

SECTORAL ACTIVITIES PROGRAMME

Working Paper

Strengthening social dialogue in the water supply sector

**Study on the conditions and challenges
affecting social dialogue in the water supply sector in the Philippines**

by

Marie Beth Lorenzo

Working papers are preliminary documents circulated
to stimulate discussion and obtain comments

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Preface

The lack of a reliable supply of electricity and access to clean, fresh drinking water creates exceptional daily stress on the lives of those living in the world's poorer regions. The Sectoral Activities Department of the ILO commissioned this report as part of its Action Programme of the ILO on Strengthening Social Dialogue in the Utilities (water supply) sector, to examine the current state of the public utilities sectors in the Philippines, the challenges to be addressed, and the state of social dialogue in relation to reform measures. The report was validated in a workshop held in Batangas on 16–18 March 2011, with broad participation from the Government and the social partners.

The report aims at encouraging dialogue among stakeholders on the issues raised. The Action Programme aims to build on the findings of this report and encourage the creation of permanent mechanisms of social dialogue in the Philippines. The Programme also sponsors research and activities in Malawi, Nigeria and Peru. ILO working papers such as this one are a vehicle for disseminating information on topics related to the world of work and the evolution of social and labour policies and practices.

Alette Van Leur
Director
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Contents

	<i>Page</i>
Preface.....	iii
Key messages	vii
List of acronyms.....	ix
I. Introduction.....	1
II. Methodology	3
III. Scope and limitation.....	4
IV. Water supply situation in the Philippines.....	5
Water supply performance of water utilities in the Philippines	6
V. Reforms in the water utilities sector.....	8
Philippine water supply management	8
Levels of authority and governing institutions	9
Privatization of water utilities in Metro Manila.....	10
Water tariffs	11
Financing in the water utilities sector	12
Management models of water utilities in the Philippines	13
Water districts (WDs)	13
Rural water supply associations (RWSAs)	13
Water cooperatives	13
Small-scale water service providers.....	14
LGU-managed and operated.....	14
Private operators	14
Concessionaires/concession agreement	14
Women and gender mainstreaming	15
VI. Impacts and outcomes of reforms	16
Institutional fragmentation.....	16
Impact of privatization of the MWSS	16
Cost of privatization.....	16
On service improvement.....	17
On MWSS employee's condition and status	18
Water tariff among water utilities	18
The regulatory role of LWUA	19
Small-scale water providers	20

VII.	Impacts of reforms on labour and employment	21
	Reduction of employees in the MWSS	21
	Continuing labour issues in the two concessionaires	21
	In Manila Water company	21
	In Maynilad.....	22
	Evolving role of employee associations in government	23
	Employment conditions in small-scale water providers	24
VIII.	Analysis of state of social dialogue in the water utilities sector in the Philippines.....	25
	Stakeholders in the social dialogue process in the water utilities sector.....	25
	Government sector	25
	Private sector.....	26
	Civil society	26
	Categories	26
	Enabling mechanism for social dialogue	27
	Public water utilities	27
	Private water utilities	27
	Role of employee associations and labour unions in water policy	28
	The call for transparency, accountability and good governance.....	31
	Undertaking capability building for social dialogue.....	31
IX.	Issues and concerns relating to social dialogue in the water utilities sector	33
	Enabling mechanism for social dialogue	33
	Water supply policy	33
	Capacity building.....	33
	Transparency, accountability and good governance	33
	Financial concerns	33
X.	Recommendation.....	34
	References	37
 <i>Appendices</i>		
I.	Privatization milestones	41
II.	Interview guide.....	42
III.	List of names of people interviewed and FGDs conducted.....	46
IV.	Executive Order No. 180, 1 June 1987	48
V.	Total number of water utilities and corresponding management models.....	50
VI.	Water unions in Philippines	51
	Sectoral working papers	61

Key messages

In the Philippines, the challenge among both private and public water utilities is protecting and investing in workers, meeting environmentally friendly standards and more importantly providing access to water by the poor both in urban and rural areas. The water utilities are increasingly called upon by consumers, investors, workers and governments to demonstrate good governance, transparency and corporate social responsibility. *Social dialogue* is the process identified and pursued by ILO together with key players in the Philippine water utilities sector for improved policies.

The report discusses in brief the water situation in the Philippines which includes the resources as well as its governance and management. The Philippines has relatively abundant water resources due to its geographic location. The development, management and regulation of over a thousand water utilities in the Philippines are undertaken by more than 30 government agencies.

Several acts to define the institutional set-up for the sector were undertaken in the 1970s. First was the creation of MWSS in 1971, followed by the Provincial Water Utilities Act of 1973.¹ This act authorized the formation of local water districts in provincial centers outside Metro Manila and the creation of LWUA, as a specialized lending institution, to assist in the promotion and development of water districts. A National Water Resources Board supervises water utilities including the regulation of water tariffs except those falling under the jurisdiction of MWSS and LWUA. The participation of the private sector in infrastructure development including water supply was encouraged through Republic Act (RA) 6957 and RA 7718.²

This study will show that a majority of labour in water utilities sector remain unorganized, particularly in the public sector. The main factor for this reality would be the predominantly small size of a majority of the water service providers in the countryside, which employ less than ten workers. Another factor would be the reality that while public sector unionism is supported by law and encouraged and supported by the Civil Service Commission, organization rests solely on the initiative of the workers themselves.

Varied forms of dialogue between management and employees are manifested through information sharing (newsletters), consultation and dialogue with the management.

Interestingly, the issues, both labour, economic and social do not surface much less are addressed among employees in small water providers which comprise a greater number. The fact remains that the labour and employees in the water utilities sector are predominantly with the public/government through numerous small water districts and water works systems scattered all throughout the country. It may take a longer time for smaller water utilities which are a majority to come to a point where concerns of employees relate to policies. Their development as workers is limited given the absence or lack of enhancement and training due to budgetary limitations of their enterprises. The officials of public water utilities are still struggling with the idea of partnering with employee association and come up with a workable dialogue process where conflicts of interest are discussed and concrete ways of establishing and maintaining a cohesive relationship leading to improved quality public service.

¹ An act authorizing the financing, construction, operation and maintenance of infrastructure projects by the private sector, and for other purposes.

² Build–Operate–Transfer Law.

On the other hand, labour unions in privately owned water utilities is well organized and engage in social dialogue at the local level with their managements. Their rich experience in labour–management relationship merely reflects the current labour situation in the country.

Many of the workers are apprehensive of losing their jobs due to restructuring, retrenchment, job outsourcing and other standard corporate management schemes that may improve water service efficiency but would jeopardize its current labour force.

In the major metropolitan centers, the water services sector are mostly privatized, with the two major water concessionaires of MWSS leading the way – the MWCI and the MWSI. The labour sector in these enterprises has achieved much experience in terms of campaigning for labour issues.

They continue to campaign for the right to organize, security of tenure and against labour contracting, retrenchment and union busting. They are currently in a quandary as union membership is discouraged with new entrants to the enterprises while their current membership continues to dwindle due to retirement. In a sense, they are likewise fighting for union survival. For instance out of the more than a thousand members of MWCI in the early 2000, there are only 600 plus remaining members in their labour union.

By and large, employee association in public water utilities are seldom consulted by management in policies that impact the delivery of water or the management of the water utility.

On the other hand, the private water sector continues to set the trend of management and service standards. But its labour sectors remain under-represented and continue to fight for their relevance and survival in the corporate machinery. Labour unions continue to dwindle in membership as corporate efficiency allows for the outsourcing of labour.

Good governance in public water utilities ensures that the limited resources of government and social services are maximized. Philippine laws repress or penalize graft and corrupt practices through the following laws RA 3019,³ RA 6713⁴ and RA 9485.⁵ Bad governance, including corruption is the core of poverty and injustice. Corruption is defined as the abuse of public office for personal or private gain. For every percentage that is siphoned off from a water development project will mean a number of households without access to water.

Building capacities of all stakeholders and or participants to the social dialogue process leads to a labour force with the strength to participate and make informed decisions.. Social peace cannot be achieved if parties to the social dialogue process are not informed, educated and prepared to address and take a stand on economic and social issues. Labour and employee training and education on their rights including the right to organize has been undertaken by the labour unions in water utilities (MWCI, MWSI), employee association in public water utilities (water districts) and water regulating agencies (LWUA, MWSS, MWSS–RO) as well as the CSC and DOLE–BLR.

Several issues still need to be addressed for real dialogue and communication between management, employees and the government in the water utilities sector namely: water policy, enabling mechanism for social dialogue, capability building, transparency/accountability/good governance and financial concerns.

³ Anti-Graft and Corrupt Practices Act.

⁴ An act establishing a code of conduct and ethical standards for public officials and employees.

⁵ An act to improve efficiency in the delivery of government service to the public and reducing bureaucratic red tape.

List of acronyms

ADB	Asian Development Bank
AGWWAS	Alliance of Government Workers in the Water Sector
BLR	Bureau of Labor Relations
BOT	build–operate–transfer
BWSA	Barangay Water and Sanitation Association
CBA	collective bargaining agreement
CDA	Cooperative Development Authority
CLS	core labour standards
CSC	Civil Service Commission
DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DILG	Department of the Interior and Local Government
DMCI	DM Consunji, Inc.
DOF	Department of Finance
DOLE	Department of Labor and Employment
DPWH	Department of Public Works and Highways
EO	executive order
IFC	International Finance Corporation
GOCC	government-owned and controlled corporation
ILO	International Labour Organization
JBIC	Japan Bank for International Cooperation
LEAP	LWUA Employees Association for Progress
LGU	local government unit
LWUA	Local Water Utilities Administration
MCM	million cubic metres
MEU	Metro Cebu Water District Employees Union
MWCI	Manila Water
MWSI	Maynilad Water Services, Inc., Philippines
MWSS	Metropolitan Waterworks and Sewerage System
MWSS–RO	MWSS–Regulatory Office
MTPDP	Medium-term Philippine Development Plan
NEDA	National Economic Development Authority
NSG	National Steering Group
NWRB	National Water Resources Board
NRW	non-revenue water
ODA	official development assistance
PAWD	Philippine Association of Water Districts
PSLMC	Public Sector Labor and Management Council
RA	Republic Act

I. Introduction

The State has the responsibility for sustaining life. The well being of its people rests in the provision of services such as education, transportation, health care, utilities (water, electricity, communication) security and safety. In the Philippines, the public sector has traditionally taken on the role of the provision of basic services. Shifts in the legal framework beginning in the early 1970s and 1980s led to structural adjustment programmes affecting the delivery of basic services by public utilities. Some of these changes included privatization, decentralization, deregulation and restructuring. A two-pronged debate has ensued in line with these changes. On one end, those who believe public service need not be managed and delivered by the public sector rallying that efficiency will best be addressed by the private sector. The opposite argument postulates that publicly managed services address the needs of the majority. Specifically, they hold that privatization may not contribute to equitable and universal access of basic services.

The ILO has played an active role in providing the arena to engage key stakeholders in water utilities in the Philippines to participate in social dialogue. The ILO framework on social dialogue identifies workers and unions as key contributors in surfacing issues both for and against reforms in public utilities. Workers are an important source of knowledge of the operations and are often close to the communities served. On the other hand, the unions can promote employee confidence, sustainability and fundamental support to management, by means of the presentation of proposals of development projects.

The Tripartite Meeting on Challenges and Opportunities Facing Public Utilities (Geneva, 19–23 May 2003) supported national and regional activities to promote research on economic and social issues in public utilities. Furthermore, the Resolution adopted by the Meeting requests the ILO to “facilitate national, regional and subregional meetings of the social partners to promote social dialogue in responding to the current challenges to public utilities in order to meet basic human needs in water and energy, and implement the UN Millennium Declaration” and to “facilitate social dialogue by including municipal water utility operators and local authorities in appropriate forums and by facilitating the dissemination of best practices and guidelines on the restructuring of utilities”.

In the Philippines, the challenge among both private and public water utilities is to protect and invest in workers, meeting environmentally friendly standards and more importantly providing access to water by the poor both in urban and rural areas. Regardless of who provides the services, companies are increasingly called upon by consumers, investors, workers and governments to demonstrate good governance, transparency and corporate social responsibility. *Social dialogue* is the process identified and pursued by ILO together with key players in the Philippines water utilities sector since June 2010 to achieve sustainable, universal and affordably priced quality service delivery. The *Practical guide for strengthening social dialogue in public service reform* (ILO, 2005), described social dialogue as follows:

Social dialogue includes the sharing of all relevant information, consultation and negotiation between, or among, representatives of governments, employers and workers on issues of common interest relating to economic and social policies. Social dialogue has broad and varied meanings worldwide: it should take place at all appropriate stages of the decision-making process; it should not be overly prescriptive; it should be adapted to circumstances, and it should include particularly those affected by the changes/decisions.

Social dialogue is a powerful tool for finding concrete ways of establishing and maintaining social cohesion and improving governance. It contributes to the creation of quality public services, both for employees and customers.

A major lesson is that reforms can be successful only if they are designed and implemented with the cooperation of, and in consultation with, all the stakeholders who will be affected.

To start the process of social dialogue, the National Steering Committee commissioned the present baseline study to document the conditions and challenges affecting social dialogue in water utilities in the Philippines. The study focuses but is not limited to highlighting successful and unsuccessful cases of reforms (privatization, deregulation and restructuring) in the sector.

II. Methodology

The study on the conditions and challenges affecting social dialogue in water utilities in the Philippines analyses the situation including the major problems, issues and challenges of the water utilities sector in the Philippines. Five priority issues were identified by the NSG during its first meeting in June 2010.⁶ These issues are: (1) enabling mechanism for social dialogue for strengthening participatory governance; (2) water supply policy; (3) transparency and accountability; (4) capability building; and (5) financial concerns. They will be the parameters of the present study.

Interviews, secondary data review and focus group discussion are utilized to gather data and information from key stakeholders and players in the water utilities, privately owned water utility companies, workers and unions.

Interviews with key government officials in water utility regulating bodies, government and private owned water utilities, representatives from workers and union officers in water utilities were done for a month (Appendix II: Interview guide). The study likewise included a review of secondary data related to general water supply service delivery in the Philippines, legal and policy documents related employment, working conditions, employment levels, training and compensation schemes.

Focused discussions with employees associations in water regulating bodies was done to gather a collective view of issues related to reforms in the sector (Appendix III: List of names of people interviewed and FGDs conducted).

⁶ The National Steering Group (NSG) is composed of worker organizations, utility operators and the GOP to pursue and promote enabling mechanism for social dialogue for strengthening participatory governance, water supply policy, transparency and accountability, capability issues, and financial viability of the water utilities in the Philippines. The undersigned recognize that social dialogue is an important mechanism to ensure that the workers and their representatives are able to participate in the planning of the modernization strategies so that their application is fruitful and sustainable.

III. Scope and limitation

The six parameters mentioned to analyse social dialogue in the water utilities in the Philippines will include the developments for the past ten years. This will include reforms undertaken or failed to be undertaken and its impacts on social dialogue. The study highlights the roles of government (national and local), the employers (private and public) and workers (national and local unions) in the reform process and how satisfactorily they have contributed to the reform process.

The study examines the impact of privatization and restructuring and other reforms on employment levels as well as employment condition, retraining, redeployment, compensation schemes, access and quality of service. Furthermore, the study identifies conditions that facilitate or impede successful reforms in the sector. Reforms in the sector will also be analysed in terms of how it affects gender equality.

In addition, the study documents and analyses the perceptions of key stakeholders, with regards to the forms and extent of how social dialogue in the water utilities. The analysis includes how social dialogue has occurred as well as how the stakeholders suggest it could further be deepened.

Finally, the study provides recommendation as to how current issues and challenges should be addressed in the short and long term to ensure sustainable development of the sector, including universal and quality service delivery at an affordable price.

IV. Water supply situation in the Philippines

The Philippines has relatively abundant water resources due to its geographic location. It has about 421 principal rivers, with drainage areas ranging from 40 to 25,469 sq. km, 59 natural lakes, numerous individual streams and four major groundwater reservoirs whose area range from 6,000 to 10,200 sq. km (IBON Foundation, 2004). Just over a third or 36 per cent of the country's river system are classified as sources of public water supply. The Philippines has a total renewable water resources of 146 km³ or about 1,907 m³ per capita (Philippine Environment Monitor – World Bank, 2003).

The Philippines has also an average annual rainfall of about 2,500 mm (PAGASA, 2007). The dependable supply is estimated at around 126,000 million cubic metres per year and groundwater safe yield of aquifers covering 50,000 sq. km is estimated at 20,200 MCM per year. However, many areas experience a shortage of water supply during the dry season.

The Master Plan Study on Water Resources Management in the Philippines in 1998 done by NWRB indicates that the national population is expected to increase to 111 million by 2025 from 75 million in 2000. As a result, annual domestic water demand is projected to increase from the 1995 level of 1,958 MCM to 7,430 MCM by 2025.

Meanwhile, the data in water supply coverage in both rural and urban areas in country show similar realities. Data show the following:

- Two out of five Filipinos do not get water from formal sources.
- Almost eight out of ten Filipinos do not have access to home piped water.
- Among those without access to home piped water, about 69 per cent want access but 95 per cent of these have not applied for it.
- Estimates on industrial demand for water supply suggest a rise of up to 13,000 MCM by 2025.
- Around 50 per cent of all poor rural households consume less than 30 litres per capita per day, which barely meets human requirements.
- Rural residents spend more than twice their utility bill on treating water and urban residents spend almost an equal amount on bottled water.
- The poor pay more but get less. On the average, the poor allocate proportionally more of their monthly expenditure for water than the rich.
- Almost 10 per cent of Metro Manila residents, most of whom are poor, get their water from vendors. The poor devote 9 per cent of their household expenditure to buy water from vendors (World Bank – Filipino Report Card on Pro Poor Services, 2001).

The UN-Water Global Annual Assessment of Sanitation and Drinking Water indicated that in the Philippines financial expenditures for water supply to meet MDG targets have had no change in trend for the past years.

Rapid urbanization will put more pressure on water supply systems in urban areas such as Metro Manila, Cebu, Davao, Pampanga and major cities in northern Luzon. Water coverage is calculated on 9.2 persons per connection, yet the 2000 census states that there is an average of 4.6 persons per household. The national census data imply that there is

substantial water for most households. However, it is apparent that (this implies sharing of connections especially in the urban areas and in the densely populated urban poor communities).

Privatization of the utility in 1997 has not resulted in expected improvement as coverage is still low (58 per cent for water supply; 7 per cent for sewerage) and NRW deteriorated to 62 per cent for the combined performance of the two concessionaires. Many communities are provided with bulk supply but are not directly served by the concessionaires. Water availability (88 per cent with 24-hour supply) to the served population needs to be improved as well. High working ratio (1.22) has to be addressed with appropriate tariff adjustment and further improvement in collection efficiency (97.3 per cent).⁷ Human resources management is sound with staff/1,000 connections ratio of 4.4. While these performance indicators are for the combined service area, the concessionaire for the east zone is performing better especially in coverage, NRW reduction and financial management (Yniguez, 2004).

Water supply performance of water utilities in the Philippines

Comparing Philippine data with other Asian countries, the annual per capita water resources of the Philippines of 4,800 cubic metres is one of the lowest in Asia (ADB annual report, 1999).

The Asia Water Watch 2015 that tracks performance of Asian countries in meeting Target 10 of the Millennium Development Goals cites that the Philippines has a relatively high urban coverage in 1990, but regressed in urban coverage in 1991 although actual numbers of people with access increased.

Financing water and sanitation in the Philippines to achieve 90 per cent access to formal services by 2010 require an investment of around 6 billion Philippine pesos (PHP) to PHP7 billion a year. In terms of providing level 3 water supply services for the whole country by 2015 it would take close to PHP145.6 billion (USAID/JBIC). In reality, total investment has fluctuated at around PHP3 to 4 billion a year. UN data for 2011 manifests that there has been no change in level of financing in both urban and rural areas in the Philippines.

Specifically, it has been noted that:

- water resources development sector between 1993–98 comprised 1.23 per cent of the national budget but this fell to a mere 1.09 per cent in 2000;
- the medium-term development plan (MTPDP) projects that the total expenditure in water will be constant at 1.25 per cent of the national budget;
- water supply is under financed. The MWSS experienced financial distress brought about by the default of one of the concessionaires. Fund releases to the LWUA for water districts have been minimal. The national Government allocated PHP1.5 billion annually (starting 2009) for water supply which was coursed through the DOH. Of

⁷ Working ratio is the water utility's ability to recover operating costs from annual revenue. This ratio is calculated by taking the utility's total annual expenses (excluding depreciation and debt-related expenses) and dividing it by the annual gross income:

$$\text{Working ratio} = \frac{\text{Total annual expenses} - (\text{depreciation} + \text{debt expenses})}{\text{Annual gross income}}$$

this amount over PHP2 billion was provided for water district projects by the LWUA since 2009;

- the LWUA have released funds for the creation of new water districts found in identified waterless municipalities. On the other hand, the DILG through the WSSPMO are primarily responsible to assist the LGUs in securing delivery of water supply and sanitation through capacity building.

The recent annual global assessment undertaken of sanitation and drinking water by WHO in 2010 conclude that in the Philippines financing or investments for drinking water could meet less than 50 per cent of the needs in both urban and rural population. Meanwhile, investment programmes for the provision of drinking water, in urban areas are operationalized while for rural areas programmes are under preparation or are still being planned.

Institutional growth for the development, management and regulation of water supply and sanitation sector in the Philippines are undertaken by more than 30 government agencies. Among these are NEDA, NWRB, DENR, LWUA, DILG, DOF, DOH, DBM, MWSS, DPWH and LGUs. As such, there is fragmentation of oversight responsibilities at the national level which affect implementation of water supply programmes and projects at the local level as well as in the national level (World Bank, Philippines Meeting Infrastructure Challenge, 2005).

The foregoing statistics and data clearly indicate that there has been a lack of a rationale and clear evaluation of the water supply and sanitation sector.

This is mainly because sector performance lacks in transparency and strategies for performance evaluation across the different types of water supply service providers has not been established. The recent WHO annual global assessment of Sanitation and Drinking Water strengthens the above observation.

The assessment shows that in the Philippines, water utilities for urban areas undertake annual review processes to monitor performance in the provision for drinking water. There is a lack of this process for rural areas. Moreover, there is a lack of transparency as to sector performance and benchmark information for individual providers making it difficult for service providers and local politicians accountable for service improvements.

V. Reforms in the water utilities sector

Philippine water supply management

The 1987 Constitution of the Philippines under article XII, section 2, mandates that all water resources are owned by the State and shall not be alienated. Furthermore, it maintains that the exploration and development of natural resources shall be under the full control of the State.

The water supply's policy goals were formulated in the MTPDP 2001–04. This includes a strong commitment from the Government to cost recovery in the sector, endorsement of the adoption of commercial principles, including private sector involvement in the management and financing of services; and a strong commitment to decentralization of responsibilities to local government.

Several laws were adopted in the 1970s to define the institutional set-up for the sector. First was the creation of the MWSS in 1971, then the Provincial Water Utilities Act of 1973. This act authorized the formation of local water districts in provincial centres outside Metro Manila and the creation of the LWUA, as a specialized lending institution, to assist in the promotion and development of water districts.

The Water Code of the Philippines was enacted in 1976 to establish the framework for the management of water resources as well as the NWRB. Furthermore, Presidential Decree 1206 (1977) gave the NWRB the mandate for supervision of water utilities, including the regulation of water tariffs that were not under the jurisdiction of the MWSS and LWUA.

The Water Code also allows the appropriation of water by the public and private sector. Appropriation refers to the acquisition of the rights over the use of water or taking or diverting of water from its natural source for domestic, irrigation, fisheries, industrial, municipal, power generation, livestock raising and recreation.

RA 6957, known as the BOT Law of 1990, sought to provide the enabling framework for private sector participation in infrastructure development, including water supply and sanitation in Metro Manila (the World Bank Group, 2005).

Specifically, the BOT law covers infrastructure development that affects the country's water resources such as irrigation and related facilities; water supply, sewerage, drainage, and related facilities; power generation including hydropower and related facilities; fish ports and fishponds, including storage and processing facilities.

Furthermore, in 1993, another law was passed (RA 7718), which amended RA 6957 to allow other privatization schemes in infrastructure development including water resources development.

In summary, Philippine laws and policies for water supply service delivery revolve around the themes of resource regulation, economic regulation, management of water supply delivery and private sector participation as a vital component in service improvement.

Levels of authority and governing institutions

More than 32 agencies participate in some component of water management in the country (Lavado, 2001). In the urban and peri-urban context of Manila, the relevant agencies are primarily NWRB, MWSS and the concessionaires (MWCI and MWSI).

The NWRB is responsible for water policy formulation, management and regulation of water resources and utilities, and coordinating water standards and programmes (Khi and Agsaoay-Sano, 2005).

The National Water Resources Board supervises all waterworks utilities and franchise and other properties by regulating and fixing water rates to be charged by waterworks operators except those under the jurisdiction of the MWSS and LWUA and water districts. The Government's policy on setting tariff takes into account cost recovery, water conservation, level of efficiency and affordability.

The MWSS is responsible for the provision of water supply and sanitation services to the cities and municipalities of Metro Manila. The LWUA and the Water Supply and Sanitation Project Management Office of DILG, through their respective funding activities, define and enforce specific quality and performance standards of service for water districts and LGU-managed systems, respectively (the World Bank Group, 2005).

The NEDA defines the institutional roles and responsibilities of sector agencies; sets broad policies, particularly access of low income groups to services, cost recovery to support sustainability, incentives to improve operational efficiency, and mechanisms for private sector involvement.

The DOF, for its part, sets and implements policies on the use of grants and guarantees from national Government and official development assistance (ODA).

The Regulatory Office of MWSS is entrusted with regulation of the two concessionaires for Metro Manila. Regulatory provisions affecting other private firms are largely contained in individual contract agreements, in some cases administered by a contract administration unit or regulatory panel.

Apart from the abovementioned national and Metro Manila agencies there are over 20 agencies participating in some component of water management in the country (Lavado, 2001). This arrangement leads to both overlaps and gaps in authority and responsibility for water resources (ADB, 2001).

The level of fragmentation both at the local service provider and at the national government level is manifested through following:

- Proliferation of different service provider models operating under different management schemes (managerial regimes), regulatory framework and financing constraints (models: water district, direct LGU management, BWSAs, RWSAs, cooperatives, private firm and SSWSPs). The results of such proliferation are blurred accountability of individual providers for expanding both water supply and sanitation services and extreme difficulty for regulation and oversight.
- Lack of schemes to monitor small individual providers. Apart from this, the majority of these entities are too small and lack sufficient operational scale and the necessary autonomy from political interference to be efficient providers.
- Fragmentation of oversight responsibilities at the national level with regulatory functions controlled by different entities (the World Bank Group, 2005).

The analysis from previous studies presented above will be further validated in later portions of this report.

Privatization of water utilities in Metro Manila

Privatization of water utilities in Metro Manila was implemented through a concession agreement between the MWSS and two private concessionaires, the MWCI and the MWSI. The concessionaires were given “exclusive right to provide water and sewerage services in the Service Area”. Under the concession agreement, the MWSS was required to establish and fund a Regulatory Office to be organized and operated in a manner consistent with the concession agreement, as well as broad policy framework that will be set by the MWSS.⁸

The key functions of the Regulatory Office as contract administrator⁹ are to:

- implement a system that will protect customer interests;
- conduct tariff rate determinations; and
- monitor the concessionaires’ performance relative to their service obligations.

The annual operating budget of the Regulatory Office and the MWSS amounting to PHP200 million (about US\$4 million) is sourced from the concession fee payments of the concessionaires. The budget is adjusted by inflation every year.

The Regulatory Office is organized as follows:

- Office of the Chief Regulator. The office provides leadership, general direction and guidelines for the staff of the Regulatory Office.
- Financial regulation. This department is principally responsible for tariff-setting determinations as well as other financial matters.
- Technical regulation. This unit monitors the compliance of the concessionaires with technical regulations (e.g. drinking quality and effluent standards).
- Customer service regulation. This group addresses customer queries/complaints and sets standards to ensure better delivery of service.
- Administration and Legal Affairs. This department provides assistance on legal matters with focus on interpretation of the provisions of the concession agreement (Appendix I: Privatization milestones).

The concession agreement between the MWSS and its concessionaires (MMWSI and MWCI) has the following key provisions:

⁸ Under its charter, the MWSS has the authority to set tariff rates. This was not modified by the concession agreement. The Regulatory Office remains under the jurisdiction of the MWSS. In case of dispute on rates, the arbitration provisions of the concessions agreements shall apply.

⁹ Under the charter, the MWSS is a self-regulating body but, in 1997, agreed to create a department (Regulatory Office) under its supervision to administer the concession agreement. Decisions or findings of the Regulatory Office are only recommendatory which could be accepted or rejected by the MWSS Board. The final decision of the MWSS Board is however subject to appeal under the concession agreement.

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- Creation of the Regulatory Office.
 - Key service obligations.
 - Other obligations of the concessionaires.
 - Rate-setting procedures (discussed under section 3).
 - Dispute resolution (discussed under section 3).
 - Provision of sewerage and sanitation services. Since less than 10 per cent of the households in Metro Manila are connected to a sewerage network, the contract also requires the concessionaires to provide sewerage services to its customers who are currently connected to the water supply network. This will take time and significant capital investment so in the mean time, the concessionaires are also obligated to provide sanitation services (i.e. cleaning of septic tanks and desludging) to majority of households with a septic tank system.
 - Provision of better customer service. The concessionaires are expected to provide prompt responses to customer complaints and queries, give notices for planned interruptions, effect repairs for disruption of service and inform customers about water/sewerage charges.

Apart from these, there were other obligations of the concessionaires which included handling of the former employees of the MWSS, payment of concession fees, posting of a performance bond.

Privatization of the water utilities in Metro Manila are perceived as having beneficial and at the same time basic weaknesses. This will be further discussed in the impacts of reforms portion of this report.

Water tariffs

Water tariffs among water districts are determined by the principles of cost recovery and most of the time for the improvement and expansion of the systems. For most water districts, tariff ranges from PHP215 to PHP240 for 10 cubic metres monthly household consumption. Almost all water districts typically charge connection fees and are most of the time paid up front. This is a barrier for poorer households to access piped water systems.

Water tariff for households of the two concessionaires in Metro Manila are structured in increasing blocks with an initial lifeline block¹⁰ of 10 cubic metres and connection fees of PHP3,000 (US\$40–60) are charged to new consumers. The privatization of the MWSS brought about a substantial reduction in initial tariff. The bid for east zone was 26 per cent of the prevailing tariff of the MWSS at that time, and the west zone, 57 per cent. Tariffs have steadily increased, mainly to cover inflation and foreign exchange fluctuation.

Both concessionaires levy sewerage charges in the order of 50 per cent of the household water bill and service connection fee; in addition, all water customers, even without a sewerage connection must pay a 10 per cent environmental charge.

¹⁰ Lifeline block tariff also called “increasing block tariff” or “social tariff”. A pricing strategy designed to provide minimal amounts of water at low prices to households. Under a lifeline tariff, the first block of water used (usually 10 cubic metres) is provided at a nominal price, with higher blocks carrying increasing per-volume prices.

The implementation of water tariff for majority of water supply utilities and providers are still short of cost recovery and are reflective of the limited capability and quality of services being that majority of water supply services providers are rural and small (Appendix V: Total number of water utilities and corresponding management models).

Financing in the water utilities sector

The World Bank cites that in the Philippines capital expenditures in the water and sanitation sector has fluctuated at around PHP3 to 4 billion a year. Most of these investments were allocated to water. This is 50 per cent lower than the estimated investment for water supply to achieve 90 per cent access to formal services by 2010¹¹ (the World Bank Group, 2005).

Majority of this investment was undertaken by two government-owned and controlled corporations (MWSS and LWUA). The LWUA has traditionally been the primary finance provider of water districts. The LWUA provides both technical and financial assistance to water districts. With EO 279 its assistance is geared towards prioritizing loans to semi-credit worthy, pre-credit worthy and non-credit worthy water districts. In recent years, the GFIs have increasingly supported the larger and more creditworthy water supply utilities for service improvement.

The MWSS capital outlays dropped significantly from about PHP2.9 billion in 2001 and PHP1.9 billion in 2002 to PHP0.7 billion in 2003 and sanitation investment dropped to about PHP100 million–PHP250 million a year. Private operators like the two concessionaires (MWCI and MWSI) have made significant investment since 1997. The two concessionaires infused capital of a total of about PHP16 billion, over half of which has been privately financed.

Investment through the SSWP is significant but information on exact figures is limited. WPEP study show that in Metro Manila investments made by the SSWP ranged from PHP500,000 to PHP15 million serving between 100 to 3,000 households. The size of the investments depends on whether the SSWP has access to bulk water supply from concessionaires or needs to develop its own water source which are usually deep wells.

Sources of funds come from the national Government which facilitates public investments through lending of funds to national sector agencies (LWUA and MWSS); lending to the LGUs through government financial institutions and the Municipal Development Fund Office; and grants from community initiatives. Apart from these, congressional funds for water projects estimated to be between PHP247 million and PHP747 million were channelled to water supply investments (Mercado, 2003).

Subsidies are a legitimate part of cost recovery in the water sector. Direct subsidies could be in the form of cash subsidies given to utilities. For instance, subsidies given through the LWUA. Indirect subsidies take the form of government guarantees or in some cases the use of taxpayer's money to bail out the debt of the MWSI.

User charges are also the source of much financing in infrastructure particularly in the water sector. A government survey showed that an average of 1 per cent of the total household expenditure is spent on water. This is observed on both low income and high income groups or across regions (NCSO, 2000). Another survey on the perception as to the fairness of prices charged by the concessionaires done on low income Metro Manila

¹¹ Target 10 of the Millennium Development Goals.

residents showed that respondents spend an average of 4.3 per cent of income on water from the network (World Bank and Social Weather Station, 2004).

Management models of water utilities in the Philippines

Several management models are in place in the delivery of water in the Philippines. These models have evolved over time and regulated by various agencies and under different regulatory regimes.

Water districts (WDs)

The most dominant providers outside Metro Manila; there are 453 operational WDs in total (not including non-operational WDs). These are formed with the initiative of the LGU but are considered autonomous government-owned and controlled corporations which rely on entities like the LWUA for financing and government support. Of the 453 operational water districts, 240 or 53 per cent are categorized as small serving 1,000–5,000 households.

Rural water supply associations (RWSAs)

Community run water are also prevalent in the Philippines. There are currently 3,100 BWSAs and 5000 RWSAs. Together with LGU direct services, their systems constitute 20 per cent of level III and 35 per cent of levels I and II connections nationwide (WB, 2005).

This management model is generally found in small towns in both rural and urban contexts. Large RWSAs may even provide water services to a maximum of about 2,500 households. The RWSAs operate on a non-profit basis and members do not contribute equity. The policy-making for the RWSAs is done by an elected board of directors. A general assembly composed of all association members elects the board. Government officials except barangay officials cannot be elected as director.

The RWSAs lack financial or institutional support which may account for their high failure rate. At present, close to 50 per cent of the RWSAs registered with the LWUA are no longer operational (World Bank Water and Sanitation Program, 2003).

Management of a typical RWSA includes the following:

- Less than ten staff to operate and maintain the system.
- RWSA treasurer collects water charges per month.

Water cooperatives

In the Philippines, there are 200 water cooperatives are community-based associations, governed by a board of directors elected by the general assembly. Members contribute equity. Cooperatives usually manage small and simple water systems. Support and oversight are provided by the Cooperative Development Authority. The oversight functions of the authority are limited to administrative roles like registration, training, monitoring and mediation.

The WPEP study concludes that water cooperatives are the most demand-driven models. Prospective members need to be convinced that the water supply system will meet their future needs in order for it to be formed and organized. Water cooperatives that are

successful have good relations with the LGUs and water districts thereby giving them access to funding and technical support

Small-scale water service providers

The Philippines have examples of small enterprises providing water supply services to residents of private housing developments and of small-scale independent providers selling water to local households and poor urban and peri-urban communities. One such SSWSP is Inpart Engineering. There are an estimated 5,000 WSPs nationwide, a large percentage of this are the unregulated SSWSPs. Out of the 2,000 WSPs with piped water systems, more than 90 per cent have less than 5,000 connections.

LGU-managed and operated

Local government units (LGUs) may operate and manage water supply services. There are currently 81 provincial LGUs, 118 city LGUs and 1,510 municipal LGUs. It is estimated that there are around 1,000 LGU run utilities at the provincial, municipal and barangay levels. The LGUs either do the actual day-to-day operation and management of the water supply services while others facilitate such services through different modes of management contract usually through private sector participation.

This particular model involves the direct management of an urban water supply system by any level of local government.¹² The WPEP study cites that direct management of small town systems by the LGUs does not appear to work well. The LGUs have little control over the size of their annual budget, and have to allocate the funds among the competing needs and priorities of the locality. Water tariffs have little impact on the operation and maintenance of the water supply since revenues from water tariffs become part of central accounts of the LGU treasurer (World Bank Water and Sanitation Program, 2003).

Private operators

These type more visible in the mid-1990s with the privatization of the MWSS and Subic Bay Freeport and the joint venture project of Tagbilaran City. Among the most prominent sector players are the MWSI and the MWCI in Metro Manila and Balibago Waterworks in LGUs in Pampanga.

Other private operators are within residential subdivisions in the outskirts of Metro Manila who purchase the water from the concessionaires in bulk and distribute them to the individual homeowners. These are managed by the local homeowners' association and charge water a bit higher than the concessionaires and usually have their own storage tanks.

Concessionaires/concession agreement

Metro Manila provision for water is through a concession agreement between the MWSS (Philippine Government) and the MWCI for the east zone of Metro Manila and the MWSI for the west zone of Metro Manila. A concession agreement was forged with the two private owned companies that would last for 25 years.

¹² Management of multi-town system by provincial government to small systems run by Barangay Council.

The concessionaires are owned by Filipino business enterprises with respective foreign partners.

Women and gender mainstreaming

The Philippine water supply sector recognizes women as a stakeholder. Philippine policy strengthens the role of women in government by mandating government offices to allocate 5 per cent of their budget to programmes or projects that promote development of women.

In particular water district board must have a women sector representative. However, there is still much to be desired in terms of the following that will impact and strengthen the role of women in water supply service delivery in the Philippines:

- Not all water districts have a gender disaggregated data or are even aware of such data.
- The 5 per cent budget allocation for women and development activities still needs to be evaluated since not all of the activities have substantive impact on women as these activities may have been undertaken sporadically.

VI. Impacts and outcomes of reforms

Institutional fragmentation

There is a strong indication of institutional fragmentation at the local service provider and at the national government level. Fragmentation is manifested in the following:

- Proliferation of different service provider models operating under different management schemes regulatory framework and financing constraints (models: water district, direct LGU management, BWSAs, RWSAs, cooperatives, private firm and SSWP). The results of such proliferation are blurred accountability of individual providers for expanding both water supply and sanitation services and extreme difficulty for regulation and oversight;
- Small size of individual providers: majority of these entities are too small with neither sufficient operational scale nor necessary autonomy from political interference to be efficient providers.

Thus, it could be said that in the Philippines there is the absence of a centralized governing body that will set the direction for both resource and economic regulation that will harmonize the smooth implementation of water supply service delivery.

Impact of privatization of the MWSS

Cost of privatization

The MWSS privatization was considered by the IFC as the “biggest water privatization in 1997” and was expected to result in significant gains. More specifically, the MWSS public–private partnership aims to achieve the following over the 25-year period of the concession:

- Increase capital investments and operational efficiencies that will expand service coverage.
- Relieve the Government of the financial burden needed to improve MWSS facilities.
- Ensure 24-hour water supply.
- Improve sewerage services.
- Reduce NRW to an acceptable level.

The privatization of the MWSS was translated into a concession agreement in which the MWSS retains the responsibility of providing water for the franchise area, and has not abdicated this to the private sector. Moreover, the MWSS does not sell anything, but merely engages two concessionaires and allows them to use its existing facilities for a concession fee.

The majority of Metro Manila residents first came to hear about the MWSS privatization when the deal was largely done, i.e. when winners of the public bidding was front page news all over the metropolis. The news was greeted with mixed public feelings.

On the one hand, Metro Manila residents long suffering from inadequate and inefficient water services from the MWSS welcomed its privatization if this would translate to better services and more water for all. On the other hand, however, is the nagging feeling that once in the corporate private sector's hands, water will be just like any other commodity in the market rather than treated as a vital necessity to life itself.

The concession agreement also had implication on employees of the MWSS. There was much employee resistance and protest when the MWSS was laying the groundwork for the privatization during the period 1995–97. One effective programme to address employee concerns about compensation and job security was to offer them attractive retirement/severance package and an assurance of employment after privatization as an integral part of the “transitional arrangements”.

On service improvement

In 2002, the MWSS Regulatory Office conducted an evaluation of the performance of Manila Water during the period 1997–2001 as well as the 2003–22 business plan it submitted.¹³ The key findings of the study are as follows:

- Manila Water was a relatively efficient operator during the past five years and substantially complied with its service obligations.
- Manila Water over the last five years increased the investment in tertiary and primary systems building up the network capacity to improve service coverage from 67 per cent to 89 per cent, improved water availability from 26 per cent to 83 per cent with 24-hour supply, network pressure increased. The average billed volume increased by 71 per cent in the past five years.
- MWCI successfully downsized the concession by reducing the workforce by 25 per cent within three years of operations. Company culture initiatives have been introduced. New technology has been introduced at a sensible level. Logistics have been thought out. Employee costs are lower than the West Concession. The employees have accepted flexibility and ownership. Quality circles and project teams have been set up to improve efficiency. A commercial customer-driven work environment has been created. The change process is managed and being led by example. A strong base has been established for going forward.
- MWCI has succeeded in operating reasonably well, within the spend profile of the bid proposal, for the first five years of the concession.

On the other hand, the concessionaire (MWSI) for the west part of the concession area has struggled over the years. At the start of the concession in August 1997, the MWSI was set to implement its plans and programmes for the commercial viability of the concession within five (5) years. These include, among others, projects financing needed to support its CAPEX roll-out, equity infusion from then sponsors, technical support, and organizational development. However, due to unforeseen events beyond the control of Maynilad, certain conditions led to the company's shift in focus and allocation of resources. Some of these factors continue to prevail. These factors were:

¹³ The evaluation was a critical step of the 2003 “rate rebasing” framework set in the contract. The University of the Philippines Economics Foundation, Inc. and Thames Water International Services Ltd served as consultants of the MWSS Regulatory Office in assessing the performance of the company in improving and expanding water and sanitation services in its service area.

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- (1) Onset of El Niño.
 - (2) Asian financial crisis leading to substantial foreign exchange losses.
 - (3) Delay in concession fee projects and in the 300 Mld BOT project.
 - (4) Delay in the issuance of government projects.
 - (5) Sewerage and sanitation-related issues.
 - (6) Project financing issues.
 - (7) Regulatory environment.
 - (8) Issues in the rate rebasing process.

In 2002, Maynilad signified an early termination of its concession agreement with the MWSS. A dispute between the MWCI and the MWSS ensued from 2003 to 2004 which was resolved through an agreement resulting to a quasi-reorganization of Maynilad. In 2007, the consortium of Metro Pacific Investments Corporation and DMCI Holdings, Inc. took over by acquiring 84 per cent of Maynilad shares.

On the other hand, the realities show otherwise regarding the benefits of privatization. Water supply coverage in Metro Manila show that despite private sector participation in water supply service delivery there are still about 5 million people in the city, a great chunk of them are poor still do not have direct access to piped water. Almost 10 per cent of Metro Manila residents, most of whom are poor get their water from vendors. The poor in Metro Manila devote 9 per cent to 20 per cent of their household expenditure to buy water from vendors (World Bank – Filipino Report Card on Pro Poor Services, 2001).

The latest performance of the two concessionaires (MWCI and MWSI) show remarkably improved performance from 2008 to 2010. The total cumulative domestic connections for the two concessionaires in 2008 were 1,348,662 to 1,478,542 in 2010. Total system-wide new connections done by both concessionaires totalled 98,197 in 2008 and further increased in 2010 of 157,387 new connections.

On MWSS employee's condition and status

Prior to turnover of the operation to the concessionaires, the MWSS offered a retirement and severance package to all eligible employees of the public utility. Upon takeover on 1 August 1997, in coordination with the labour union, the concessionaires absorbed all former MWSS employees on a six-month probationary status. More than 95 per cent of the employees subsequently attained permanent employment status. The allocation of the employees was: 3,100 for Maynilad Water and 2,100 for Manila Water. The status of most of the employees became permanent after the probationary period.

The contract also required that there should not be any diminution of compensation and benefits that the employees received under the MWSS. The same employees were also entitled to an employee stock option plan representing a 6 per cent share in the capital of the concessionaires.

Water tariff among water utilities

Water tariffs are related to cost recovery. Increasing the levels of cost recovery has implications on both the tariff structure and levels. When tariffs are too low, this greatly

affects cost recovery. Low cost recovery affects the ability of the operator to expand supply. This may in turn have a negative impact on the poor who are not served by the water supply infrastructure.

In the Philippines, tariff levels, tariff structures and tariff setting methodologies differ or are varying across individual service providers.

In Metro Manila as well as in water districts, tariffs are structured in increasing blocks, with big users of water paying more per cubic metre than small users.

For water districts, tariffs range from PHP215 to PHP240 for 10 cubic metres monthly consumption. They also charge connection fees within the range of PHP4,000. Among SSWP, water tariff differs and ranges from PHP15 to PHP45.

Among local government-operated and -managed water systems, tariffs fluctuate. Water fees by consumers are based on increasing block rates, decreasing block rates or flat rates. Many local government-run water systems have partial or even at times an absence of metering of household connections.

Water tariffs also differ among the growing number of small-scale water providers (private run, cooperatives). Community-owned systems can charge as low as PHP15 or US\$0.50 (or less than US\$0.50/cubic metre to as much as PHP45 or US\$1/cubic metre for piped systems). Some even charge as high as PHP200 per cubic metre for water brought in with a water tanker.

The regulatory role of LWUA

The LWUA is a government-owned and controlled corporation whose mandate is to provide financial, technical and institutional, assistance to water districts. The LWUA plays not only a vital but a critical role in the development and operation of water districts.

To date, the LWUA has created and helped more than 800 water districts. It has shifted its lending policy to focus more on lending to water districts that are unable to access private credit but have the potential to be creditworthy.

However, at present it is struggling to maintain a balance for sound banking practices and the goal of providing credit to water districts that would not be able to obtain it elsewhere. In the early 1990, the LWUA had low collection rates and a high ratio of non-performing loans as a consequence of indiscriminate lending to a large number of credit constrained water districts.

The LWUA experienced improvements in its loan portfolio and collection over the recent years. Collection efficiency improved from 40 per cent in 1990 to 88 per cent in 2002.

However, despite this improvement, the LWUA's financial situation remains at best fragile. Saddled with corruption issues and low morale among the employees, the situation in the LWUA is turning from fragile to devastating.

Interviews with officers of its employee association (LEAP) point to the need for a thorough investigation on the use of LWUA funds. They made mention that the present policy direction of the LWUA of indiscriminate lending to water districts without the benefit of a transparent performance evaluation and procurement processes established by the LWUA would make the LWUA "bankrupt" in the coming years. The LEAP has filed a

case of plunder and misappropriation of funds with the Philippine Ombudsman against the LWUA's Chairman of the Board and other LWUA officials in September 2010.

Recent news item, Secretary of Finance has filed a case against the Board of LWUA for the alleged acquisition of a Laguna thrift bank resulting in losses of PHP480 million.

Small-scale water providers

The role of SSWP in the provision of water supply services in the Philippines particularly in urban poor communities has been recognized albeit with much debate. There is still a big gap in terms of information related to the SSWP in the Philippines. The NWRB lists the SSWP under the category of water peddlers among those that apply a certificate of public convenience¹⁴ from the agency. The list however, does not show if these "peddlers" supply water to households. The NWRB has undertaken a registration system and procedures for the SSWP.

In Metro Manila alone, the overall market size of the SSWP is unknown; but some of the 30 per cent population depended on the SSWP in 1996. It is estimated that the SSWP serve between 100 and 3,200 connections. The study on Asian water supplies in 2003 estimates 2 million people in Metro Manila receive water (by resale) from neighbours' connection, another 2 million from pushcarts, water vendors and tanker truck deliveries, and more than a million from direct connection or hose connection.

In conclusion, the delivery of water through the water utilities sector is beset by several policy gaps during implementation. Outlined below are some of the policy gaps that have occurred during implementation:

- Unclear accountability of individual service providers particularly in expanding water supply and sanitation services. This results in difficulty for regulation since individual service providers operate under different management models, regulatory frameworks and financing constraints.
- Lack of sector wide consolidation due to the fragmentation of oversight responsibilities at the national level. Related to this, is the weak and fragmented regulatory framework. This is manifested in the lack of sector information at the service provider level. There is very little transparency as to determining performance standards (benchmarking information) for individual providers making it difficult for public participation and for holding service providers and local politicians accountable for service improvements.
- Water tariffs are short of cost-recovery levels. Service providers are unable to recover from recurrent costs or to even have the necessary reserves to fund new capital investments as for instance expansion of its services.
- There is an observed unsatisfactory performance of water service providers. Slow service, expansion, low coverage, low service quality, high non-revenue water and subsidies required by the service providers are some of the common issues related to performance. Viable operators are the exception rather than the rule among the estimated 5,000 providers in the Philippines.

¹⁴ CPC: A requirement for those operating a waterworks utility system and service.

VII. Impacts of reforms on labour and employment

A step in determining the adequacy of human resources should be addressed in national strategies for water supply services provision. The UN-Water Global Water Assessment of Sanitation and Drinking Water indicates that in the Philippines, there is no assessment to determine the impact on personnel of proposed development schemes in both urban and rural areas. Thus, the following points below need to be looked into since the reforms have substantial impact on labour and employment.

Reduction of employees in the MWSS

When the MWSS was privatized in 1997 it had 7,400 employees. Nearly half of the original 7,400-strong workforce either went into early retirement, or were voluntarily or “involuntarily” separated. A total of 2,942 employees or 42 per cent of the existing workforce lost their jobs as part of the privatization process. Of this number, only 102 (less than 2 per cent of the initial workforce) were “involuntarily separated”; 30 per cent were offered (and accepted) early retirement package (pre-privatization), before Aug 1997); 10 per cent were “voluntarily separated” or employment not regularized (terminated) after a six-month probation period under private concessionaires; 2 per cent “involuntarily separated” after six-month probation (or employment not regularized, terminated).

Continuing labour issues in the two concessionaires

There are still labour issues that surfaced despite new policies related to improving service efficiency, productivity of workers and new management interventions such as re-engineering of the organization.

In Manila Water company

Employees in Manila Water enjoy a stock option programme. After an IPO in March 2005, MWC shareholders are now: locals Ayala Corp (30.5 per cent) and BPI Capital (3.9 per cent); UK-based United Utilities (11.8 per cent); Japan-based Mitsubishi Corp (7.9 per cent); the IFC, the World Bank’s private sector arm (7.4 per cent); MWC employees (2.7 per cent, down from 6 per cent in 1997).

In 2005, serious labour issues emerged in the MWC. At a November 2005 forum where new research was presented on the MWC’s compliance with core labour standards and related laws, union announced they may file a union-busting case against the company. However, this was resolved and the union members and the MWC were able to come up with an agreement.

At present, there is a decreasing union membership due to the management strategy of job re-titling or reclassification, and the massive outsourcing/contractualization of union jobs. New “management” positions are being created, although the job description is that of rank-and-file; the ratio of management to rank-and-file is now 1:2, with many managers managing themselves. The union alleged that there are no supervisory employees as part of a management plan to thwart the formation of a supervisory union. This means that the company has reclassified its employees under terms of managers, e.g. territorial business managers, etc. and the supervisor level, which is the supposed link between management and rank-and-file, is no longer existent.

There are about 4,000 contract workers, as against 1,000 company employees. Subcontracted work is work previously done by union members; this includes leak repairs, sewer maintenance, general services, pipe laying and water services connection and installation. Next to be outsourced will be the call centre personnel, deep-well operators and tanker drivers. There seems to be an indication that a big number of contract workers have poor working conditions – they have no benefits, no overtime, no security of tenure. Compliance of MWC’s contractors with the CLS is not being monitored; the company only inspects job-site safety and cleanliness, but not compliance with minimum wage and other benefits.

The union also revealed that some CBA provisions were not being implemented, e.g. hazard pay as in the case of a recent chlorine leak in the water treatment plant (the leak was not reported to the environment agency). Other issues include non-payment of overtime work, no union participation, no health and safety committee, lack of understanding and adequate reporting mechanisms for sexual harassment cases, especially for women workers who are more vulnerable.

For the first few years, the union went into a partnership with the company for survival, but they now understand that it had been a one-way partnership which benefited only the company. Union members allege that while the MWC had been reaping billions of pesos in profits, the benefits did not trickle down to the rank-and-file and contractual workers. The various recognition for the MWC as the company of choice and excellence show otherwise. Its employees receive salaries and benefits comparatively better than other private utilities.

For the past five years the MWC was recipient of various awards related to personnel administration. In 2006, the MWC was named as the Outstanding Employer of the Year by the Personnel Management Association of the Philippines. This award was further validated by numerous other awards and recognitions, like the company’s selection as the Philippines’ Best Managed Company in the small capital category by Asiamoney Magazine in December 2005 and 2007, the Asian Corporate Social Responsibility Award for Best Workplace Practices in September 2006, the Asian Water Magazine Management Excellence Award in the industry category in March 2006, the Communication Excellence in Organizations or CEO EXCEL Award in November 2006, and the award for “Strategic Visioning and Partnership for Business and Job Survival” from the Employers’ Confederation of the Philippines’ Kapatiran sa Industriya or KAPATID Awards in March 2007.

In Maynilad

Meanwhile in the MWSI, the concessionaire for the west zone of Metro Manila, there are two unions, a union for supervisors (Maynilad Water Supervisors Association (MWSA) and the rank and file union (Maynilad Water Rank and File Union).

The MWSA is the more outspoken of the two unions while the latter is perceived as a management union. The MWSA came about to denounce “repugnant systems” resulting to the removal of managers, chiefs and supervisors. They were either floated or reassigned to offices inappropriate to their capabilities. The MWSA was further strengthened in 1999 when there was a planned outsourcing of the MWSI Engineering Department to foreign and local consultants resulting to large displacement of employees. Such move by management was perceived by employees to entail large amount of money for projects. Implementing the projects by their current Engineering Department from plan, design and implementation would be less expensive and practical. After two years of struggles both internally within the union and with MWSI management a certification election was held resulting to the recognition of the MWSA as the sole collective bargaining agreement of the supervisors. In January 2002, a CBA was formally signed between the MWSI and

MWSA and a renewal of the economic provisions of the CBA was finalized in December 2004. A salient point in the CBA institutes a Labor Management Council in MWSI that shall discuss issues affecting employees particularly supervisors.

Interviews with union members indicate the following issues still besetting them:

- Massive promotion of supervisors to managerial positions which leads to decrease in union members. To date, the MWSA has a total of 245 members.
- Newly recruited supervisors are reluctant to join the union for fear of reprisal and eventual termination of their employment contract from the company.
- Removal and displacement of around 16 supervisors who were affected by MWSI re-engineering of the organization.
- Unpaid COLA from 1997–99 (partial payment) and from 2000 to 2010 (non-payment) to the employees.¹⁵

Evolving role of employee associations in government

Government employees including those working in water utilities can form, join or assist employees organization. EO No. 180 (Appendix IV: Copy of EO 180) signed in 1987 was a milestone in the movement of strengthening the rights of government employees. The CSC reported those employed in national government agencies have increased in number while number of employees in GOCCs have switched into a decelerating mode.

The employee association of the GOCCs water utilities was strengthened just after the EDSA revolution. There was a strong sense of vigour and idealism among government employees including those working in water utilities and in water regulating agencies. Today, employee associations go beyond parochial (bread and butter) concerns related to employment. They have taken a stand on issues regarding policies and processes related to achievement of their organization’s goals and direction.

Employees in the GOCCs in the Philippines get a higher pay and have more benefits than their counterparts in government line agencies. Thus, their concerns relate more to the management of the organization rather than to employment conditions. A case in point is the LWUA employee association, LEAP. The LEAP has been actively participating in debate and have considered themselves as “watchdogs” pertaining to LWUA’s management since the late 1980s. The LEAP has made its stand and pursued arguments on the following policies of the organization and the sector as a whole:

- Privatization of water utilities.
- Area concept of the LWUA where advisers are deployed to different geographic-jurisdictional areas yet decision-making in the LWUA is centralized.
- Loan policies.
- Ethical leadership and good governance.
- Transparency in policies specifically in the grant and administration of loans.

¹⁵ COLA: Cost of leaving allowance is 40 per cent of the employee’s basic salary.

Through the years, it has also taken collective action through rallies and written position papers (published in its newsletter – LEAPlet) expressing their stand on sectoral issues particularly privatization, graft and corruption, good governance, benefits of employees and the rationalization of the LWUA.

Employment conditions in small-scale water providers

As there are many models of small-scale water providers (water cooperatives, LGU-managed and operated small water systems, privately owned water providers), employment conditions vary. One privately owned small water provider, Inpart Engineering, has water tenders called “aguadors”.

Risks of water losses are passed to the “aguador” who acts as an intermediary and supervises the operation through daily presence in the area. This is done by situating the meter of the aguador at the head of the water network. The primary network between the reservoir and the aguador is allocated to him/her and, by installing the meter as close as possible to the reservoir, the aguador controls his or her ground connection to the particular “area” being served (Conan, 2004).

In a sense, aguadors are employed by the water provider either on a job order basis (collection and repair) or profit-sharing schemes to reduce costs and share risks. This does not only improve service efficiency but better working conditions for the aguador. Aguadors are amenable to this relationship as it does not require a full-time job and consider it as merely sideline. Reading and collection is once a month while service repairs are easily responded to as the need arises. Aguadors also enjoy the social proximity and relationships with their neighbours in the course of doing their job. Also, their house is close by, thus they have less or no transportation cost to do their work, they can have the comfort of home while still doing the requirements of their job. In fact, the owner believes that it is best to hire those who at the onset seem to have no skill, are considered hopeless because in the long run they work better since they are given a second chance to prove their worth in the community.

VIII. Analysis of state of social dialogue in the water utilities sector in the Philippines

Stakeholders in the social dialogue process in the water utilities sector

The concept of social dialogue has long been practiced within the Philippine labour sector in general, and in the water utilities sector, in particular. Its equivalent comes by many terms to include conciliation, mediation and even simple bi-partite and tripartite meetings, sharing of information and consultation among different participants in the social dialogue to discuss local issues and concerns.

As an approach to conflict management and resolution, it has been standard practice between management and the worker's groups to engage in dialogues with or without interventions from the appropriate government instrumentalities. For instance, employee associations in large water districts have issues pertaining to policies that have impacts on the operation of the water district, which they have pursued with management without seeking the opinion or mediation of a government agency or third-party mediator.

Social dialogue may be considered the highest level of labour-management relationship. It signifies a level of maturity on the part of labour and social and corporate responsibility on the part of management.

This has resulted in mixed outcomes of either resolution or escalation. But in general, engaging in co-equal dialogues has served the sector well and has resulted into a degree of harmonious relationship and productivity. There are a few instances however, that resolving issues through various levels of dialogue did not result in conflict resolution. In a few water service providers issues remain unsettled and/or had to be resolved through a judicial process and/or have taken several years to resolve.

Based on the documentation and interviews related to this report, the actors/participants/stakeholders in the social dialogue process in the water utilities sector in the Philippines comprise the following:

Government sector

- (1) Employees in government-run water districts and waterworks systems spread throughout the 73 provinces of the country.
- (2) Management of these water districts and waterworks systems composed of the Board of Directors and/or management teams.
- (3) The LWUA which serves as the financing and regulatory agency of the government for water districts and the RWSAs.
- (4) The organized employees association at the local level and their federations in the public water utility sector.
- (5) The Cooperative Development Authority (CDA), the government agency for cooperatives in the Philippines. Some cases, water utilities in the provinces are cooperatives, or receive substantial support from the CDA.

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- (6) The Civil Service Commission, the government agency regulating, managing and administering government employees of the country.

Private sector

- (7) Employees of private-run water companies in Metro Manila and other major urban centres.
- (8) Management of these private enterprises.
- (9) The organized labour unions of these enterprises and their federations.
- (10) The Department of Labor and Employment (DOLE), the government agency for private labour and employment.

Civil society

- (11) Consumer organizations and other non-government organizations advocating labour and human rights, the care for the environment, and the like.

Categories

To simplify these stakeholders, we generally have four categories:

- The labour subsector where items (1), (4), (7) and (9) are part of.
- The management subsector where items (2), (3) and (8) are included.
- The government subsector where items (3), (5), (6) and (10) are part of.
- The advocacy subsector which item (11) comprises.

These interest subsectors have specific roles and their interaction and dynamics define the current practice of social dialogue in the water utilities sector. Their direction and harmony dictates the future of the water service in the country:

- 800 government-owned and controlled water utilities in the entire country.
- Over 5,000 RWSA and BWSAs.
- 200 water cooperatives.
- Employees in the public water utilities.
- 87 registered employee associations in the public sector.
- Private operated and managed water utilities.
- Two labour unions in the private sector (from concessionaire in Metro Manila).

Enabling mechanism for social dialogue

Public water utilities

Public sector unionism is supported by law through EO 180. The DOLE–BLR list about 87 employee association, all from water districts, registered with them (Appendix VI: Water unions in Philippines).

This provides the guidelines of the right to organize of government employees and the creation of a PSLMC. The law also provides the mechanism for the registration of government employee association with the CSC and the BLR–DOLE.

The CSC takes care of the interest of the entire government workers sector among which include those working in the government-owned water supply utilities as well those operated by local government units. It supports public sector unionism by providing the following: documentation of federations, registration of federations, databank of labour data and provides training on operation of employee association. The CSC also acts on cases arising between the management and the employee association. The CSC enforces rules and regulations primarily by issuing opinions on union and management decisions and the CNAs. Conciliation and self mediation is encouraged and elevation to the PSLC is only a last resort. conflict avoidance is encouraged by the CSC between parties. The CSC does not intervene with labour–management matters unless necessary. However, in cases where the matter cannot be resolved internally, the matter is brought to the PSLMC with the CSC head as Chair, the DOLE Secretary as Vice Chair, and members include the Secretary of Justice, Finance, and DBM. Elevation to the council is only a last resort.

To a large extent there is a limitation of the role of the CSC as mandated by EO 180 that will affect workers in the water supply sector. The burden strengthening the role of employee association rests on the initiative of the workers. Interviews with key persons from the CSC indicate that there are employee associations/unions not registered with the CSC and not all the CNAs are reviewed by the CSC. Moreover, the CSC does not in any way involve in the internal activities of the employee association and will only do so in the following instances: if there are two employee associations present in the organization and changes in the constitution of the employee association. The latter is perceived by workers in the public utilities as not empowering and limits the capacity of the employee association to determine their rights in the light of organizing.

With regards to social dialogue in public water utilities where there is a tripartite participation (workers, government and management may not be applicable since the government is also the management). However, the promotion of social dialogue is inherent and incumbent in the CSC especially in aspects of conflict resolution. But prior to that, conflict avoidance is an approach being promoted through open dialogue.

Private water utilities

The Philippines acknowledges the rights of workers to form associations (labour unions) in the any private owned enterprise in the Philippines. The DOLE–BLR is the agency responsible for the registration of union. Based on the interviews with representatives of the DOLE–BLR, they do not have a programme to promote or facilitate the organizing of unions. Likewise, furthermore, there are no specific programmes to federate workers for in sectors such as water supply. Information gathered from the DOLE–BLR manifest that there are limited industries organized into federations and these are the automotive and sugar industry. Federated unions continue to increase but on a low level, but membership continues to decline in the advent of contractual labour.

By far, the DOLE–BLR facilitated an Industry–Tripartite Council which is a mechanism to formulate industry level code of discipline/conduct respected by all involved sectors as a social contract between labour and management. This is the extent by which the DOLE–BLR has concretized social dialogue. The ITC takes a year to organize and when organized determines matters of policy on labour but not on the economic concerns such as the implication of privatization. It is upon the labour union to initiate the calling for an ITC. This has not been done for the water supply sector.

Majority of labour in water utilities sector remain unorganized, particularly in the public sector. The main factor for this reality would be the predominantly small size of a majority of the water service providers in the countryside, which employ less than ten workers. Another factor would be the reality that while public sector unionism is supported by law and encouraged and supported by the CSC, organization rests solely on the initiative of the workers themselves. If problems exist between the employee association/union and the management, the CSC does not act on it unless requested to do so. For instance, issues in the public water supply utilities such as job contractualization, the CSC evaluates this as a prerogative of the management.

The BLR–DOLE on the other hand approaches these concerns in a conciliatory manner to immediately resolve the matter. If there are issues that require dialogue between labour and management such as for instance outsourcing the DOLE–BLR acknowledges this as a “management prerogative”. Issues such as this remain an internal industry matter.

Role of employee associations and labour unions in water policy

The past three decades saw the emergence and presence of employees associations in public water utilities and labour unions in private–large scale water utilities. Water district unions existed before 1993 when water districts were private in nature. There may have been unions in NAWASA-run water systems. The MWSS union was organized many years before the privatization through a concession agreement. The LEAP was registered as an employee association in 1987.

Both employee associations and labour unions took the initiative in participating to air their views and voices with regards to key issues on economic, political and social. The interest in social as well as political issues among government employees including those who work in water utilities and water regulating agencies reached its height during the EDSA–Peoples Revolution in late 1980s. It was also this time, that government employees were given the specific guidelines to form, organize, join or assist to further and protect their interests through EO 180.

Union participation is manifested through information sharing (newsletters), consultation with their members and dialogue with the management. These methods of participation were seen in the experience of mostly very large water districts, the LWUA, MWSS, MWSS–RO and MWCI. Of late, it is among public utilities that dialogue have failed, the result being that employee associations had to undertake protest actions, rallies, media activities and even had to file court cases to address their concerns. Among large water districts, the issues raised by employees relate to their boards’ questionable use of funds, contract negotiations for bulk water provision, loss of confidence in the leadership and/ or GM and alleged graft and corruption committed by their leadership.

Interestingly, labour, economic and social issues affecting the large number of employees who work in small water providers neither surface nor are addressed. The fact remains that labour unions and employee associations in the water utilities sector are

predominantly with the public/government through numerous small water districts and LGU-managed water works systems scattered all throughout the country.

It may take a longer time for smaller water utilities which are a majority to come to a point where concerns of employees relate to policies. The workers in these enterprises are either lacking in organization or under-represented. They receive standard governmental wages and benefits that are inferior to their private sector counterparts, but enjoy the benefit of security of tenure. Their development as workers is limited given the absence or lack of enhancement and training due to budgetary limitations of their enterprises. Their development is basically tied to the limits and slow advancement of the water service sector of the countryside. Management of these enterprises remain rigid and traditional, run by either provincial/city/municipal LGUs or traditional cooperatives where service delivery is the primary objective rather than efficiency and development motivated by profit.

The officials of public water utilities are still struggling with the idea of partnering with employee associations and coming up with a workable dialogue process to discuss conflicts of interest and concrete ways of establishing and maintaining a cohesive relationship leading to improved quality public service.

In this sense, labour and management are both tied in slow development and are limited to supporting each other by maintaining a mutual survival relationship. This means a co-dependent relationship to survive a subsistence or even subsidized existence due to low tariffs (which is socialized to fit the rural public), limited scope and connections, high cost of operation and lack of capital.

Given the developmental limits of these small utilities, the workers lack the motivation and urge to initiate self-organization. It is understandable under these conditions that sectoral consciousness of the water utilities labour has yet to mature. Moreover, the government agencies CSC and PSLMC to assist government workers in their right to form associations have fundamental legal and institutional limitations based on the roles mandated by law. The CSC is aware of issues that affect workers in some water districts. These may be labour and/or policy issues bulk supply, job contractualization, graft and corruption but most of these are not within the jurisdiction of its role and function. CSC cannot immediately intervene on labour concerns brought to its attention. It must first determine whether it is within its jurisdiction or if it falls under other governmental agencies such as the Ombudsman or Sandigan Bayan or the courts. The primary objective of the CSC with public sector unions is harmonious relationships. On matters related to employee benefits this is only one among the objective of public sector unionism as stated in EO 180.

There are employee associations in large water districts and the LWUA are concerned about policies not only related to employee conditions and labour issues but on the management of their organization. These are observed in water districts such as Metro Cebu and Cagayan de Oro to name a few. Both employee associations in these water districts aired their views against the purchase of bulk water as alternative source of water supply. There seems to be a clear indication that in the coming years employee associations in large water utilities in the public sector will be more concerned about issues that impact the water sector as a whole.

On the other hand, labour unions in privately owned water utilities are well-organized and engage in social dialogue at the local level with their managements. Their rich experience in labour-management relationship merely reflects the current labour situation in the country.

Many of the workers are apprehensive of losing their jobs due to restructuring, retrenchment, job outsourcing and other standard corporate management schemes that may improve water service efficiency but would jeopardize its current labour force.

In Metropolitan Manila, the water services sector is mostly privatized, with the two major water concessionaires of the MWSS leading the way with its concession contract. The Unions in Manila Water and Maynilad have gained much experience in these enterprises in terms of campaigning for labour issues. They have reached a level of maturity that has allowed them to realize that social dialogue is their best chance to obtain better labour conditions in the utilities sector. Their leaders have been exposed and trained in the concept of social dialogue with their participation in national and international labour organizations and gatherings.

They continue to campaign for the right to organize, for security of tenure and against labour contracting, retrenchment and union busting. They are currently in a quandary, as union membership is discouraged among new entrants to the enterprises while their current membership continues to dwindle due to retirement. In a sense, they are fighting for union survival. For instance, out of the more than a thousand members of MWCI union in the early 2000, there are now only a little more than 600-plus remaining members.

On the other hand, management of these enterprises continue to reap accolades and fiscal rewards for their efficiency and high-quality service. This further relegates to the back burner the support for organized labour.

Considering all of these, we may ask the big question – To what extent are major stakeholders including workers and employees in the water utilities sector in the Philippines consulted in policy formulation?

By and large, employee association in public water utilities are seldom consulted by management in policies that impact the delivery of water or the management of the water utility.

The main factors for these are as follows:

- Workers remain predominantly unorganized or under-represented.
- Management and labour–management relationship remain rigid and traditional.
- There is a relatively slow pace of service development resulting from budgetary limits.
- Employees associations are primarily engaged in traditional social and work-related activities and at most, economic struggles for better wages and benefits.
- Management is struggling with survival or promote a subsistence mode of operation which is not only detrimental to its labour force but likewise to its end service areas.

These conditions in themselves are ripe basis for privatization which has been the aggressive trend of the Government with primary purpose of service improvement.

On the other hand, the private water sector continues to set the trend of management and service standards. But its unions remain under-represented and continue to fight for their relevance and survival in the corporate machinery.

Labour unions continue to dwindle in membership as the drive for corporate efficiency allows for the continued outsourcing of labour. Their ranks are likewise decimated by retirement and the offer of attractive early retirement packages, while new

entrants to the enterprises are discouraged from becoming union members. By the union's own estimates, union leaders predict total union eradication in 10–15 years. In this context, and with the continuance of this down trend, there will be the absence or the dwindling presence of labour in social dialogue process, rendering it irrelevant or non-workable.

In both situations, the key element for the relevance of the organized labour sector to be active in policy formulation would be the role of the government, particularly the regulatory agencies led by the DOLE, as well as the public sector unions.

The need to organize labour in the water sector is very much apparent. Socially responsible labour organizing encouraged by DOLE, accepted and endorsed by management, and patronized by the labour force should be effected.

From there, experience and maturity by all stakeholders could be achieved in the context of social dialogue.

A strong tripartite partnership could be established towards this end. And only then could the water sector march forward and in step towards a future of improved utility service for the populace.

The call for transparency, accountability and good governance

Good governance in public water utilities ensures that social services are maximized despite the limited resources of Government. Philippine laws like RA 3019, RA 6713 and RA 9485 repress or penalize graft and corrupt practices.

Poor governance, including corruption is the core of poverty and injustice. Corruption is defined as the abuse of public office for personal or private gain. For every peso that is siphoned off from a water development project will mean a number of households without access to water.

However, it is common knowledge that anomalous transactions involving a thousand pesos to millions of pesos have been done in several water projects, including those implemented by water districts. Interviews with employee association officers point to collusion between officers of a water regulating agency, contractors and officials of water districts. In water supply projects, corruption affects the bidding process, awarding of bids, negotiation of contracts, procurement of supplies and project appraisals, tailoring project specifications to a preferred bidder, providing insider information and breaching confidentiality to name a few. The World Bank estimates that around 40 per cent of water sector finances are being lost to dishonest and corrupt practices.

The government employee associations who have organized mass actions or have had adversarial relationship with the water utility's management always list corruption as an issue against their agency's officials.

Transparency, accountability and good governance especially in public utilities must be inherent and an overarching concern in management of water supply in the Philippines since a the majority of service providers are still government managed and owned.

Undertaking capability building for social dialogue

An informed and empowered labour force is a necessity for social dialogue. Social peace cannot be achieved if parties to the social dialogue process are not informed,

educated and prepared to address and take a stand on economic, political and social issues. Employee training and education on their labour rights including the right to organize has been undertaken by the labour unions in private water utilities (MWCI, MWSI), employee association in public water utilities (water districts) and water regulating agencies (LWUA, MWSS, MWSS–ROW), as well as the CSC and DOLE–BLR.

Most of the employee associations and labour unions provide an orientation for new members while specific trainings and orientation on current issues related to water utilities are attended by the officers of the employee associations. The CSC and the DOLE–BLR conduct basic orientation for government employees who would like to form associations. It is significant to note that officers in labour unions in private water utilities specifically those in the two concessionaires of MWSS attend international trainings on labour as well.

IX. Issues and concerns relating to social dialogue in the water utilities sector

The arena for social dialogue in the water utilities sector is fraught with many interlocking and conflicting issues and concerns. These could be broken down into the following:

Enabling mechanism for social dialogue

- Job security due to retrenchment, rationalization and contractualization.
- Weak and conflicting legislation and enforcement to strike the proper balance between the interests of labour and management, between service delivery and profitability, between public utility and privatization, between job security and contractualization for efficiency and productivity, and the proactive promotion of the inherent labour right to organize.
- Overlapping/duplication of governmental agencies and jurisdiction requiring a clear cut delineation or rationalization of roles and authorities.
- Perceived impartiality either to labour or management in conflict resolution rendering it indecisive especially considering that a vast majority of the water utilities are public enterprises thereby creating an impression of conflict of interest.
- Indecisive in setting the overall direction of the water utilities sector.

Water supply policy

- Expansion and improvement of service.
- Striking a balance between service efficiency, productivity and profitability.
- Environmental concerns, sustainability and efficient use of water sources.
- Absence or lack of consultative mechanisms for participation in setting the direction of the water utilities sector, social and environmental concerns.

Capacity building

- Client/customer satisfaction.
- Right to freely organize and represent the labour sector.

Transparency, accountability and good governance

- Corruption in the case of public enterprises.

Financial concerns

- Wage and benefit issues.
- Developmental concerns due to limits in the business side of the enterprise to include capitalization, indebtedness, profitability and tariff.
- Increase in tariffs in the name of capital infusion and service efficiency.

X. Recommendation

Upon discussion with the stakeholders of the water utilities sector, it is evident that these concerns remain independent of and more often than not, conflicting with each other. It is always difficult for any industry sector to march together in one direction if all the interest issues are not acknowledged, recognized and responded to. Given that the water utilities sector remains predominantly public, it is incumbent upon the Government to initiate decisive response.

Under these conditions, an industry-wide water summit could be initiated by the LWUA as the convening agency to study the different issues of the stakeholders to come up with legislative propositions, binding agreements and to set the overall direction of the industry in the immediate and long-term future. Through all of these the principles of social dialogue would serve as the integrated process and methodology. Only from hereon can social dialogue be institutionalized in the sector.

In order to improve the prospects for social dialogue, the following actions must be undertaken. Below is a matrix that summarizes the condition, the implication of the conditions of present social dialogue and corresponding recommendations:

Condition	Diagnosis	Recommendation
Freedom of association	Legislated but lack encouragement and support. This is reflected in statistics presented previously on the low level of organized labour. In some cases, restricted, censured or suppressed. This was highlighted from inputs given by some labour groups.	The atmosphere for self-organization within the labour sector should be conducive. Government, in conjunction with the labour and advocacy groups should come up with mechanisms for this that management should commit to respect and promote. Those responsible for any harassment, and other forms of suppression should be appropriately prosecuted and penalized to show decisiveness.
Democratic foundations	Institutions are in place but weak in terms of representation (not all sectors are represented in policy-making such as the consumer and labour sector), empowerment and processes.	Mechanisms should be crafted to ensure that democratic principles guide the relationships within and among the tripartite bodies of labour–management–government.
Legitimacy of the institutions	Legitimacy is weakened by the level and scope and imbalance of organization and political power on the side of management. On the part of government, their indecisiveness in conflict resolution reduces trust from conflicting parties.	Legitimate social dialogue institutions can only come from a co-equal relationship between labour and management. Mechanisms should be in place to ensure this. For public water providers, sectoral representation in its board of directors should undergo a process free from bias and politics to include representatives of labour.
Political will and commitment	The capability to seriously consider and engage in social dialogue with tangible results depends more on the side of management and government. The labour sector, with nothing to lose and everything to gain is always committed to engage in any form of dialogue where their interests are given consideration.	Agreements, however initial and small, should be inked within the tripartite relationship of labour–management–government. Mechanisms should be in place to monitor these agreements and appropriate penalty should be imposed to violators.
Social acceptance	Conceptual understanding of social dialogue is a given and popular among all stakeholders. Practical application/realization is, however, an entirely different matter. Social dialogue, now,	Forums for theoretical and practical understanding and application of social dialogue should be conducted from within the ranks of labour, management and government. ILO can initiate these.

Condition	Diagnosis	Recommendation
	more than ever, is the sole means for labour and management to mediate, conciliate and settle disputes and conflicts and come together towards a developed and enlightened sector.	
Technical competence	<p>Technical competence rests primarily on the management side and to a certain degree, the government side given their advantages in resources.</p> <p>On the other hand, given the low level organization of the labour side, only those unions with an extensive history of unionism are competent and experienced.</p>	A pool of competent and dedicated trainers should be developed from the ranks of labour, management and government to sustain information and education activities at the ground level.
The will of social partners to recognize each other	Remains to be seen on a co-equal level of relationship and on a genuinely productive endeavour to institutionalize social dialogue in the sector.	Binding agreements with appropriate penalties.
Political will of the government to reach out to social partners and support them in the effort	Severely lacking and has assumed a "safe" stand of just letting the labour sector initiate everything from organizing to conducting social dialogue with their management.	Thorough review of legislation and executive orders and processes in the labour and management side of government to provide for appropriate bodies specific for social dialogue.
Effective social dialogue institutions	Effective institutions, rules and procedures may be summarized from the rich experience of the sector and culled from the internationally accepted standards for social dialogue.	<p>Institutions (tripartite body), rules and procedures should be the final output of a water summit among all the stakeholders.</p> <p>It should be based on a review of history and practice of social dialogue in the water utilities sector.</p> <p>It should likewise result into a serious effort to organize the majority of unorganized labour in the small-scale water services in the country.</p>
Practice and experience of social dialogue in water utilities	<p>Experiences exist but not predominant and successful. The sector remains largely unorganized and under-represented.</p> <p>The militant-oriented unions claim to experience harassment in their effort to organize the sector.</p>	

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Appendix I

Privatization milestones

Date	Milestone	Description
1990	Philippine Government enacts Build–Operate–Transfer (BOT) Law	One of the key legislations pursued by the Ramos Administration to enhance public–private partnership in the delivery of quality basic services. The BOT Law was instrumental in addressing the energy crisis that the Philippines experienced in 1990–91
1995	Philippine Government enacts National Water Crisis Act	A provision in this law allows the President to explore options including private sector participation to improve the operation and maintenance of a water utility
November 1995	International Finance Corporation (IFC) participates in MWSS privatization	Engagement of IFC as lead adviser in the MWSS privatization. Initial arrangement covers a comprehensive study on the MWSS
24 March 1996	President Ramos issues Executive Order (EO) No. 311	President Ramos signed EO to formalize the privatization of the MWSS as mandated by the National Water Crisis Act of 1995
March 1996	MWSS splits franchise into two concession areas for competitive auction	MWSS decided to split its franchise area into the east and west zones, comprising about 6 million and 4 million residents, respectively
17 April 1996	MWSS issues preliminary information to interested bidders	This information contains technical and commercial description of the activities of the MWSS which will help both local and international companies who are interested to participate in the operations of the MWSS after privatization
23 October 1996	MWSS pre-qualifies four bidders	From initial list of 50 interested parties, the MWSS pared down the list to four and the pre-qualified bidders were allowed to participate in the January 1997 bidding. All four bidding consortia have foreign partners (United Utilities and Anglian Water of the United Kingdom, Lyonnaise de Eaux and Compagnie Generale de Eaux of France)
6 January 1997	Four investor groups post bids	Four pre-qualified consortia submit rate bid proposals, financial and technical offers for MWSS privatization
23 January 1997	Bid rate proposals opened	Government announces winners of the MWSS privatization. Manila Water Co. and Maynilad Water Services Inc. declared winners
1 August 1997	Winning consortia takes over MWSS operation	After nearly two years, the Government succeeded in turning over the operation of the MWSS to the private sector

Appendix II

Interview guide

Basic information required (document form)

* Percentage of organized and unorganized workers, CNA/CBA enacted, issues and concerns and others

1. Management

* For Government and private water supply institutions

- (a) Existence of labour organizations
- (b) Policies on labour organizations
- (c) Rights and privileges provided for labour organizations
- (d) Office orders, memoranda and other policies emanating from management
- (e) Consultative activities conducted with labour organizations with regards to company/office orientation, policies operations and other administrative decisions
- (f) Policies, reforms and benefits directly or indirectly influenced or enacted as a result of labour organization initiatives or activities
- (g) Compliance with governmental and regulatory policies on labour and organization
- (h) Perception on the role of labour organizations in the water service institution and the role of government in mediating between management and labour
- (i) Perceived issues within the water services industry, in general, and labour–management relationship, in particular
- (j) CNA or CBA enacted, history and current status
- (k) Institutional policies on social dialogue with the labour sector, management and labour initiated
- (l) Perception on the importance and process of social dialogue in the industry
- (m) Perceived recommendations on how to pursue a harmonious and mutually beneficial relationship with labour in the advancement of the water services industry

2. Labour

* Date to be asked from representatives from labour unions, employee associations, free-standing or federated

- (a) Labour organization
 - (i) History, membership, bylaws and policies, organizational set-up
 - (ii) Affiliation
 - (iii) Regular organizational activities
- (b) Current relationship with management (perception) and social dialogue, management and labour initiated
- (c) Perception on the role of government in the organization of workers in the water sector and in the advancement of rights and benefits of workers
- (d) Perception on the water services organized labour as a major subsector of the national labour movement in general and of the line industry of the utility sector

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- (e) Rights, privileges and benefits accorded by management, unilateral and as a result of labour action
 - (f) Labour activities
 - (i) Organizational activities
 - (ii) Organizational orientation/education activities
 - (iii) Subsector issues, demands and actions
 - (iv) Stand and participation on general labour sector issues and demands
 - (v) Formal relationship and negotiations with management
 - (vi) Mass actions conducted, issues tackled, demands made, privileges gained
 - (vii) Stand and actions made on subsector issues such as privatization, restructuring, labour-only contracting, and other local issues and concerns
 - (viii) Future plans
 - (g) Perceived recommendations on how to address issues and concerns and to work with management and Government in advancing the rights and benefits of the labour group in the water services industry

3. Government/regulation

- (a) Statistics on labour organization in the water services sector
- (b) Specific policies (if any) and activities conducted for the sector
- (c) Perceived role of the Government on the water services labour sector
- (d) Specific activities planned/implemented for the water services labour sector
- (e) Identified issues within the water services labour sector
- (f) Policy/stand/perception on identified issues within the water services labour sector such as privatization, restructuring, labour-only contracting, subcontracting, etc.
- (g) Activities conducted to mediate between labour and management on local issues and reforms
- (h) Perceived effectiveness of these regulatory initiatives
- (i) Perception on social dialogue and its importance in the labour–management relationship
- (j) Perceived recommendations on how to strengthen government’s role on advancing labour–management relationship towards the advancement of reforms in the water services industry

Guide questions

1. Management

- (1) Is there a labour organization within the company?
- (2) When was it organized?
- (3) What were the circumstances how and why it was organized?
- (4) What was the management’s role in its organization?
- (5) What is its membership composition? Rank and file or does it include supervisors and managers?
- (6) What is management’s guiding policies on the labour organization? (document required)
- (7) What are the management’s policies on benefits and privileges of labour leaders?
- (8) How does management communicate with the labour organization?
- (9) What were the communications (formal) that transpired between management and labour?

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- (10) What was the labour organization's role in the company's policies/programmes/operation since it was organized?
 - (11) What consultative activities were conducted by the management with the labour organization regarding reforms or policy changes?
 - (12) What policies or benefits were enacted as a result of labour organization initiatives?
 - (13) Does the company comply with governmental policies on labour? Organization? Please specify.
 - (14) What do you think is the role or function of the labour organization in the water services industry? What has the management done towards the realization of this function?
 - (15) What do you think is the role of government with regards to labour-management concerns?
 - (16) What do you think are the issues and concerns within the water services industry in general, and of the labour situation in particular? What are the specific responses of management on these issues? What do you think are the major issues with regards to labour-management relationship?
 - (17) Is there an existing CAN or CBA drafted and implemented in the institution? (documentary details) What is the current status of this agreement?
 - (18) Is the company aware of a process called social dialogue with the labour sector? What are the experiences in this? Do you think it is important? Why so?
 - (19) If given the chance to unilaterally implement policies to improve the industry in general and labour-management relationship in particular, what would these policies be?

2. Labour

- (1) What is the name of the labour organization? When was it organized? Who initiated the organization? (circumstances)
- (2) What are the policies (bylaws) and organizational set-up of the labour organization? (documentary)
- (3) Is the organization affiliated or federated? With what organization? What are the reasons and circumstances for this?
- (4) What are the current activities of the organization? (details)
- (5) How would you describe the current relationship of the labour organization with the management? What do you think are the reasons for this?
- (6) Do you know the concept and process of social dialogue? Do you experience this in the industry? Do think it is relevant and important? Why so?
- (7) Have you had experience in dealing with the Government regarding your organization and issues? What were these dealings? How did they end up? What do you think should be the role of labour-related governmental agencies?
- (8) Do you think the water services labour organization is a movement separate and distinct with other labour sectors in the utility sector? In the entire labour movement? How and why so?
- (9) Do you think your labour group deserves a separate distinction and orientation? Why?
- (10) Do you think your labour sector is sufficiently organized? Why so?
- (11) What are the rights, benefits, reforms and privileges given to you by management without the benefit of labour action or initiative? Why do you think these were accorded?
- (12) What are the benefits you gained by concrete action of your group?
- (13) What activities has your group conducted with regards to organization? Training/orientation/education? (details)
- (14) What are the issues and concerns that you can identify with your labour group? What actions have you undertaken regarding these?

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- (15) Do you participate in general labour issues? What are they? What is your stand on each? Why?
 - (16) Have you undertaken formal economic and social negotiations with the management? (details) What were the concrete results of these negotiations?
 - (17) Please enumerate the mass actions you have undertaken, issues tackled, victories gained and lessons learned.
 - (18) What is your stand on the following issues – privatization, subcontracting, labour-only contracting, restructuring, (other local issues they identified)
 - (19) What are your recommendations on how your group, the management, the Government can work together to advance the water services industry? How do you intend to realize these?

3. Government

- (1) Are there specific statistics on the water services labour sector? (details)
- (2) Are there specific policies, orientations, activities and the like for this sector? (details) Why so?
- (3) What is the specific role of government in the labour sector of the water services industry?
- (4) What are the specific activities planned or implemented for the sector? (details)
- (5) Are there specific issues within the sector that you have identified? What are they? How were these identified and verified?
- (6) What is your agency's policy/stand or perception on the identified issues? On privatization? Restructuring? Subcontracting? Labour-only contracting? Other local issues?
- (7) What activities have been done to mediate between management and labour in the water services industry? (details) what were the outcome of these interventions?
- (8) Do you think your interventions were effective? Sufficient? How so?
- (9) Do you know the concept and process of social dialogue? Do you think it's relevant and important in the industry and labour sector? How so? Do you promote it? How?
- (10) Given the opportunity, what recommendations would you give to strengthen the role of government in the industry and sector? In labour-management relationships? In social dialogue?

Appendix III

List of names of people interviewed and FGDs conducted

Government

1. Ms Lillian N. Asprer
National Focal Person – ILO Action Programme
Acting Deputy Administrator – Admin Services
Local Water Utilities Administration (LWUA)
2. Ms Carmen F. Amores
Program Specialist in Water Utilities
Industrial Relations Development Chief
LWUA
3. Mr Alan F. Alegria
Director IV
Personnel Relations Office
Civil Service Commission
4. Ms Luz R. Rosas
Supervising Labor and Employment Officer
Bureau of Labor Relations
Department of Labor and Employment (DOLE)
5. Ms Virginia B. Garcia
Senior Labor and Employment Officer
Bureau of Labor Relations
DOLE
6. Ms Marilyn J. Estrella
Chief, Cooperative Project Asst. and Development Division
Cooperative Development Authority
CDA–OP–DOF
7. Mr Julio Casilan Jr
Cooperative Development Specialist II
Cooperative Development Authority

Government workers

8. Mr Victor G. Chiong
President
Metro Cebu Water District Employees Union (MEU)
President
Alliance of Govt. Workers in the Water Sector (AGWWAS)
9. Mr Melanio B. Cuchapin
Chairman, LWUA Employees' Association for Progress (LEAP)
Area Vice-President – AGWWAS

Management, private sector

10. Ms Elsa Mejia
Vice-President
Inpart Waterworks and Development Corporation
President, NAWASA

Management, public sector

11. Ms Antonia F. Boma
General Manager, Camarines Norte Water District
Chair, Special Committee on Waterless Communities
Philippine Association of Water Districts (PAWD)

12. Mr Rosendro Alegre
Department Manager
Complaints Services Monitoring
MWSS-RO
Katipunan, Quezon City

Private sector workers

13. Mr Ed Borela
President-Manila Water Employees Union
Manila Water Employees Center
Katipunan, Quezon City

14. Mr Ferdinand Gaité
WATER-COURAGE
Timog Avenue, Quezon City

Appendix IV

Executive Order No. 180, 1 June 1987

Providing guidelines for the exercise of the right to organize of government employees, creating a public sector labour-management council, and for other purposes

In accordance with the provisions of the 1987 Constitution, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

I. Coverage

Sec. 1. This Executive Order applies to all employees of all branches, subdivisions, instrumentalities, and agencies, of the Government, including government-owned or controlled corporations with original charters. For this purpose, employees, covered by this Executive Order shall be referred to as “government employees”.

Sec. 2. All government employees can form, join or assist employees’ organizations of their own choosing for the furtherance and protection of their interests. They can also form, in conjunction with appropriate government authorities, labour–management committees, works councils and other forms of workers’ participation schemes to achieve the same objectives.

Sec. 3. High-level employees whose functions are normally considered as policy-making or managerial or whose duties are of a highly confidential nature shall not be eligible to join the organization of rank-and-file government employees.

Sec. 4. The Executive Order shall not apply to the members of the Armed Forces of the Philippines, including police officers, policemen, firemen and jail guards.

II. Protection of the right to organize

Sec. 5. Government employees shall not be discriminated against in respect of their employment by reason of their membership in employees’ organizations or participation in the normal activities of their organization. Their employment shall not be subject to the condition that they shall not join or shall relinquish their membership in the employees’ organizations.

Sec. 6. Government authorities shall not interfere in the establishment, functioning or administration of government employees’ organizations through acts designed to place such organizations under the control of government authority.

III. Registration of employees’ organization

Sec. 7. Government employees’ organizations shall register with the Civil Service Commission and the Department of Labor and Employment. The application shall be filed with the Bureau of Labor Relations of the Department which shall process the same in accordance with the provisions of the Labor Code of the Philippines, as amended. Applications may also be filed with the Regional Offices of the Department of Labor and Employment which shall immediately transmit the said applications to the Bureau of Labor Relations within three (3) days from receipt thereof.

Sec. 8. Upon approval of the application, a registration certificate be issued to the organization recognizing it as a legitimate employees’ organization with the right to represent its members and undertake activities to further and defend its interest. The corresponding certificates of registration shall be jointly approved by the Chairman of the Civil Service Commission and Secretary of Labor and Employment.

IV. Sole and exclusive employees’ representatives

Sec. 9. The appropriate organizational unit shall be the employers unit consisting of rank-and-file employees unless circumstances otherwise require.

Sec. 10. The duly registered employees' organization having the support of the majority of the employees in the appropriate organizational unit shall be designated as the sole and exclusive representative of the employees.

Sec. 11. A duly registered employees' organization shall be accorded voluntary recognition upon a showing that no other employees' organization is registered or is seeking registration, based on records of the Bureau of Labor Relations, and that the said organizations has the majority support of the rank-and-file employees in the organizational unit.

Sec. 12. Where there are two or more duly registered employees' organizations in the appropriate organizational unit, the Bureau of Labor Relations shall, upon petition, order the conduct of a certification election and shall certify the winner as the exclusive representative of the rank-and-file employees in said organization unit.

[V.] Terms and conditions of employment in government services^{*}

Sec. 13. Terms and conditions of employment or improvements thereof, except those that are fixed by law, may be the subject of negotiations between duly recognized employees' organizations and appropriate government authorities.

VI. Peaceful concerted activities and strikes

Sec. 14. The Civil Service laws and rules governing concerted activities and strikes in the government service shall be observed, subject to any legislation that may be enacted by Congress.

VII. Public Sector Labor-Management Council

Sec. 15. A Public Sector Labor Management Council, hereinafter referred to as the Council, is hereby constituted to be composed of the following:

- (1) Chairman, Civil Service Commission Chairman
- (2) Secretary, Department of Labor and Employment Vice Chairman
- (3) Secretary, Department of Finance Member
- (4) Secretary, Department of Justice Member
- (5) Secretary, Department of Budget and Management Member

The Council shall implement and administer the provisions of this Executive Order. For this purpose, the Council shall promulgate the necessary rules and regulations to implement this Executive Order.

VIII. Settlement of disputes

Sec. 16. The Civil Service and labour laws and procedures, whenever applicable, shall be followed in the resolution of complaints, grievances and cases involving government employees. In case any dispute remains unresolved after exhausting all the available remedies under existing laws and procedures, the parties may jointly refer the dispute to the Council, for appropriate action.

IX. Effectivity

Sec. 17. This Executive Order shall take effect immediately.

Done in the City of Manila, this 1st day of June, in the year of Our Lord, nineteen hundred and eighty-seven.

^{*} The original lists this part under the letter D, instead of the Roman numeral V.

Appendix V

Total number of water utilities and corresponding management models

Management model	Total No.
RWSA	500
Water districts	800 both operational and non-operational 580 (operational out of the 800)
LGU-managed and operated	1,200
SSWSP	3,000 (includes all types of small water utilities such as LGU-owned, BWSAs, RWSAs, water cooperatives)
Water cooperatives	200
BWSAs	3,100
Private-owned water utility	900

Appendix VI

Water unions in Philippines

Name	Address	Name of President	Place of operation	Address	Registration	Date registered	Region	Classification	Members
Baguio Water District Employees Association	Utility Road DPS Compound Baguio City	Felipe Dolorments Jr	Baguio water district	Utility Road DPS Compound Baguio City	257	06.02.1992	CAR	Local govt.	115
FFW Bislig Water District Employees Union	Manggagoy Bislig Surigao del Sur	Romeo N. Tamayo	Bislig water district	Bislig, Surigao Del Sur	140	16.03.1990	13	Local govt.	27
Bislig Water District Workers Union	4423 San Vicente St. Mangagoy Bislig, Surigao del Sur	Lorenzo R. Nambatac Jr	Bislig water district	Mangagoy Bislig, Surigao del Sur	192	25.10.1990	13	Local govt.	40
Buklod Lakas ng mga Mangg. ng Laguna Water Dist.	Anos, Los Banos, Laguna	Alberto Baraquio	Laguna water district	Anos, Los Banos, Laguna	384	05.08.1994	4A	Local govt.	39
Camarines Norte Water District Employees Assn	Vinzons Avenue, Daet Camarines Norte	Gedion E. Baay	Camarines Norte water district	Veinzon Avenue, Daet Camarines Norte	371	16.02.1994	5	Local govt.	40
Cotabato City Water District Labor Union	Gov. Gutierrez Ave, Cotabato City	Edelmero G. Reyes	Cotabato City water district	Gov. Guitierrez Ave, Cotabato City	348	31.08.1993	12	Local govt.	105
Guagua Water District Empl. Assn – NFL	San Nicolas, Guagua, Pampanga	Henry Palo	Guagua water district	Guagua, Pampanga	369	16.02.1994	3	Local govt.	47
Kaisahan at Kapat. ng mga Mangg. at Kawani sa MWSS	Katipunan Road, Balara, Quezon City	Genaro C. Bautista	Metropolitan Waterworks and Sewerage System	Katipunan Road, Balara, Quezon City	35	10.11.1987	NCR	GOCC	0
Lwua Employees Association for Progress	Katipunan Road, Balara, Quezon City M.M.	Melanio B. Cuchapin II	Local water utilities administration	Katipunan Road, Balara, Quezon City	80	13.09.1988	NCR	GOCC	428

Name	Address	Name of President	Place of operation	Address	Registration	Date registered	Region	Classification	Members
MWSS Employees Union	Katipunan Road Balara, Quezon City	Fortunito I. Madrona	Metropolitan Waterworks and Sewerage System	Balara, Quezon City	41	01.02.1988	NCR	GOCC	1,800
Metro Iloilo Water District Employees Union	Iloilo City	Palermo Warren B. Jr	Metro Iloilo water district	Iloilo City	431	13.06.1995	6	Local govt.	141
Metro La Union Water District Employees Assn	Quezon Ave, San Fernando La Union	Evelyn E. Wailan	Metro La Union water district	Times Transit Bldg, Quezon Avenue, San Fern. La Union	363	12.12.1993	1	Local govt.	37
Metropolitan Naga Water District Employees Union	40 City Hall Ave, Naga City	Joseph Pastor A. Gallardo	Metropolitan Naga water district	40 City Hall Ave, Naga City	437	28.07.1995	5	Local govt.	90
Metropolitan Waterworks and Sewerage System Workers Union	Katipunan Road, Balara, Quezon City	Rolando E. Roca	Metropolitan Waterworks and Sewerage System	MWSS Complex, Katipunan Road, Balara, Quezon City	28	30.09.1987	NCR	GOCC	2,380
Nagkahiusang Mamumuo sa Davao City Water District	Dcwd, Davao City	Rodrigo I. Aranjuez	Davao City water district	Jp Laurel Ave, Bajada, Davao City	414	09.01.1995	11	Local govt.	418
Nag. Lakas ng Manggagawa ng Calamba Water District	East Drive, Calamba Trade Center Crossing Calamba	Carlo O. Rodriguez	Calamba water district	East Drive Arcade, Calamba Laguna	435	26.06.1995	4A	Local govt.	131
Olongapo City Water District Workers Alliance	Otero Avenue Mabayan, Olongapo City	Henry E. Empeno	Olongapo City water district	Otero Avenue Mabayan, Olongapo City	408	09.03.1995	3	Local govt.	41
PPCWD Assn of Water District Empl. for Progress	Rizal Avenue, Purto Princesa City Palawan	Gaspar G. Mombay	Puerto Princesa City water district	Rizal Avenue, Puerto Princesa City Palawan	281	20.05.1992	4B	Local govt.	29
Pagsanjan Water District Employees Union – Courage	No. 52 JP Rizal St. Pagnsanjan Laguna	Jay Avellana	Pagsanjan water district	No. 52 JP Rizal St., Pagsanjan, Laguna	288	23.07.1992	4A	Local govt.	23

Name	Address	Name of President	Place of operation	Address	Registration	Date registered	Region	Classification	Members
Puerto Princesa City Water District Emp. Association	Puerto Princesa City Palawan	Alfredo F. Delos Reyes	Puerto Princesa City water district	263 Rizalavenue Puerto Princesa City Palawan	253	13.12.1991	4B	Local govt.	73
Quezon Metropolitan Water District Workers Association	Red v Lucena City	Rosendo I. Razon	Quezon metropolitan water district	Lungsod ng Lucena, Lalawigan ng Quezon	313	16.12.1992	4A	Local govt.	126
Samahang Manggagawa ng Digos Water District	Digos, Davao del Sur	Ferdinand C. Salvacion	Digos water district	Digos Davao del Sur	212	12.02.1991	11	Local govt.	74
Samahang Manggagawa ng Mabalacat Water District	Mabiga Mabalacat Pampanga	Romeo C. Tuazon	Mabalacat water district	MacArthur Highway, Mabalacat Pampanga	343	13.07.1993	3	Local govt.	19
Sam ng mga Mangg. Nagkakaisa sa Olongapo Water District	Otero Avenue Mabayan Olongapo City	Wilfredo S. Dela Cruz	Olongapo City water district	Olongapo City	324	04.03.1993	3	National govt.	113
Victorias Water District Employees Association	Quirino St. Victoria Negros Occidental	Jonathan Salar	Victorias water district	Quirino St., Victoria Negros Occidental	427	02.05.1995	6	Local govt.	17
Zamboanga City Water District Em	Pilar St. Zamboanga City	Tammang A. Harvey	Zamboanga City water district	Pilar St. Zamboanga City	368	16.02.1994	9	Local govt.	107
Zamboanga City Water District Empl. Association	Pilar St. Zamboanga City	Felix G. Laguio	Zamboanga City water district	Pilar St. Zamboanga City	320	04.02.1993	9	Local govt.	74
Mabalacat Water District Employees Association	MacArthur Highway Mabiga Mabalacat Pampanga	Marcelo G. Henson	Mabalacat water district	MacArthur Highway Mabiga Mabalacat Pampanga	464	05.03.1996	3	Local govt.	72
Urdaneta Water District Employees Association	Dilan Pumping Station Urdaneta Pangasinan	Federico Estevez	Urdaneta water district	Urdantea, Pangasinan	470	17.04.1996	1	Local govt.	28

Name	Address	Name of President	Place of operation	Address	Registration	Date registered	Region	Classification	Members
Cagayan de Oro Water District Employees Union	Corrales Ave, Cagayan de Oro City	Rufo Bagay	Cagayan de Oro water district	Corrales Ave, Cagayan de Oro City	473	02.05.1996	10	Local govt.	116
Lakas ng Manggagawa sa San Fernando Water District	San Fernando, Pampanga	Enrique Pineda	San Fernando water district	San Fernando, Pampanga	486	12.08.1996	3	Local govt.	26
MCWD Employees Union	Main Bldg. Mc Briones P. Burgos Sts. Cebu City	Victor G. Chiong	Metropolitan Cebu water district	Mc Briones P. Burgos Sts. Cebu City	491	11.10.1996	7	Local govt.	371
National Water Resources Board Employees Assn	8th Floor, Nia Bldg Edsa, Quezon City	Susan P. Abano	National Water Resources Board	8th Floor, Nia Bldg Edsa, Quezon City	378	21.10.1996	NCR	National govt.	74
Bacolod Water District Employees Union – NAFLU	Corner Galo San Juan Sts. Bacolod City	Engr. Iver Y. Salgado	Bacolod City water district	Cor. Galo San Juan Sts. Bacolod City	496	10.01.1997	6	Local govt.	163
Bacolod City Water-Professional Union of Resp. Emp	Corner Galo San Juan Sts. Bacolod City	Roberto Quebrar	Bacolod City water district	Corner Galo San Juan Sts. Bacolod City	497	10.02.1997	6	Local govt.	23
Lipa City Water District Workers Association	40b Morada Ave, Lipa City	Edgardo M. Lumbrera	Lipa City water district	Lipa City	555	30.03.1998	4A	Local govt.	66
San Pablo City Water District Emp. Association	Maharlika Highway Brgy. San Gabriel San Pablo	Eric T. Avanzado	San Pablo City water district	San Pablo City Laguna	579	14.08.1998	4A	National govt.	124
Metro Kidapawan Water District Employees Assn	Lanao, Kidapawan, Cotabato	Norman A. Ela	Metro Kidapawan water district	Lanao, Kidapawan, Cotabato	673	28.01.2000	12	Local govt.	50
Kalibo Water District Employees Union	Kwd Administraive Bldg. Laserna Kalibo Aklan	Socrates C. Macoy	Kalibo water district	Kwd Administrative Bldg C, Laserna St. Kalibo	702	04.10.2000	6	Local govt.	19
Baybay Water District Employees Union	E. Jacinto St. Cor. MI Quezon St. Baybay Leyte	Armando O. Milan	Baybay water district	E. Jacinto St. Cor. MI Quezon St. Baybay Leyte	713	05.10.2000	8	Local govt.	26

Name	Address	Name of President	Place of operation	Address	Registration	Date registered	Region	Classification	Members
Metro La Union Water District Workers Assn T.R.	City of San Fernando, La Union	Eliseo N. Lubrica	Metro La Union water district	City of San Fernando, La Union	730	29.12.2000	1	Local govt.	42
United Employees of Tanay Water District	41 Ft Catapusan St. Brgy. Plaza Tanay Rizal	Armando Bangat	Tanay water district	41 Ft Catapusan St. Brgy. Plaza Tanay Rizal	732	12.01.2001	4A	Local govt.	36
Calbayog City Water District Employees Assn	Jd Avelino St. Calbayog City	Thomas J. Ygrubay	Calbayog City water district	Jd Avelino St. Calbayog City	737	31.01.2001	8	Local govt.	41
Bureau of Soil and Water Management Employees Assn Inc.	SRDC Bldg Elliptical Road Diliman, Quezon City	Sonia M. Salguero	Bureau of Soils and Water Management	SRDC Elliptical Road Visayas Ave Quezon City	740	14.02.2001	NCR	National govt.	338
Camiling Water District Employees Association Inc.	Municipal Compd. Camiling Tarlac	Jude Raymond C. Laoang	Camiling water district	Municipal Compd. Camiling Tarlac	797	03.05.2001	3	Local govt.	21
Tagkawayan Water District Employees Association	Tagkawayan Quezon	Agripino M. Roxas Jr	Tagkawayan water district	Gulf View Sub. Tagkawayan, Quezon	779	09.05.2001	4A	Local govt.	11
Malolos Water District Employees Association	Poblacion, Malolos Bulacan	Lazaro M. Caparas	Malolos water district	Pob. Malolos, Bulacan	825	31.05.2001	3	Local govt.	115
LCWD Union of Rank and File Employees	Legaspi City water district Bitano Legaspi City	Rostum P. Rivero	Legaspi City water district	Bitano, Legaspi City	824	31.05.2001	5	Local govt.	31
Reformed Union of LWUA Employees	Lwua Bldg Katipunan Road Balara, Quezon City	Pilar Estrella lantin	Local water utilities administration	Lwua Bldg Katipunan Road Balara, Quezon City	896	22.08.2001	NCR	GOCC	87
Pagadian City Water District Employees Club Inc.	Datoc St. Gatas District Pagadian City	Mark Antony P. Lopez	Pagadian City water district	Datoc St. Gatas District Pagadian City	923	10.10.2001	9	National govt.	63

Name	Address	Name of President	Place of operation	Address	Registration	Date registered	Region	Classification	Members
Buenavista Water District Employees Association	New Poblacion, Buenavista, Guimaras	Vina G. Bacuyani	Buenavista water district	Buenavista, Guimaras	981	05.02.2002	6	Local govt.	12
Koronadal Water District Employees Association	Koronadal City	Rommel M. Lagumen	Koronadal water district	79 Gh Del Pilar St. City of Koronadal	1050	20.03.2002	12	Local govt.	13
Tulong Tulong Upang Bal. Ang Isang Gawain sa Tagum	Mirafuentes District National Highway, Tagum City	Nonito P. Rivera	Tagum water district	Mirafuentes Highway, Tagum City	1061	09.04.2002	11	Local govt.	36
Samahan ng mga Manggagawa sa La Trinidad Water Dist	La Trinidad, Benguet	Ms Vivian Urbano	La Trinidad water district	Km. 15 Pico La Trinidad, Benguet	1102	01.07.2002	CAR	Local govt.	17
Dapitan City Water District Employees Union	Polo, Dapitan City	Alexander Q. Empeynado	Dapitan City water district	Polo, Dapitan City	1127	06.08.2002	9	National govt.	18
Bustos Water District Employees Assn (BWDEA)	A. Raymundo St. Poblacion, Bustos, Bulacan	Nestor C. Cruz	Bustos water district	Poblacion, Bustos, Bulacan	1151	01.10.2002	3	Local govt.	29
Leyte Metropolitan Water District Employees Assn	Lmwd A. Mabini St., Tacloban City	Gonzalo T. Caidic Jr	Leyte metropolitan water district	A. Mabini St., Tacloban City	1158	04.10.2002	8	Local govt.	106
Plaridel Water District Employees Association	AC Reyes St. Poblacion, Plaridel, Bulacan	Sonny C. Caparas	Plaridel water district	Poblacion, Plaridel, Bulacan	1179	13.11.2002	3	Local govt.	27
TWD Employees Union	Twd Office Legaspi St. Tanjay Negros Oriental	Ma. Stenelli G. Ybanez	Tanjay water district	Legaspi St., Tanjay City	1185	26.11.2002	7	Local govt.	30
Metro Midsayap Water District Employees Union	Pob. 8 Midsayap Cotabato	Berbard Esprela	Metro Midsayap water district	Pob 8. Midsayap Cotabato	1244	08.04.2003	12	Local govt.	11
Morong Water District Employees Association	San Pedro, Morong Rizal	Gerlad A. San Diego	Morong water district	San Pedro Morong Rizal	1250	14.05.2003	4A	Local govt.	29

Name	Address	Name of President	Place of operation	Address	Registration	Date registered	Region	Classification	Members
San Pedro Water District Emp. Assn – Courage	110 J.P. Rizal St., San Pedro, Laguna	Orlando S. Seradilla	San Pedro water district	110 J.P. Rizal St., San Pedro, Laguna	1279	25.07.2003	4A	Local govt.	55
Maasin Water District Rank and File Emp. Assn	S. Panal St. Abgao, Maasin City	Jose F. Larraga	Maasin water district	S. Panal St., Maasin City	1277	25.07.2003	8	Local govt.	24
Jordan Water District Employees Association	Nava St. Jordan Guimaras	Gilbert S. Ronzales	Jordan water district	Municipality of Jordan, Guimaras	1291	29.08.2003	6	Local govt.	5
Calumpit Water District Employees Association	Calumpit Bulacan	Randy S. Cruz	Calumpit water district	Balungao, Calumpit Bulacan	1324	12.11.2003	3	Local govt.	36
San Pedro Laguna Water Dist. Economic Assn for Pro	Rizal St. San Pedro Laguna	Michael M. Bijo	San Pedro water district	Rizal St. San Pedro Laguna	1348	20.01.2004	4A	Local govt.	55
Metropolitan Waterworks and Swerage System Labor Association	MWSS Complex Katipunan Road, Balara, Quezon City	Rene C. Zapiter	Metropolitan Waterworks and Sewerage System	Katpiunan Road, Balara, Quezon City	900	27.01.2004	NCR	National govt.	117
First Labor Org. of the Cagayan de Oro Water District	Corrales Avenue, Cagayan de Oro City	Engr. Anotnio B. Young	Cagayan de Oro water district	Corrales Avenue, Cagayan de Oro City	1369	20.04.2004	10	Local govt.	325
MWSS Regulatory Office Employees Association	MWSS Complex, Katipunan Road, Balara, Quezon City	Dareen Fernandez	Metropolitan Waterworks and Sew. Reg. Office	MWSS Complex, Katipunan Road, Balara, Quezon City	1376	15.06.2004	NCR	National govt.	49
Piwad Employees Association	Casuncad St. San Vicente Pili Camarines Sur	Hernando A. Elano	Pili water district	Casuncad St. San Vicente Pili Camarines Sur	1380	05.07.2004	5	Local govt.	35
Catbalogan Water District Employees Association	Pier 11 Allen Avenue Ext. Catbalogan Samar	Noyne V. Domalaon	Catbalogan water district	Pier 11 Allen Ave Ext. Catbalogan Samar	1400	20.08.2004	8	Local govt.	23

Name	Address	Name of President	Place of operation	Address	Registration	Date registered	Region	Classification	Members
General Santos City Water District Emp. Association	E. Fernandez St. Lagao General Santos City	Greg Ian I. Guipo	General Santos City water district	E. Fernandez St. Lagao General Santos City	1401	30.08.2004	12	Local govt.	62
Metropolitan Tuguegarao Water Dist. Alliance Inc.	2nd Floor, Supermarket Bldg Bonifacio St. Tuguegarao	Engr. Vincent G. Soriano	Metropolitan Tuguegarao water dsitric	2nd Floor, Supermarket Bldg Bonifacio St. Tug. Cag	1433	29.12.2004	2	Local govt.	71
Assn of Catbalogan Water Dist. Emp for Unity and Progre	Allen Avenue Ext. Catbalogan W. Samar	Jesus J. Abaijar	Catbalogan water district	Pier 11 Allen Ave Ext. Catbalogan Samar	1461	17.05.2005	8	Local govt.	18
Meycauayan Water District Employees Association	Poblacion, Meycauayan Bulacan	Joselito O. Cruz	Meycauayan water district	Pob. Meycauayan Bulacan	1464	07.06.2005	3	Local govt.	57
ICWD Employees Association	Iriga City water district, Iriga City	Engr. Paulino I. Laganzo	Iriga City water distric	Butawon, Iriga City	1507	25.11.2005	5	Local govt.	46
Dipolog City Water District Employees Association	Highway Minaog, Dipolog City	Janet R. Nadala	Dipolog City water district	Highway Minaog, Dipolog City	1517	09.12.2005	9	Local govt.	35
Surigao Metropolitan Water District Emp. Union	SMWD Bldg, Km. 2 National Highway Surigao City	Eslie M. Flores	Surigao metropolitan water district	SMWD Bldg, Km. 2 National Highway Surigao City	1544	29.03.2006	13	Local govt.	58
Polomolok Water District Employees Association	National Highway, Polomolok South Cotabato	Solito T. Torcuator	Polomolok water district	National Highway Polomolok South Cotabato	1547	07.04.2006	12	Local govt.	55
Carigara Water District Employees Association	MCWD Office, Carigara, Leyte	Francisco Y. Parena	Metro Carigara water district	Carigara, Leyte	1551	27.04.2006	8	Local govt.	23
Metro Kalibo Water District Employees Association Inc.	C. Laserna St. Kalibo Aklan	Valentino T. Machon	Metro Kalibo water district	C. Laserna St. Kalibo Aklan	1590	30.11.2006	6	Local govt.	59
San Carlos City Water District Employees Assn	Mabini St. San Carlos City, Pangasinan	Jose B. Doria	San Carlos City water district	San Carlos City, Pangasinan	1609	16.02.2007	1	Local govt.	45

Name	Address	Name of President	Place of operation	Address	Registration	Date registered	Region	Classification	Members
Alliance of Water District Resp. Employees	Valecnia City Bukidnon	Edgardo S. Blanco	Valencia City water district	Hagbol, Valencia Bukidnon	1619	11.05.2007	10	Local govt.	85
Malaybalay City Water District Employees Assn	Fortich Sumpung Malaybalay, Bukidnon	Engr. Nolito S. Binahon	Malaybalay City water district	Malaybalay City, Bukidnon	1629	10.08.2007	10	Local govt.	40
Catarman Water District Employees Union	Bonifacio St. Catarman, Northern Samar	Marissa F. Bandal	Catarman water district	Cor. Roxas and Bonifacio St. Catarman, Northern Samar	1644	23.01.2008	8	Local govt.	10
Unyon ng mg Kawani ng Met. Tuguegarao Water Dist.	Main Avenue San Gabriel Tuguegarao City	Alexander M. Mangapang	Metropolitan Tuguegarao water district	Main Avenue, San Gabriel Tuguegarao Cagayan	1673	09.07.2008	2	Local govt.	30
Buk. Bisig ng mga Kawani ng Santa Cruz Water Dist.	A. Mabini Brgy. 11 Pob. Santa Cruz, Laguna	Glenda San Juan Maganti	Santa Cruz water district	A. Mabini Brgy. Pob. 11, Santa Cruz, Laguna	1681	08.09.2008	4A	Local govt.	30
Image-leyte Metropolitan Water District	Apolinaro Mabini St. Tacloban City	Eulogio B. Latoja	Leyte metropolitan water district	Apolinaro Mabini St. Tacloban City	1721	08.04.2009	8	Local govt. unit	101
Dasmarinas Water District Employees Association	Camerino Avenue, Dasmarinas Cavite	Arwin M. Bautista	Dasmarinas water district	Damsmarinas Cavite	1730	13.07.2009	4A	Local govt.	276
Manolo Fortich Water District Employees Union	Ditona St. Tankulan, Manolo Fortich Bukidnon	Edmundo M. Suyabaguio	Manolo Fortich water district	A. Ditona St. Tankulan, Manolo Fortich Bukidnon	1755	29.12.2009	10	Local govt.	25
Metro Roxas Water District Employees Union	Administrative Bldg Km. 1 Rocas City Capiz	Metro Roxas water district	Metro Roxas water district	Km. 1 Roxas City Capiz	1756	29.12.2009	6	Local govt.	109
General Mariano Alvarez Water District Emp. Assn Inc.	Blk 4 Lot 1 Congressional Road, Pob. Gma Cavite	Ulyses Rafol	General Mariano Alvarez water district	Blka Lot 1 Congr. Pob 2 Gma Cavite	1759	02.03.2010	4A	Local govt.	31
BCWD Employees Association	Gov. Ja Rosales Ave, Butuan City	Ernie G. Ruiz	Butuan City water district	Gov Ja Rosales Ave, Butuan City	1767	15.06.2010	13	Local govt. unit	41

Sectoral working papers ¹

	Year	Reference
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	Year	Reference
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A study of the tobacco sector in selected provinces of Cambodia and China (Yongqing He, Yuko Maeda, Yunling Zhang)	2002	WP.185
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	Year	Reference
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Violence and stress at work in the postal sector (Sabir I. Giga, Helge Hoel and Cary L. Cooper)	2003	WP.200
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	Year	Reference
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	Year	Reference
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	Year	Reference
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	Year	Reference
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