

DOLE
Accomplishments
in Key Labor and
Employment
Reforms

2011

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EXECUTIVE SUMMARY

Gaining ground

2011 is the first complete year under President Benigno S. Aquino III. It is a “Good News...Good Year” for the Department of Labor and Employment, offering new challenges and opportunities.

During the first quarter of the year we were confronted with the crisis in the Middle East that affected hundreds of thousands of our overseas workers. Thus, we rallied our efforts towards repatriation and reintegration of our workers. Towards year-end, typhoons and flashfloods devastated the country affecting thousands of workers and people’s livelihood. Emergency relief, temporary employment and livelihood/entrepreneurial undertakings were immediately deployed to alleviate distressing condition of the affected workers and their families.

Amid these, we have seen that our initial efforts and the reforms that we have institutionalized at the start of the new administration have gained ground. Among our milestones are the:

- **The Philippine Labor and Employment Plan 2011-2016 (LEP)** as our policy and program direction for the rest of the current administration, with the theme “Inclusive Growth through Decent and Productive Work”. The LEP was developed with the help of our social partners, and is anchored on President Benigno S. Aquino’s Social Contract with the Filipino people.
- **Convergent Programs to Address Job-Mismatch**, a collaborative effort of the DOLE, DepEd, CHED, and TESDA under the Human Development and Poverty Reduction Cluster. Specific interventions are underway with respect to reviewing the education and training curriculum to suit industry needs; and guiding the course and career choices / decisions of students.
- **P2.0 Billion Reintegration Program** launched during the 1st National Congress of OFWs and Families. It aims to maximize the gains of overseas employment, mitigate the social cost of migration and cushion the impact of forced repatriation due to unexpected events. The program gives returning OFWs opportunity to be entrepreneurs in the country.
- **Adoption of Voluntary Codes of Good Practices** by the Industry Tripartite Councils to foster a climate of voluntary compliance and industry self-regulation. Currently there are 34 codes of good practices encompassing diverse industries nationwide in place.
- **Institutionalization of the single-entry approach (SENA)**, which allows workers to seek conciliation and mediation services in any office of the DOLE down at the provincial level, irrespective of the nature of complaints, and effect settlement within a 30-day period. In 2011, the DOLE achieved 66% settlement rate, 4% lower than its

70% settlement rate target for the year. SENA benefited 19,785 workers with 368M in restitution packages.

- **Project SpeED**, which started in 2009, aims to make case dockets current. Under the SpeED 4 in 2011, there were 18,581 out of 23,091 cases that have been disposed benefiting 46,823 workers.
- The “**two-tiered wage policy reform**” to minimize the unintended outcomes of mandated minimum wages, to improve the coverage of vulnerable sectors, and to promote productivity improvement and gain sharing. This has been implemented in the public utility bus transport industry and is expected to be operative in 2012 in other sectors as well.
- **Department Order No. 18-A**, series of 2011, or the rules implementing Articles 106 to 109 of the Labor Code, as amended. The DO 18-A aims to give our contractual workers more protection while at the same time affording employers flexibility to adjust their employment content based on actual business requirements.
- **Significant improvements in the participation of women in the labor market particularly with Republic Act 10151**, lifting night work prohibitions for women by repealing Articles 130 and 131 of the 37-year Philippine Labor Code.
- **Participatory Gender Audit** which is the first time for DOLE to embark on an assessment of its internal practices and support systems. The Audit builds on the gains and potentials of mainstreaming gender in the LEP 2011-2016.
- **Tripartite Efficiency and Integrity Boards** were created at the national and agency levels. The EIBs spearhead the promotion of efficiency and integrity of the Department and serve as monitoring and oversight body on the implementation of the Integrity Development Plan, 2012-2016.

The strong participation of stakeholders and the continuous improvements to better serve the clientele are contributory to the attainment of our target for the year.

2011 Highlights of Accomplishments

1.1. Employment Facilitation

In 2011, the DOLE, through its employment intermediaries, has facilitated the employment of **1,744,138** workers in local wage and self employment (89% more than the target).

Local

1,646,654 workers were placed for local employment, of whom,

- **1,444,059** were employed through the regular job placement services and programs carried out by the community-based Public Employment Service Offices (PESOs), and Private Recruitment and Placement Agencies (PRPAs), and Job Service Contractors/Subcontractors.
- **120,312** poor but deserving students were given the opportunity to earn under the Special Program for Employment of Students (SPES).
- **72,082** new entrants to the labor force were enrolled to the Kasanayan at Hanapbuhay (KaSH) Program, an apprenticeship and employment program adopted as a bridging mechanism for new entrants to the labor force to acquire skills and work experiences needed by employers.
- **10,201** displaced workers were given assistance amounting to P33,306,188.87 under the DOLE Adjustment Measures Program (AMP)
- Copies of regular Labor Market update, reports and publications on employment skills/ supply shortages/ surpluses, situationer, industry profile among others were distributed to 763,884 individuals and 11,575 institutions. Similarly, information on employment prospects were provided to 967,782 jobseekers while information regarding jobseekers were provided to 27,313 employers/ companies.

Self Employment

97,484 workers were provided with various livelihood assistance/services, of whom,

- **94,597** workers were provided with livelihood assistance under the DOLE Integrated Livelihood Program
- **2,498** OFWs benefited under the OWWA and NRCO livelihood assistance
- **389** parents of child laborers were also given livelihood assistance

Community-Based Employment Program

- The DOLE leads in coordinating and monitoring of jobs generated under the Community-Based Employment Program (CBEP) by

various agencies implementing infrastructure and non-infrastructure projects. A total of 1.1 million jobs (434,147 for infra; 665,412 for non-infra) have been reported for 2011 out of the 1.3 million projected jobs for the year.

Overseas

- The DOLE, through the POEA, facilitated the processing of **1,850,463** employment contracts or 116% of the 1,600,000 million projected deployment for the year. There were 30,805 foreign principals accredited or 151% of the 20,366 targeted; and 606,976 job orders approved or 97% out of 638,000 targeted for the year.

Meanwhile, some 209,187 individual employment contracts and 25,985 job orders with 328,289 manpower requirement were verified by the Philippine Overseas Labor Offices (POLOs). The POLOs also verified 2,021 new foreign-based principals and 38,283 other employment-related documents attached to the job orders.

1.2. Employment Enhancement

Training and Competency Assessment/ Certification

- TESDA trained and retrained **1,332,751** workers in various technical and vocational courses. The figure represents an accomplishment of 99.13% from the expected output of 1,344,371. Meanwhile, a total of **154,536** persons have been granted training and educational scholarships.
- Competency assessment and certification services were provided to 830,030 workers and were issued National Certificate of Competency/ Proficiency. Likewise, 18,949 seafarers were issued training certificates on its various maritime training courses to ensure quality standards. In addition, 1,088 ratings and 154,969 officers underwent competency assessment.
- On the other hand, the National Productivity and Wages Commission's productivity trainings, orientations, and campaigns reached 236,198 workers from 8,633 companies. Moreover, 207,952 workers and employers, representing 138.63% of the 150,000 target for the year participated in Operasyon PAWIS (Pagpapatupad ng Wasto at Itinalagang Sahod), a public awareness campaign to increase workers and employers' knowledge about the applicable minimum wage rates by region, industry, or locality.

Professional Regulation

DOLE, through the Professional Regulation Commission (PRC) initiated the implementation of Online Verification of Filipino Professionals and ratings as well as results of Licensure Examinations to provide timely and prompt verification. For the year 2011, it provided the following services:

- Processed/issued 485,409 applications achievement exceeding by 3% of the 472,620 target;

- Tested 430,001 professional examinees attaining 99.45% from the expected output of 432,367
- Conducted professional licensure examinations and facilitated the release of results to 4456,968 licensure examinees representing 99.40% of the 449,686 target for the year.
- Processed/ issued 599,406 professional identification cards and certificates of registration

Services to safeguard fare and just terms and conditions of employment

- **Voluntary compliance with labor standards.** 1,843 (85.52%) out of the 2,155 unionized establishments have been subjected to self-assessment. Out of this number, compliance with labor standards was reported at 92.40%. On the other hand, under the Kapatiran-WISE program, there were 52 Big Brothers (large firms) enrolled with 360 Small Brothers (micro and small enterprises) assisted. A total of 107,984 workers were covered by the program
- **Compulsory compliance with labor standards.** 30,727 or 125.83% of the targeted 24,414 establishments (firms covered by minimum wage orders minus those covered by Self-Assessment and Kapatiran-Wise) were subjected to routine inspection. Compliance rate of the establishments inspected was recorded at 67.30%.

Under the Technical Assistance Visit (TAV) covering micro and small enterprises employing less than 10 workers, some 7,735 or 98.09% of the target 7,886 micro and small firms were provided training/orientation on compliance with labor standards. Of these enterprises, compliance rate was recorded at 68.73%. A total of 1,290,161 workers were covered by the various modes of labor standards compliance (i.e., SA, inspection, TAV).

1.3. Labor Standards and Social Protection

For Workers in Local Employment

- The National Wages and Productivity Commission (NWPC), through its Regional Wages and Productivity Boards (RTWPBs) reviewed minimum wages and conducted 24 public hearings and consultations. This resulted in the issuance of ten (10) wage orders/advisories in NCR, RO2, RO3, RO6, RO7, RO8, RO9, RO10, CARAGA, and ARMM.
- In protecting the vulnerable workers, some 40,158 workers in the informal sector were facilitated enrolment to government's various social security schemes. Meanwhile, 193,766 workers in 2,117 establishments were provided family welfare-related services / activities. Under the Sagip Batang Mangagawa (SBM) program, 72 children were assisted and prevented / removed from child labor. There were 2,664 children provided educational assistance.

For Workers in Overseas Employment

- Under POEA's licensing program, 50 new licenses were issued to Private Recruitment Agencies (PRAs) while some 352 PRAs renewed their licenses to recruit.
- On the Anti-illegal Recruitment / anti Trafficking in Persons (AIR-TIP) program, 148,310 clients were reached through AIR-TIP campaign; 5,786 victims of illegal recruitment were provided various forms of assistance; 133 AIR surveillance operations conducted; and 128 illegal recruitment cases filed for preliminary investigation.
- 656,365 prospective overseas Filipino workers were provided Pre-Employment Orientation Seminar (PEOS) and Pre-Deployment Orientation Seminar (PDOS)
- OWWA facilitated the membership of 1,299,460 OFWs (local is 1,091,210 and on-site is 208,250). Some 2,611 OWWA members or families of OFWs were provided with death and disability benefits while 401 OFWs were assisted with health program. On-site, 43,357 workers were assisted (i.e., deportation, medical, hospitalization and case management services).
- 27,764 OFWs were assisted on emergency repatriation, of which 16,761 were given airport assistance; 4,121 were temporarily housed in half-way home; and 362 OFWs were given transport/fare.
- OWWA and the National Reintegration Center for OFWs (NRCO) assisted 98,262 OFWs with capability building programs including financial literacy and entrepreneurship training. Some 27,627 OFWs were given wage employment assistance (i.e., referral).

Work Accidents/ Illnesses Prevention and Work Rehabilitation Services

- The DOLE, through the Occupational Safety and Health Center (OSHC), the Bureau of Working Condition (BWC) and Regional Offices inspected 382 construction sites under the Construction Safety and Health Program (CSHP). Twenty-one (21) constructions sites were reported to implement CSHP and there are 35 constructions sites with trained Safety Officer/accredited OSH Practitioner. Some 755 CSHP applications were approved in 2011.
- On Safety Officers/OSH Practitioners Accreditation Program, 238 certificates of accreditation were issued; and 579 establishments were reported to have accredited Safety Officers / OSH Practitioners. Some 1,855 establishments submitted OSH report with no lost time accidents.

The DOLE's OSHC trained 13,726 workers from 3,776 companies on Occupational Safety and Health; and 232 companies with 90,694 workers were provided technical assistance and services for Work Environment Measurement (WEM) and Occupational Health Services. Fifteen (15) Training Organizations and 26 consultants were accredited under the OSH Accreditation of STOs and SCOs.

- 193 establishments were investigated/inspected for work accidents/ injuries; and eleven (11) firms were reported with violations affecting 10,158 workers. Eight (8) work stoppages and desist orders were issued due to work accidents/injuries. There were 39 fatalities and 514 injuries reported.

- For occupationally disabled workers (ODWs), the DOLE, through the Employees Compensation Commission (ECC), facilitated the release of compensation benefits to 63 victims of work-related injuries. Meanwhile, 85 ODWs were provided psychosocial-counseling services, 44 ODWs with ECC-funded rehabilitation services, and ten (10) ODWs with free rehabilitation appliances/equipment.

1.4. Labor Relations

Labor Relations Enhancement and Dispute Resolution

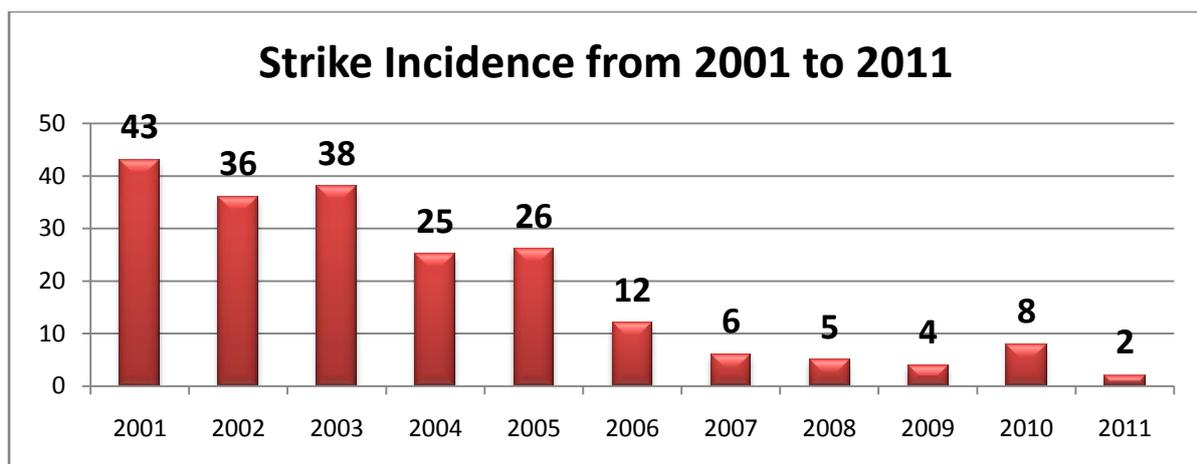
- **Strikes and lockouts.** 2011 has the most peaceful industrial climate in the local history with **only two (2) work stoppages recorded** within the year.

The two work stoppages, which occurred in January and September 2011, is down by 75 percent from the eight (8) strikes recorded in 2010 and by 50 percent from the four (4) strikes recorded in 2009. The strikes occurred in Region 3, which lasted only for one (1) day, and in the National Capital Region.

The ratio of the total number of notices of strike/lockout and preventive mediation cases that did not materialize into actual work stoppage was computed at 99.77%.

These conciliation-mediation efforts led to the facilitation of **P4.408 billion CBA package, separation pay, and other restitution benefits to some 15,736 workers.** Consequently, some **229,299 jobs have been preserved.**

Figure 06. Actual Strikes from 2001 to 2009



- **Continuing Labor and Employment Education.** The developments in the industrial front are also indications that the Department's preventive measures to promote labor-employer cooperation at the workplaces so that disputes are settled within the plant-level have also been making impact. The labor-management education in

2011, reached **1,827** companies covering **16,362** workers and **5,535** managers nationwide.

- **Partnership and Labor- Management Empowerment.** The bipartite mechanisms, Labor Management Councils (LMCs) and Grievance Machineries (GMs), aim to foster partnership and strengthen plant-level labor dispute prevention and resolution to minimize the number of cases entering the government dockets. This year, **316 Labor Management Councils were facilitated** and **1,110** others were **strengthened**. Also, **177 grievance machineries** were operationalized in organized establishments and **171** were institutionalized in unorganized establishments, while **1,076 others were enhanced**.
- **Single Entry Approach (SENA).** For the settlement of labor problems beyond the plant level, the DOLE institutionalized the 30-day mandatory conciliation mediation or **Single Entry Approach (SEnA)**. DOLE handled 33,124 requests for assistance (RFAs) which includes the 680 RFAs carried over from 2010 with the following breakdown: 13,535 at the Regional Offices; 19,589 at the Attached Agencies and Legal Service.

The Regional Offices achieved **95% disposition rate** (12,876 out of 13,535 RFAs) during the reference period and **66% settlement rate** (8,923 RFAs). The remaining RFAs that were not settled reached the case dockets of NLRC (3,011 RFAs or 22%) and other DOLE Offices (942 RFAs or 7%).

Meanwhile, Attached Agencies (except NLRC) and the Legal Service recorded **92% disposition rate** and **79% settlement rate**. Referral rate to NLRC for compulsory arbitration is registered at 13% (581 out of 4,396) while those referred to the other DOLE offices in computed at 0.1% (5 out of 4,396).

The NLRC achieved 96% disposition rate (14,517 out of 15,193 RFAs) and 13% settlement rate (1,969 RFAs), thereby elevating 12,524 RFAs (83%) to compulsory arbitration.

SENA benefited **19,785** workers with **368M** in restitution packages. The mechanism continues to gain ground with more workers availing it.

- **Dispute resolution.** Department's interventions in labor disputes also followed a positive trend in 2011.

Under the **Speedy and Efficient Delivery (SPeED) of Labor Justice**, **80% or 18,581 of the 23,091 cases enrolled under SpeED 4** have been disposed. Monetary awards amounting to P2.970 billion benefited some 46,828 workers.

Of the 585 **conciliation-mediation cases handled by the NCMB** in 2011, 509 cases have been settled.

The NLRC, on the other hand, was able to dispose **43,862** cases, **32,045** of which are original cases from the Regional Arbitration Branches (RABs), and **11,817** are appeal cases from the Commission Proper. Of the 33,000 target, the RABs disposed 32,045, while of the 11,478 received appeal cases, the Commission Proper was able to dispose 11,817 cases.

Tripartism and Social Dialogue

- **Labor Code Review.** In October 2011, the Labor Code Review Committee was constituted with representatives from the labor and employment sector. As of this report, a draft outline redefining the framework of the new Labor Code, which was anchored on the Decent Work Pillar: Employment Opportunities, Rights at Work, Social Protection, and Social Dialogue, has already been developed.
- **Issuance of Department Order No. 18-A, Series of 2011, on Subcontracting Arrangements.** After a series of rigorous consultations, the TIPC came out with the **amendments to D.O. No. 18-02**. Now reissued as D.O. 18-A, series of 2011 the amendatory department order ensures respect for basic workers' rights and benefits and provides tripartite implementation and monitoring to curb exploitative practices.
- **Republic Act. No. 10151, Act Allowing the Employment of Night Workers**, thereby Repealing Articles 130 and 131 of the Labor Code. On June 16, the bill lifting the night work prohibition for women workers was signed into law, thus given women equal access to employment opportunities. The salient features of the law include: (1) repealing the prohibition for night work for both men and women, (2) a new chapter on employment.
- **The National Tripartite Council (TIPC) approved nine (9) resolutions** (See Annex A)
- **The Maritime Industry Tripartite Council, which convened on 17 October, also approved two (2) resolutions:**
 - Resolution No. 2, "Recommending the Approval and Issuance of the DOLE DO on the Rules and Regulations Governing the Employment and Working Conditions of Domestic Seafarers
 - Resolution No. 3, "Endorsing the Maritime Labor Convention, 2006, for Ratification by the President and for Concurrence by the Phil. Senate".

- At the Regional level, **38 TIPCs were established and 99 ITCs in non- agricultural sector and 12 in agricultural sector were created.**
- **34 Tripartite Voluntary Code of Good Practices (VCGPs)** in various industries were formulated including those seven (7) voluntary codes recorded in July-December 2010 (See Annex B).

1.5. Sustaining Outcomes

Integrity Development Action Program

- **Efficiency and Integrity Boards.** Achieved 100% compliance on the creation of Tripartite EIBs in all DOLE offices. The officers of the National and Central Office EIBs took their oath of office on 22 July 2011. On 19-21 October 2011, the EIBs conducted a three-day Consultation-Workshop on the Formulation of Integrity Development Plan, 2012-2016.
- Issued Enhanced Selection and Promotion System (ESPS) Guidelines in accordance with CSC rules and DOLE thrust in March 2011 and monitored its implementation in the Department
- Facilitated review sessions on Career Executive Service Written Examination (CESWE) and Assessment Center conducted by an external resource person benefitting **48** non-CESO officials and Division Chiefs to assist them in hurdling the CESWE, the first step in acquiring Career Executive Service (CES) eligibility
- Drafted the Agency Baseline Assessment Report relative to the roll-out of the National Government Internal Control System (NGCIS) in PRC and in DOLE

Transparency and Accountability

- **Feedback Mechanism.** Responded to 100% of queries received, e-mail queries, phone-in queries, follow-up letters.
- **Posting of Cases in the DOLE Website.** Posted and updated 100% of all POEA and AEP appealed cases handled by the LS in DOLE website.
- Draft of the DOLE Revised Manual on Disposition of Administrative Cases under review.
- 2010 Net worth of **84 (100%)** officials posted on the DOLE website.

Support to Policy Development

- The Philippine Labor and Employment Plan (LEP) 2011-2016. Developed the LEP and Results Matrix (LEP-RM), 2011-2016 in consultation with DOLE Offices/Agencies.
- Three (3) researches, namely, *Prolonged Standing and Musculoskeletal Symptoms among Sales Personnel in Department Stores*; *Occupational Safety and Health Profile of the Philippines' Creative Animation Industry*; and *Occupational Safety and Health Condition of Bus Industry and its Workers: A Rapid Assessment* have been completed by the Occupational Safety and Health. Twenty-two (22) working papers on employment (11), workers' rights (6), social protection (1), and social dialog (4) have been completed as well by the Institute for Labor Studies, the DOLE's research arm.
- The DOLE's Bureau of Labor and Employment Statistics (BLES) released and published survey results namely: 2010 Occupational Wages Survey and 2009/2010 BLES Integrated Survey (BITS); and Labor Turnover Survey (LTS).
- Developed the Electronic Recording of the Inventory for Semi-Expendable Supplies and Materials and Inventory of DOLE Properties and Equipment Issued to Accountable Officers before the end of March 2011.
- DOLE's Information System Strategic Plan 2011-2016 got the approval of the National Computer Center (NCC) in December 2011. The DOLE ISSP, 2012-2016 highlights the virtual integration of the various DOLE agencies, including its local and overseas operations.

2011 Financial Performance

(In progress)

2012 Program Thrust

Building on the gains of labor and employment reforms in 2011, the DOLE will continue to implement policies and programs that would contribute to the development goal of inclusive growth through decent and productive work. For 2012, efforts will primarily focus on initiatives towards creating an environment conducive to business and investments. We will be mainstreaming competitiveness, green productivity and gender and development dimensions in the DOLE policies and programs.

On Employment Facilitation and Manpower Development

- Continue monitoring jobs generated under the government's Community-Based Employment Program (CBEP)
- Conduct of National and Regional Career Congress
- Implementation of enhanced Phil-JobNet with Skills Registry System and DOLE Human Resource Data Warehouse sub-system
- Development of PESO Performance Monitoring System
- Updating of occupational guides/career pamphlets
- Implementation of the 3rd wave of SRS in 160 LGUs at 10 LGUs per region
- Training for Work Scholarship with particular focus on five (5) key industries, namely ICT/BPO, electronics/semi-conductors, infrastructure, tourism and agri-fisheries.
- 100% completion of STCW maritime courses required under the Manila Amendments

On Rights at Work

- Finalize proposed draft amendments to the Labor Code of the Philippines
- Process ratification of Maritime Labor Convention
- Pursue bilateral and multilateral agreements on the protection of migrant workers
- With D.O. No. 18-A, prioritize voluntary compliance with labor laws and standards along with the Incentivizing Compliance Program.

On Social Protection

- Deliver timely emergency employment and livelihood assistance to dislocated/displaced workers
- Full implementation of the Two-Tier Wage System
- Implement Safety and Health Program in construction and other high-risk industries
- Provide workers and employers basic, advanced and specialized OSH courses, orientations, seminars and trainings

On Social Dialogue

- Maintain the level of work stoppage at 2 or lower
- Continuous implementation of Speedy and Efficient Delivery (SpeED) of labor justice with 98% disposition rate in adjudication and 70% settlement rate in conciliation under the Single Entry Approach or SENA.
- Conduct of enhanced labor and employment education to include modules on workers benefits including OSH, Labor Relations, and other Labor and Employment topics as requested.
- Operationalize the Monitoring and Action Program (MAP) of Voluntary Code of Good Industry Practices
- Incentivize labor laws compliance with DOLE Tripartite Seal of Excellence Award,

On Sustaining Outcomes

- Continue improving and making efficient all our services delivery mechanisms, reduce process cycle time, and to eliminate forms of red tape and graft and corruption. Continue to adhere the principles of transparency, accountability
- Provide timely statistical information on labor and employment in support of policy development
- Conduct of policy researches in support of trade negotiation and legislative discussions
- Monitor and evaluate implementation of Strategic Performance Management System