting that "...since you were the proponent of this, why don't you provide the details of a working model that we can utilize for its operation?" (Foz, *handwritten letter*, unpub.)

As fate would have it, the opportunity to evolve a working model emerged in the mid-1980s when the need for industrial peace in the Philippines became urgently critical in the light of the increasing social tension and industrial unrest that had built up over the years of Martial Law. The frequency of strikes, work stoppages and other manifestations of industrial conflict peaked in 1986 – the year of the EDSA revolution. Its deleterious consequences had an impact on many enterprises, local and foreign, which decided either to close shop or leave, thereby exacerbating unemployment and other economic problems of the country. In spite of the extensive efforts exerted by the government to attract local and foreign investors to open up or expand business ventures, the level and pace of investment remained disappointingly low and slow.

This situation led President Corazon C. Aquino to issue an urgent appeal as she issued the following statement at the signing of the Omnibus Investments Code:

“Without losing sight of the substantive gains made by Labor, I want to see how all of us, working together, can further the cause of industrial peace as an essential factor in our take-off. I would therefore like the Department of Labor, the Department of Trade and Industry, and the representatives of labor and management to meet and submit to me as soon as possible a realistic program of action that will bring industrial peace to our economy.”

In response to the Presidential plea, the “Pro-Active Programs for Industrial Peace and Harmony” was launched on October 26, 1986 as a joint project of the UP Institute of Industrial Relations (UP IIR) and the Department of Trade and Industry’s Center for Labor Relations Assistance (DTI CLARA). Institutionally backed up by a Memorandum of Agreement between the DTI and the UP, the CLARA (headed by Director Federico Luchico) and the IIR were the implementing units tasked to work in tandem to carry out the project. As its title implies, the project emphasized a *pro-active* approach, with the LMC as the operating mechanism to be promoted and established in as many enterprises and organizations all over the country. This provided an institutional momentum to the

movement that substantially contributed to the proliferation of LMCs in the Philippines.

### **WORKPLACE COOPERATION TODAY: AN LMC FOR THE NEW MILLENNIUM**

The early prototype that was developed for the project has been redesigned into a "New LMC," an updated approach to workplace cooperation for a significantly changed world of work and work relations in the new millennium. The new strategy is rapidly gaining acceptance in the Philippines and other countries in the Asia-Pacific as an effective vehicle for *labor management partnership*, geared to the attainment of industrial harmony and stability at the workplace and for coping with the problems and challenges of global competition. Distilled from long and wide-ranging experiences, coupled with research-based and documented "best practices," practicable guidelines and user-friendly approaches are now available for facilitating the setting-up and effective functioning of Labor-Management Councils or Committees. "LMCs in the New Millennium", for instance, is a handy resource book that practitioners can utilize in establishing and operating LMCs within the context of the corporate culture and the broader socio-cultural milieu (Gatchalian and Gatchalian, 2004).

The New LMC can contribute to the long-run viability and progress of firms and business undertakings, by helping enhance their capability to produce quality goods and services, increasing their profitability and thereby improving their competitiveness. The innovative strategy is geared towards enhancing workforce quality, and the overarching goal of transforming worksites into high-performing workplaces. Documented cases have demonstrated the efficacy of the approach in improving quality, profitability and eventually - greater market competitiveness (Gatchalian, 2003).

In Indonesia, the ILO/USA Declaration Project and its action program to promote workplace Labor-Management Cooperation and effective bipartite institutions has broken new ground in the world of work and work relations in that country. Despite its initial difficulties, evaluation results of participating firms have been largely positive -indicating great potential to contribute in the long run to the attainment of a more stable, democratic and



progressive labor relations in this fourth most populous nation in the world.

The developments above and other recorded efforts at workplace cooperation, not only in the Philippines but in other countries in the Asian region, raise possibilities for the wider application of LMCs, particularly in opening up wide-ranging initiatives related to social dialogue and decent work. For instance, the 18<sup>th</sup> Annual Conference of the Asia Pacific Occupational Safety and Health Organization (APOSHO) last October 2002 in Hanoi, Vietnam examined various potentials of LMCs for addressing OSH and related issues of quality of work life, in Vietnam and other ASEAN countries.

In today's globalizing world, two divergent paths have opened for the further evolution of the LMC as a vehicle for workplace cooperation. One direction can be described as the "*low road*" approach, preoccupied with peripheral concerns (such as socials, sports and solicitations), activities which have more of style than substance, and form more than function. Often neglected are the more crucial and meaningful areas of workplace cooperation such as health and safety, productivity, business viability and long-term employability.

The path less taken employs a "*high-road*" strategy, and hews more closely to the focus of the "new LMC" on "working together and working smarter." Its primary objectives are enhanced quality, increased productivity and improved competitiveness. It is exemplified by the following two examples presented below: the actual cases of Ebara Benguet, Inc. and the Enchanted Kingdom theme park in the province of Laguna, south of Manila. Herein are the documented accounts of their respective experiences and how they recovered and turned around their corporate fortunes with the new approach. Quantifiably measured and monitored, their successes have been demonstrably and directly attributed to the application of an innovative LMC, oriented towards the global situation, and aptly entitled "Partnerships for Quality, Profitability and Competitiveness."

#### **A. Ebara Benguet, Inc. (EBI)**

The EBI, a joint venture company between Japanese and Filipino investors, was established on March 27, 1991 in the Philippines. The company produces stainless steel castings and casted

components for pumps and pump systems for local and foreign markets. A few years from its start of operations, the general business situation deteriorated, while a militant union federation was able to organize workers inside the company. Labor-management relations were confrontational, characterized by deep-seated distrust and suspicion. Negotiations for a collective bargaining contract were protracted, eventually culminating in a crippling strike in mid-1998. As the Asian financial crisis worsened in the late 1990s and the market for its products shrank, the company found itself in life-threatening business circumstances.

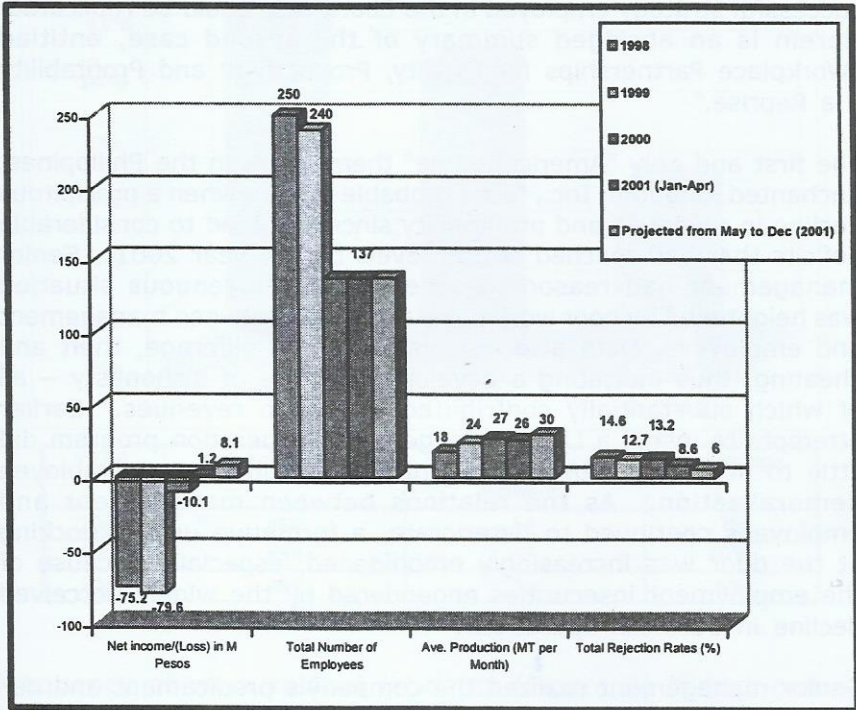
Hemorrhaging by financial losses of almost P80 million pesos a year, many of the EBI's problems stemmed from high rates of product rejections, exacerbated by intermittent disputes and protracted wrangling between the militant union and a harassed management, among others. Quality was amiss, not only in the products but more so with the work relationships, and in a highly competitive global market, this made the situation critical with its business viability placed on the line. At the turn of the decade, EBI, Philippines was at the brink of either company closure or plant relocation to China. How to arrest its rapid deterioration and infuse some hope in the company's bleak circumstances - were among the initial issues and challenges tossed by the President in early 1999 to the new LMC.

The turnaround story of EBI is vividly recounted in written accounts as well as in quantified graphics, presented in the next page. As shown in Figure 1, the recovery period covered the implementation of the partnerships strategy in the company - from 1998 to the first quarter of 2001. Three major parameters utilized to measure change were (a) production volume; (b) rejection rate by weight and (c) profit and loss statement at period intervals (Gatchalian, 2004).

The intervention program carried out at Ebara Benguet, Inc., referred to as the PQP<sup>2</sup> strategy, focused firstly on fostering internal and external partnerships between management and workers, and between the company and its suppliers, buyers, and other stakeholders. Sequential activities included: Phase I- Series of dialogues between the consultants, management and labor representatives; Phase II- Strategic Planning for Quality which resulted in organizing the Quality Steering Committee; Phase III - Promotion of PQP<sup>2</sup> company-wide, with group training on problem-solving techniques, teamwork, principled CBA negotiations,

etc. and the activation of the Quality Improvement Teams; and Phase IV- Evaluation of the company situation utilizing previously agreed upon parameters.

Figure 1. Comparative EBI performance for 1998 to first quarter of 2001



According to the EBI Plant Manager, production volume for 1999 was 288 metric tons (MT), which increased to 347 MT in 2000 and was expected to double by end of 2001. Rejection rates by weight totaled 11% in 1998, decreasing to 8.4% in 1999 and to 6.4% by the end of 2000. From an actual loss of P79.6 million in 1999, losses were reduced to P11.3 million by end of year 2000, and by the first quarter of year 2001, the bottom line became positive for the first time. Although other factors could have contributed to the business turnaround, what directly precipitated the improvement process was the PQP<sup>2</sup> and the activities generated in accordance with the joint strategic plan formulated by the company and the union. Time will tell if the strategy of the New LMC can ensure sustainable recovery, but for now the EBI looks solidly poised to rejoin the ranks of world-class competitors in the industry.

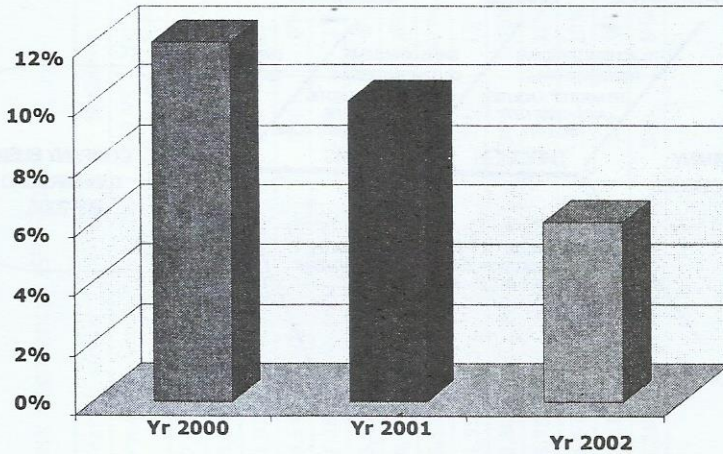
## **B. Enchanted Kingdom, Inc. (EKI)**

The second case is that of a theme park called Enchanted Kingdom, Inc. and is a virtual replication of the earlier study recounted above. One major aim of the research was to find out if the successful strategy employed in the Ebara case could be replicated. Herein is an abridged summary of the second case, entitled "Workplace Partnerships for Quality, Productivity and Profitability - a Reprise."

The first and only "American-style" theme park in the Philippines, Enchanted Kingdom, Inc., faced probable closure when a precipitous decline in revenues and profitability since 1997 led to considerable deficits that had reached critical levels by the year 2001. Senior management had reason to believe that the tenuous situation was heightened by poor working relationships between management and employees. Data also revealed rampant pilferage, theft and cheating, thus indicating a developing culture of dishonesty - all of which substantially contributed to loss in revenues. Earlier attempts to install a Labor-Management Cooperation program did little to arrest the business downtrend and increasing employee demoralization. As the relations between management and employees continued to deteriorate, a formative union knocking at the door was increasingly emboldened, especially because of the employment insecurities engendered by the widely perceived decline in business operations.

Senior management realized the company's predicament and decided to consult and seek advice from external experts to enable them to appraise their situation in a more focused and objective manner. After a series of discussion meetings with the latter, key leaders from management and employees agreed to try out the "new LMC" approach - which is an intervention program geared to meet the challenges of the new millennium. Following the same strategy as in the EBI case, the intervention aimed at measurable improvements in quality, profitability (QPC). The initial step was to develop a shared understanding of the company's vision, mission and goals among all of its stakeholders - internal and external. With improved communication, better understanding of company quality directions and a firm commitment by senior management to work hand-in-hand with employees, significant gains began to be observed in an unprecedented manner and within a relatively short period of time. The following is an illustrative case in point:

Figure 2. Annual Record of Work-Related Incidents



YEAR	Yearly Headcount	Work-Related Incidents	Percentage
2000	552	64	12%
2001	453	47	10%
2002	484	30	6%

Frequency of work related incidents (Figure 2) is just one of several parameters used to measure attitudinal change, which had already shown significantly positive improvement barely a year after the LMC activities were initiated. The company is currently in the process of firming up directions through the use of the balanced scorecard, the fishbone approach (Figure 3) and the proper documentation procedures required by the TQM program. The strategic goals and directions of EK for 2005 were formulated earlier in a live-in joint strategic planning for quality, participated in by key management officials and selected representatives from the ranks of workers and employees of the company.

FIGURE 3. OVERALL VIEW OF THE COMPANY DIRECTIONS HIGHLIGHTING THE GOAL FOR 2005

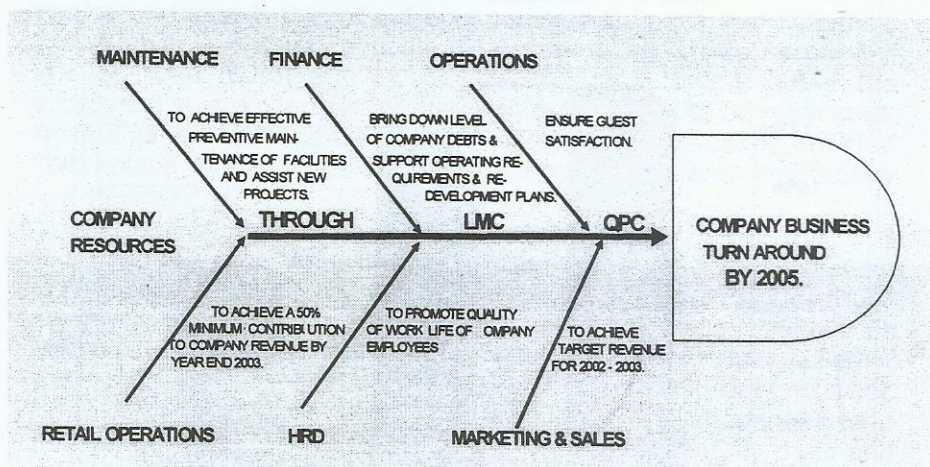


Table 2 presents initial evidence to indicate that EK Inc. had changed its pattern of performance for the better during the reckoning period. For example, data for year 2002 indicated a slight overall improvement when compared with corporate performance for the last four years.

The increase in the volume of park attendance has direct implications to income generation. Except for the months of July and September (months when typhoons and heavy rains regularly occur), park attendance was generally higher than the 2001 values. Park attendance for 2002, in general, was higher than the four-year average. On the whole, the total attendance rate was 5% higher in year 2002 as compared with 2001. Simultaneous with these developments, several senior managers continued to focus on leadership improvement as they fostered and fanned the renewed enthusiasm and active involvement of Cast Members in the many quality thrusts and initiatives at EK, Inc. (See Annexes for updated figures up to year 2004).

With such demonstrable improvements achieved after just over a year's implementation, the "new LMC" approach may be credited with having galvanized the management and employees of Enchanted Kingdom to greater effort and resolve in continuing their initiatives for workplace cooperation for QPC in the coming years.

Table 2. EK, Inc.'s comparative performance in park attendance, 1998-2002

Month	TOTAL PARK ATTENDANCE										4-Year Average	4-Year % of TPA	% Growth	
	1998	1999	2000	2001	2002	5-Year Average	2002 VS 4 Yr Ave.	2002 VS 2001						
January	106,689	110,055	97,418	101,703	120,135	107,200	107,328	11%	12%	18%				
February	51,127	83,390	80,595	86,930	92,284	78,865	85,800	9%	8%	6%				
March	43,008	64,794	51,020	49,280	61,524	53,925	56,655	6%	9%	25%				
April	68,536	53,083	65,511	67,432	67,160	64,344	63,297	6%	6%	0%				
May	81,766	65,061	43,977	82,416	83,186	71,281	68,660	7%	21%	1%				
June	25,539	27,039	38,291	40,863	37,452	33,837	35,911	4%	4%	-8%				
<b>Mid Yr:</b>	<b>376,665</b>	<b>403,422</b>	<b>376,812</b>	<b>428,624</b>	<b>461,741</b>	<b>409,453</b>	<b>417,650</b>	<b>42%</b>	<b>11%</b>	<b>8%</b>				
July	40,197	41,255	18,564	26,576	6,070	26,532	23,116	2%	-74%	-77%				
August	95,677	75,852	48,468	47,849	54,927	64,555	56,774	6%	-3%	15%				
September	68,536	141,615	77,153	61,365	55,354	80,805	83,872	8%	-34%	-10%				
October	62,952	147,482	92,113	74,996	101,216	95,752	103,952	10%	-3%	35%				
November	73,783	126,293	90,672	115,219	127,151	106,624	114,834	12%	11%	10%				
December	130,324	187,382	173,330	203,755	203,373	179,633	191,960	19%	6%	0%				
<b>TOTAL</b>	<b>848,134</b>	<b>1,123,301</b>	<b>877,112</b>	<b>958,384</b>	<b>1,009,832</b>	<b>963,353</b>	<b>992,157</b>	<b>100%</b>	<b>2%</b>	<b>5%</b>				

Source: Company records and reports

Of the two divergent paths that have opened up for the further development and evolution of the LMC, it may be concluded from the two *best practice* cases that the Ebara Co., Inc. and the Enchanted Kingdom, Inc. had achieved remarkable success by "having taken the road less traveled." In the long run, this may well become the pathway of choice for many companies in the future - "the high road" that more and more LM partnerships will opt to take, considering the mounting challenges of globalization in the new millennium.

### **PROSPECTS FOR THE FUTURE: LMC AT THE CROSSROADS**

Refocusing on the national scene, BLR Dir. Caddac observes that Philippine industrial relations is at a crossroads as he notes that, "...the naked reality is this - 30,500,000 Filipinos in the labor force are not governed by the Philippine law on labor relations." In his view, there is a primordial necessity to close the "representation gap" between the organized sector and the rest of the unorganized segments of the Philippine labor force, which can be divided roughly along formal and informal lines. He opines that "more participatory approaches highlight increased employee involvement in the workplace."

Caddac recalls that, "as far back as 1980, Gatchalian and Dia already emphasized the need to inject the concept of "workers' participation" at the enterprise level. They had predicted the emergence of a social order that would be "egalitarian, participatory, self-reliant and humane" going into the 21<sup>st</sup> century. But they also warned that workers' participation requires change and transition in all levels of industrial society (Caddac N.D.).

Twenty years after his prognostications on the importance of participatory approaches in industrial relations, Gatchalian maintains that there is still a "strongly felt need to further explore the area of employee representation in the Philippines." He laments that LMCs in the Philippines still largely function as consultative and advisory mechanisms, and that workers' representatives do not have substantial influence in managerial decision-making on more meaningful issues and concerns. Considering the broad spectrum of participatory modes that range from information and consultation, to co-decision and the ideal of full participation, LMCs have failed by-and-large to run through the whole gamut of levels of workers' participation.



A former member of the 1986 Constitutional Convention, Commissioner V. Foz, echoes the same lament as he observes that: "Today, a decade and a half since the Constitution took effect, the question (still) is: has this participatory right of labor become a living reality at the workplace, or remained a paper right and a mere rhetoric?" More pointedly, he asks: "Where to - workers' participation, Pinoy style?" (Foz, 2002).

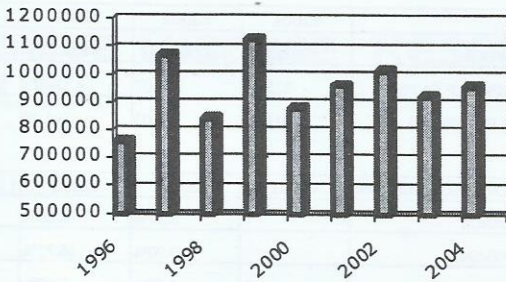
Caddac recounts on hindsight that after the ratification of the 1987 Constitution, Congress responded by including the concepts of "collective bargaining and negotiation" and the controversial notion of "participation of workers in policy and decision-making processes affecting their rights and benefits" in the explication of State policies on labor relations. He observed that, "workplace cooperation in non-unionized establishments received attention through the inclusion of voluntary formation of Labor-Management Committees," but maintains that "collective bargaining without a doubt still stood as the dominant statutory mode of labor-management relations." How to integrate these notions and their innovative thrusts into the actual realm of labor-management relations in both the unionized and the non-organized formal sectors, however, still is the major challenge that the social partners in production have to face in these contemporary times. In sum, how to "operationalize" the concepts of workers' participation and collective negotiation in Philippine industrial relations shall remain as an elusive goal for some time to come.

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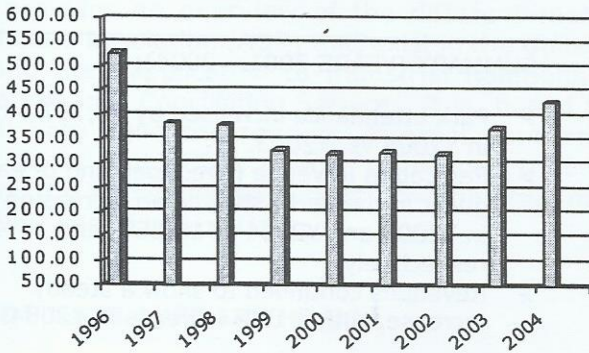
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Annexes\*

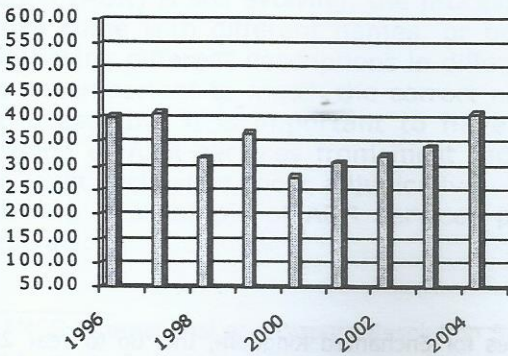
ATTENDANCE (Year-to-year)



PER CAPITA REVENUE (Year-to-Year)



PARK REVENUE (year-to-year)  
In Php Millions



Years 2001 – 2004:

	Y2001	Y2002	Y2003	Y2004
PARK ATTENDANCE	958,384	1,009,832	920,318	957,105
PER CAPITA REVENUE (in PhP)	325.01	322.07	374.29	428.30
REVENUES (In PhP Millions)	311.48	325.03	344.48	409.92

% INC (DEC) OVER PREVIOUS YEAR	Y2001	Y2002	Y2003	Y2004
PARK ATTENDANCE		5.37%	-8.86%	4.00%
PER CAPITA REVENUE		-0.90%	16.21%	14.43%
REVENUES		4.35%	5.98%	19.00%

**SUMMARY (YEARS 2001 – 2004):**

- Park attendance increased by 36,787 or 4% in Y2004 vs. Y2003.
- Per Capita Revenue (ave. spending of each guest in the Park) showed an increasing trend in Y2003 and Y2004 at 16.25% and 14.43%, respectively.
- Revenues continued to show a steady increase, with a 19% increase in Y2004.

\* Updated figures for Enchanted Kingdom, Inc. up to year 2004