

CARP AND ITS IMPLICATIONS FOR LABOR RELATIONS AND EMPLOYMENT OPPORTUNITIES

**NAPOLEON D. AMOYEN
ZORRAHAYDA E. PENAFIEL**

Introduction

On June 10, 1988, Republic Act No. 6657 (more popularly known as the Comprehensive Agrarian Reform Law or CARP) was promulgated with a ten-year period of implementation. The law recognizes all workers and tenants as beneficiaries of the program provided they are landless and willing to till the soil. It also provides for the delivery of support services to the beneficiaries of the program. Farm schemes, such as production and profit-sharing before the final land transfer so as to ensure the tenurial security of farmers and farm workers, are also stipulated.

As the law approaches its final stage of implementation, new employment arrangements, such as contract growing, individual farms, cooperative farming, joint agribusiness ventures and other management practices, have emerged. Large plantations which previously employed sizable work forces, have been subdivided. In theory, these parcels of land will be managed by individual landowners, most of whom used to be employees of the plantations and are now treated as non-traditional farm workers.

Such changes in the employment structures have affected areas such as organization, bargaining and worker's protection, particularly in corporate farms. While the empowering vision of land reform is recognized, the new arrangements have had the immediate effect of decreasing workers' incomes and redefining organizational options. There are as yet no clear policies, programs or laws covering these

arrangements. Neither has the scope or full implication of the program on employment and labor relations in general been fully evaluated.

This study aimed to determine the labor and employment implications of the full implementation of the CARP. It is focused on the description of the labor relations and employment implications of the full implementation of the CARP in the corporate farms. Therefore, the present undertaking covers all the cooperatives in the banana, asparagus and pineapple plantations in Southern Mindanao. It is interesting to note that since the signing into law of the CARP in 1988, the majority of the cooperatives have not received the Certificate of Land Ownership Award (CLOA), thus reducing the number of cooperatives covered.

One of the innovations contained in the 1987 Constitution is the adoption of the CARP which involves the redistribution of all agricultural lands. The Constitution provides that "the State shall promote comprehensive rural development and agrarian reform" (Art. II, Sec. 21).

The State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farm-workers, who are landless, to own directly or collectively the lands they till or, in the case of other farm-workers, to receive a just share of the fruits thereof. To this end, the State shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits, as the Congress may prescribe, taking into account ecological, developmental or equity considerations, and subject to the payment of just compensation. In determining retention limits, the State shall respect the right of small landowners. The State shall further provide incentives for voluntary land-sharing (Art. XIII, Sec. 4).

The framers of the 1987 Constitution considered a comprehensive agrarian reform program as a reform strategy designed to solve the problems of poverty and insurgency, promote industrialization and strengthen democracy by giving opportunity to

the majority of the Filipino people who are poor to actively participate in the political process.

The present agrarian reform program is heavily anchored in the social justice principle set out in the 1986 Constitution. Article 18, Section 1 mandates that "The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all people to human dignity, reduce social, economic and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good."

Social justice focuses on the reduction and removal of inequalities by democratizing wealth and power. This, in turn, connotes changing or modifying power relations. This means the economic and political empowerment of the powerless – the farmers and landless farm-workers. It is within this context that RA 6657, more popularly known as the Comprehensive Agrarian Reform Law, the legal basis of CARP, is supposed to be promulgated.

An analysis of the law indicates an ambivalence regarding how to achieve social justice through agrarian reform. In the declaration of principles and policies, RA 6657 underscores the need for a more equitable distribution and ownership of land. This entails the establishment of owner-cultivatorship and economic size farms as the basis of Philippine agriculture. Yet, agrarian reform is defined in the law to signify not only the redistribution of land and provision of support services, but also all other "arrangements alternative to the physical redistribution of land such as production or profit sharing, labor administration and the distribution of shares of stocks...". At present, there are already four specific cases of such arrangements. Three involve lands formerly owned by a government corporation and leased to multinationals then to cooperatives composed of regular workers (and office employees). These cooperatives are supposed to lease back the land to the corporation. The stocks held by the workers' cooperatives are equivalent to the value of lands.

Whether these arrangements could indeed provide social justice is a debatable issue. Initial analysis indicates that some aspects of these arrangements might counteract the full attainment of social

justice. For instance, in lease-back arrangements, the dual position of the workers – both as members of the cooperative leasing the land to the corporation, and as workers or employees of the corporation – might inhibit them from attaining a strong bargaining position in relation to the corporation. Recent findings of a study conducted by the Institute of Agrarian Studies indicate the possibility of corporate management influencing the organization and the decision-making process of the cooperatives. Nevertheless, it is significant to note that where the labor union is strong, the cooperative's bargaining power is likewise strong. The workers' situation is even more dramatic where stock ownership arrangements are pursued. In such cases, the participation of the workers in corporate decision-making will be minimal considering that, in general, the equivalent value of the land to total corporate assets is only about 20-25 percent. (Cornista, 1990, 15).

Past agrarian reform programs have shown that land redistribution alone is not sufficient to sustain the benefits of agrarian reform. Failure to provide adequate, accessible and timely support services to beneficiaries has resulted in the minimal impact of past programs on rural welfare. In fact, the continued selling and mortgaging of land rights and the persistence of share tenancy in agrarian reform areas could be partly attributed to the lack of sufficient services to beneficiaries to help make their farms productive and viable.

One important support service is credit. Currently, there are two schools of thought that permeate policy-making. The first adopts a free market orientation. It argues that subsidized credit and government's direct lending will distort the financial market. Moreover, it claims that not all farmers need credit. The second school of thought posits that since farmers, particularly agrarian reform beneficiaries, are poor, government intervention to financially assist them, is necessary. Hence, it favors subsidized credit and collateral-free loans. The government must take a more definitive stand on this issue. RA 6657 underscores the importance of government assistance in the delivery of rural credit. The initiative shown by the Land Bank of the Philippines, the financing institution for agrarian reform, in providing low interest rates on loans to agrarian reform beneficiaries is significant to note (Ibid.).

There is also a need to consistently pursue an extension approach that emphasizes community organizing and people's participation. While these principles are already widely accepted as most effective for the delivery of support services to beneficiaries, their implementation has yet to be realized. Two reasons can explain the dilemma. First, people's participation connotes a "bottom-up" decision making process. The government bureaucracy, however, still tends to think from the top down and, consequently, decision-making remains largely centralized. Second, field implementors have been practicing a diffusionist extension approach for a long time. Reorienting and retraining them to adopt a community organizing approach is therefore imperative.

A very positive development in the Philippines is the rise of non-governmental and people's organizations that are willing to participate in agrarian reform and rural development. There is already a widespread awareness of the important role they can play in the delivery of support services to individual beneficiaries. Thus, the Land Bank, realizing its limited reach, has targeted cooperatives and farmers' associations as the conduits of its lending program. Further institutionalization of the relationship between government and non-governmental/people's organizations must be pursued in order to eradicate the suspicion that permeated their past relationships.

Under the CARP Law of 1988, there were two measures designed to improve the tenurial and labor relations: the determination of lease rentals and production sharing (Legada, 1989, 13). Under the first measure, the DAR is mandated to determine and fix the lease rentals in accordance with Section 34 of R.A. 3844 and to periodically review and adjust the rental structure for different crops, including rice and corn, in different regions in order to improve progressively the conditions of the farmers, tenants or lessees (Section 12). With the second measure, multinational corporations and those engaged in commercial farming and any enterprise adopting the production sharing scheme are required to execute within ninety days a production sharing plan (Sec 13).

The declared basic policy on labor and industrial relations is stated in Arts. 3 and 217 of the Labor Code, paraphrased thus:

1. Afford protection to labor, promote full employment, ensure equal work opportunities
2. Regulate relations between workers and employers (Art 211, Labor Relations).

The stated policy of the government is to promote free trade unionism and to assure the rights of workers to self-organization and collective bargaining. During the last decade, however, there was a gradual decline in the strength and number of unions in the labor movement, perhaps due to government actions, such as limitations on the right to strike, restructuring, limitation on organizable workers, legislated wage increases, and leadership in unions (Jimenez 1984: 25-28).

In this study, only 251 cooperatives were covered during the two-week survey period. The sample was, however, revised based on the comments of Mr. Borja (Marsman Estate Plantation) during the initial data presentation at Grand Men Seng Hotel in Davao City last January 19, 1999. It was explained that the Tagnanan, Bongabong and Tagdangua cooperatives were not banana corporations prior to CARP implementation and thus should be omitted as part of the sample. The recomputation of the sample resulted in 358 samples from nine (9) cooperatives with CLOA at the time of the survey. Necessary field re-interviews were done from February to early April 1999 to complete the desired sample.

The sample cooperatives came from five banana corporations. These were Stanfilco, Checkered Farms, DAPCO, Hijo Plantation and Soriano Fruits. The Stanfilco cooperatives have three Certificate of Land Ownership Awards; two of which were covered by the survey (SEARBEMCO and DARBMUPCO). The other CLOA composed of three cooperatives (ARBEMCO, FIAGRO and DOSGRO) were not covered by the survey given their small number of members. DARBCO has a separate CLOA so as with CHEFARBEMCO. The Hijo-based cooperatives (HEARBCO1, HEARBCO2 and HEARBCO) have only one CLOA. However, as a result of conflicts in the management of the mother cooperative, two groups have separated from the mother-cooperative. The CLOA for AMS Magatos Employees Multi-purpose Coop and the Soriano Fruits Employees

Multi-purpose Coop were not yet released by the company, given problems in the leased lands from the owners.

The data needed to answer the objectives of the study were collected using an interview schedule, which was discussed and drafted jointly with the researchers from the Bureau of Labor Relations of the Department of Labor and Employment, Manila. The draft survey instrument was subsequently pre-tested in Diamond Farms, where the Diamond Agrarian Reform Beneficiaries Multi-purpose Cooperative was located. The survey instrument was thereafter revised based on the pretest results.

Five field interviewers were trained on how to properly implement the survey instruments. They were deployed to various sampled cooperatives from October 1, 1998 to November 15, 1998. The second set of data collection was done from February to early April 1999. Spot-checking activities were likewise conducted to ensure that the survey instruments were properly used.

The data were processed using the Epiform program. Simple descriptive statistics were utilized in the data analysis, such as means, frequencies, percentage distributions, and mean ranks wherever appropriate.

The Socio-Demographic Data

The sex distribution of the respondents denotes the type of gender divide in the farm work. As shown in the data, the males outnumbered their female counterparts, i.e., more than three-fourths of the respondents (78.2%) were males while 21.8% were females.

The age range denotes the type of workers hired by the company in terms of age. The majority of the respondents fall between 37 and 46 years of age (60.4%). The mean age was computed at 41.4 years, indicating that the respondents were in their early 40s.

The civil status of the respondents reveals that plantation workers were mainly married couples. This has been ascertained by

the findings of the study where 95.5 percent were married. Only a few were single (1.4%), separated (0.8%), widowed (2%), or living together (0.3%).

The findings on the education of the respondents indicate the standard used by the plantation in hiring workers. The plantation hired workers without a clear criterion on education. Hiring was based solely on the workers' willingness to work regardless of their educational attainment. The majority of the workers were high school graduates (61.2%), followed by those with an elementary education (19.5%). Only a little over 15% were in college (16.8%).

Close to half (42.7%) of the respondents were from Region XI (Southern Mindanao), the location of most of the farmers' coop with CLOA, followed by those from the Visayas (36%).

The data on birthplace further revealed the geographic mobility of the respondents. Over half (57.3%) of the respondents were migrants, i.e., 36 percent came from the Visayas, with the rest coming from different areas in Mindanao, e.g., Zamboanga, Cagayan de Oro City, Bukidnon, Cotabato, and from the Autonomous Region of Muslim Mindanao. A limited few (1.7%) were Luzon-migrants.

The respondents migrated to the survey sites during the 1950s and 1960s. These were the years when people from the Visayas and Luzon were encouraged by the Philippine government to move to Mindanao and settle here. The 1970s marked the period of the banana plantations starting operations in the survey sites, which further encouraged migration from the neighboring regions and municipalities, including those from the Visayas and Luzon, thus recording the highest proportion of migrant workers (55.6%). Others migrated to the survey sites in the 1980's (19%) and 1990's (13.4%).

The length of stay in the survey sites reveals the possible exposure one has in his environment. It is assumed that an individual who has lived in the area for a longer time has more knowledge on what is happening in the area than the newcomer. Thus, the longer the respondent has stayed in the survey sites, the better his views will be on his environment compared to the recent arrival. The respondents

have stayed in the survey sites from one to 50 years, with close to half (46.1%) residing in the survey sites from 21 to 30 years. On the average, they have lived in the survey sites for at least 20.3 years.

The total number of living children is indicative of the economic responsibility and needs of the respondents' family. The higher the number of children, the more efforts are needed to provide for their family's needs than those families with lesser number of children. The total number of living children ranged from one to 12, with most of them indicating three to four children (41.3%), followed by those with one to two living children (27.8%). A smaller proportion (18.7%) have five to six living children. They have an average of 3.8 or four living children.

The monthly income received by the respondents ranged from P1,000 to over P5,000 prior to and during CARP. There were more of those who received P3,500 to P3,999 during CARP (60.9%) than those prior to CARP (39.1%).

The average monthly income of the respondents during CARP (P3,827.71) was higher by P324.31 from the average income of the respondents prior to CARP implementation (P3,503.40), which was three years or more years ago. However, such amounts were very much lower compared to the average monthly income of P7,755.33 in Southern Mindanao established by the National Statistics Office/National Statistical Coordinating Board as of August 1998 (September 1998). The average income of the respondents prior to CARP was lower by 121.4 percent while the average income during CARP implementation was lower by 102.6 percent compared to the average monthly income pegged by the National Statistics Office (P7,755.33).

As explained by the key informant from DARBMUPCO, wage increases were the result of the employers' conscious efforts to follow the mandated wage increase policy of the government. They increased the wage by 27 percent from its pre-CARP level (i.e., P117 x 27% = P148.59). However, it is also worth noting that some cooperatives reduced the salaries of their members, such as the case of the Hijo ARBs, from pre-CARP level of P144.36 a day to P110 a day in 1997 and to P140 in 1999. The case of Soriano Fruits

Employees Multi-purpose Coop is different. They received P159 a day because the company continues to provide their salaries. While their CLOA was already released, however, it (CLOA) was kept by the company. This suggests the range of discretion possible in determining wages for the coop members by the cooperatives. At the same time, these phenomena explained as adjustments made by the cooperatives, i.e., being new to the business, and depending on the proceeds of the sale of bananas from the buyers. But they were hopeful that if the economy stabilized, they will make the necessary adjustments to provide the workers the necessary increases in their wages and wage-related benefits.

A check with the Department of Labor and Employment - Region XI revealed that the workers received more than the minimum wage pegged by the Regional Wages and Productivity Board, i.e., P123 per day. And since the workers were receiving more than the minimum wage per day, they will not be provided with cost of living allowance, amounting to P10 a day.

Terms and Conditions of Work Prevailing in Plantation Placed Under CARP

As a result of placing banana corporations under CARP, the data on specific tasks performed by the workers revealed that there were tasks performed during CARP such as managing the coop, first aid and legal benefits officer, which were not done prior to CARP. Job positions such as drivers, time keeper, tissue culturist, pump/tractor operator and janitorial services were no longer needed under CARP. These show that while the cooperatives tended to forego some of the specific tasks done prior to CARP implementation, new tasks were, in turn, undertaken.

The inclusion of new tasks was a must for the workers are no longer mere employees but employers as well. The exclusion of some tasks could perhaps be viewed as the coops' way of limiting their tasks to those which were necessary, and thus reducing costs on unnecessary expenses. This could be a venue for agencies involved in training to forge relationships with the cooperatives to enhance the skills of cooperatives and their members. This is a new strategy

for workers who were once employees and have now become their own managers.

The mode of payment of income of the respondents did not appear to vary greatly prior to and during CARP implementation. While the respondents prior to CARP reported two modes of payment, i.e., "15th and 30th of the month" and "pakyaw" (parcella system), all the respondents during CARP reported a "15th and 30th of the month" mode of payment of their salaries. These workers were paid their salaries on the 15th and 30th of the month. The daily workers as well as the piece workers were still paid on the 15th and 30th of the month.

Working Conditions and Relationships

The respondents were asked to rate their physical working conditions by asking them to choose which of the responses best described their answers to the questions. The choices included "very adequate" = 1, "adequate" = 2, and "not adequate" = 3.

The responses of the respondents revealed that they considered the working tools, working equipment, protection from harmful chemicals, availability of medical facilities and availability of medical supplies as "adequate", as evidenced by the rating of the respondents of these items as "adequate", i.e., 2.02 prior to CARP implementation and 2.20 during CARP implementation. The ratings suggest that in terms of the physical working condition, their situation prior to the CARP implementation was better than during the CARP implementation. Such perceptions are to be expected since these arrangements were new to the cooperatives. They still had to exert more efforts in understanding how the cooperatives may be handled well. Under the cooperatives, it was not easy for them to disregard the working conditions which they were used to under the company for fear of losing their workers.

Though the ratings related to physical working conditions were lower than when they were under the company, they rated their working equipment as more adequate (2.16) and the availability of medical supplies as more inadequate (2.26). The working equipment

under the cooperatives were still the ones they were using when they were still working under the supervision of the company. Their cooperatives could not supply them with all their equipment. Their rating on the availability of medical supplies was explained by the fact that when they became members of the cooperatives, they had to buy these supplies from the drugstores unlike when they were under the company, where these supplies were readily available. Furthermore, it was not easy to avail of related services such as transportation for their medical needs. Hospitalization was also easier to avail of from the company than when they were under the cooperatives.

This variation in their ratings of their physical working conditions implies a shift in the needs of the workers prior to and during CARP. During CARP, the workers' pressing need was medicines while prior to CARP, their pressing need was protection from harmful chemicals.

The respondents also rated their working relationship with supervisors, relationship with co-workers, relationship between and among managers, sensitivity of the officers to the needs of the members, trust and respect of members for each other, and encouragement of officers for the members to express their opinions openly. They were asked to choose from the following answers: "very satisfactory" = 1, "satisfactory" = 2, "unsatisfactory" = 3 and "very unsatisfactory" = 4.

The data revealed that the respondents under cooperatives appeared to be more satisfied with their working relationships (1.84) than when they were under the supervision of the company (1.97). This was attributed to the change in treatment provided to them by the officials of the cooperatives, i.e., on a more personal basis as co-workers than when they were under the company where they were treated with impersonalism for their relationship was governed by the provisions of the collective bargaining agreement which they had forged with the banana plantations. Under the cooperatives, these former company employees were not just workers but owners of the cooperatives as well.

Analysis shows that they were more satisfied with their relationship with their co-workers (1.84) and their relationship with the officials of the cooperatives (1.91). These facts could perhaps be due to their new working environment where everything was discussed among themselves being owners and workers of the cooperatives. They now have a stake in all the affairs of their cooperatives compared to when they were under the Company. Small discussions among the worker-owners of the cooperatives brought them closer to one another. However, they appeared to distance themselves from the officials (1.99) and they rated the sensitivity of the officials to their needs as less satisfactory (1.98). This behavior of the workers could be a carry-over from the time when they were still workers of the banana corporations. They viewed the officials as a source of control despite being co-owners and co-workers of their cooperatives.

Other than asking them to rate their physical working conditions and working relationships, the respondents were further asked about the benefits they received prior to and during CARP implementation. The data revealed the top three most mentioned benefits received by the respondents. Prior to CARP, the respondents received wage increases (82.7%), vacation leaves (81.6%) and 13th month pay (79.3%) while during CARP, the respondents received wage increase (88.3%), 13th month pay (86%) and maternity leaves (80.2%). These findings show that though both groups of respondents identified wage increase and 13th month pay as the usual benefits received, they, however, differed with regard to the other benefits received, i.e., vacation leaves for those prior to CARP and maternity leaves for those during CARP.

Looking closely at the proportions of respondents per benefit received, it can be deduced that while all the benefits were received, more (8 out of 14) benefits were actually received by the CARP-beneficiaries than their pre-CARP period.

However, a review of the data taken from the cooperatives further revealed that of the benefits provided to the workers, only six out of 14 benefits enumerated during the interview were provided by all the cooperatives, such as wage increase, vacation leaves, sick

leaves, maternity leaves, paternity leaves, and medical benefits. Other benefits were not given by all. The 13th month pay was part of the dividend from DARBMUPCO and was still to be decided upon by the DARBCO. MARBUCO and SFEMUPCO never gave transportation allowances prior to and during CARP. Christmas and midyear bonuses were never given by the cooperatives to their co-workers for these were never given to them even in their union days.

These facts show that the cooperatives were still providing the benefits their workers were receiving under the Company. While the cooperatives still provided vacation and sick leaves, the number of days was reduced, i.e., from 16 days under the company to 6 days under the cooperatives.

Other than asking the respondents about the benefits they received, they were further asked to rate the benefits they have received. They were asked to choose from the following ratings: "unsatisfactory" = 3, "satisfactory" = 2, and "very satisfactory" = 1.

The results show that the respondents both prior to and during CARP implementation agreed in their rating of the "more satisfactory" and "least satisfactory" benefits they received. Both groups of respondents rated the wage increase as "more satisfactory" (1.76 and 1.65, respectively), and health and safety benefits as the "least satisfactory" (1.99 and 1.91, respectively). This shows that the company and the cooperatives failed to adequately provide the workers the necessary health and safety benefits for their protection, which was a gross violation of the provision of the labor laws. In the case of the cooperatives, such constraints were understandable because of their being new to the business endeavor. They were thus considered by the Department of Labor and Employment to be in their labor-relations legislation stage. However, the company should be held responsible, being aware as they were that these benefits should be given to the workers.

Looking closely at the ratings per benefit, the data revealed that 9 out of 11 benefits were rated higher by the respondents during CARP than prior to CARP. Such results suggest that the coop members were relatively more satisfied with their CARP benefits than those

given in their pre-CARP days. Such individual ratings are further confirmed by the overall ratings where the respondents prior to CARP implementation had rated the benefits they have received as "1.92" while the CARP respondents had rated it as "1.83".

"Hours of work" refer to "all the time an employee renders actual work, or is required to be on duty or to be at a prescribed workplace," which is eight hours in a day (Workers Calendar, 1999). When the respondents were asked about the number of hours they worked a day, the results show that there were more respondents during CARP implementation who worked only 8 hours a day (99.4%) than prior to CARP implementation (83.2%). Also, there were more respondents prior to CARP implementation who worked for 12 hours a day (16.8%) than those respondents during CARP implementation (0.3%). A follow-up interview with the coop officials revealed that the workers pre-CARP and during CARP were only required to work 8 hours a day. However, they were required to work more than 8 hours a day if there were packing operations needed to speed up the harvest of banana fruits. Furthermore, workers assigned in the packing house were required to work overtime until the packing operations were completed.

One respondent during CARP implementation worked only two hours a day (0.3%). However, during the follow-up interviews with the officials of the cooperatives they reported that none of their workers worked only two hours a day. The officers perceived that this particular worker might be thinking of the overtime work he actually rendered in the plantation.

There were more respondents during CARP implementation who worked overtime (92.5%) than the respondents prior to CARP implementation (77.6%). Overtime work was required from the workers prior to and during CARP every time there were packing operations to provide the needed services to meet the deadline for shipping bananas to the concerned foreign countries. Normally, the workers were required to do overtime work one to two hours a week because the banana plantations harvest banana fruits three to four times a week depending on the color coding. The color coding reminds the workers on what week the banana fruits should be harvested.

Occupational Safety and Health

The respondents were asked what gear/clothing was necessary for the protection of the workers prior to and during CARP. The respondents were asked to answer by identifying the gear/clothing for selected banana operations such as land preparation, slashing, spraying, fertilizer application, pruning, hauling, packing, and other operations of the banana plantation.

For both groups of respondents, boots were considered necessary for land preparation, slashing, and pruning, and gloves for packing. Both groups, however, differed in the gear/clothing mentioned in other aspects of banana operations. While the respondents prior to CARP mentioned mostly boots and gloves for hauling and other banana operations, they cited mainly gloves and shoes for similar activities during CARP.

Other than asking the respondents about the gear/clothing necessary for the protection of the workers, they were further asked about the gear/clothing that they have actually used.

Though the respondents indicated that boots were highly considered as necessary, the data showed that none of the members of the cooperatives has actually used them. This is tantamount to saying that before the CARP there was a gross violation of the Labor Laws where provisions of appropriate safety devices like boots were mandated. And, sad to say, now they were no longer covered by the Labor Laws for they were no longer employees of an employer but worker-owners of the cooperatives. The cooperatives should thus be encouraged to seek ways of providing the necessary gear/clothing for their co-workers. As observed during the data collection period, most of the workers in the field used slippers.

During CARP, gloves were used in slashing, pruning, hauling and packing; T-shirts and pants for land preparation; shoes for spraying; shoes, T-shirts and pants for fertilizer application; and boots for other banana operations. Prior to CARP, boots have been the most used gear for land preparation, slashing, fertilizer application, hauling

and packing while gloves were used in spraying, pruning, and other banana operations.

When further asked about the efforts of the cooperatives to promote safety and protection of workers, the results showed that the majority of the respondents reported that the cooperatives had maintained the tools and equipment regularly (95%), workers were oriented on the use of the tools and equipment (98.9%), and workers were required to use protective gear and clothing while doing any tasks in the banana operations (92.7%).

Close to three fourths of the respondents (76%) had known of work-related accidents in the plantation during CARP, with 24 percent, claiming otherwise.

However, only a few of the respondents actually experienced such work-related accidents during CARP (27.4%), e.g., slashing fingers, falling in the ditches, a sprain while carrying newly-harvested banana fruits to the cableway, and skin irritation as a result of spraying chemicals and chemical poisoning. Similar experiences were observed prior to CARP. However, during the follow-up interviews, the officers of the cooperatives revealed that workers involved in accidents were usually scolded by the supervisors of the company for their failure to protect themselves.

Forms and Modes of Organization and Bargaining

The respondents were asked about their membership in labor unions prior to CARP. This issue was raised because of the common notion that only those who were union members prior to CARP were entitled to be members of the cooperatives. However, the results of the survey showed that not all of the members of the cooperatives were members of the union. The majority of the members (93.3%) were members of the union prior to CARP while only 6.7 percent were not members of the union. The non-union members prior to CARP were the staff of the banana companies who were assigned by the company to the cooperatives. They were the ones serving as

officers of the cooperatives. The respondents believed that it could be one way in which the company could control the decisions of the cooperatives. In the words of one of the respondents "*mao na nga dili kaayo mi naga-participate sa activities sa among cooperative tungod kay control lang gihapon sa companya, abi namo ang cooperatives para lang sa mga workers nga miembro sa union ug ang dapat nga officials sa coop gikan sa amo*" [This is the reason why we do not participate in the activities of the cooperative. We thought that the cooperative is for the workers of the company who were union members but it is not true. We also believe the officers of the coop should come from us.]. A check with the Department of Agrarian Reform-Region XI, revealed that the guidelines on qualifications on who will be the members of the cooperatives are ambiguous and are due for review.

Those claiming to be union members were further asked to identify their union. National Federation of Labor appeared to be most popular among the respondents (34.7%), followed by NAMADIFA (22.1%) and Southern Philippine Federation of Labor (16.8%). The dominance of National Federation of Labor members may be attributed to the higher number of respondents from the Stanfilco subsidiaries, i.e., Diamond, DAPCO, Checkered Farms and Stanfilco.

The majority of the respondents cited that their union was affiliated with the federation (96.7%), with a few (3.3%) reporting that their union was independent.

Union membership was greater than membership in the cooperative. The data revealed that the members of the union were more than 1,000 (41.6%) compared to that of the cooperative, which was a maximum of 799 members (31%). This could perhaps be due to the fact that the union was for all the workers of the banana plantation while the cooperative was limited only to those who were interested. Only those who signified their interest in being members in the cooperatives were thus considered. Those workers who did not join the cooperatives were either retired, or retrenched or paid by the company (separation pay) – thus adding to the number of

unemployed members in society. These workers either returned to their place of origin or just stayed around.

When the respondents were asked whether or not the members of the cooperative decreased when CARP was implemented, the majority of the respondents claimed that the membership in the cooperative decreased (72.6%). This may be due to certain factors, e.g., some of the union members joined the company-formed cooperatives (39.6%), some did not sign the CARP document (21.5%), or some were retrenched (11.5%). Still others did not work as contractual workers or were paid by the company their separation pay and signed a document not to avail of the CARP (10.8%), was retrenched but worked as contractual workers (4.2%), stopped working (2.7%), did not want to be members of the cooperative or were not registered in the final documentation (0.4% each).

An interview with the head of the Farm Cooperative, Atty. Koronado Apuzen, revealed that the reduction of members of the cooperatives could be due to the fact that in one company, there may have existed more than one cooperative so that former union members were dispersed. Stanfilco has five cooperatives; Hijo plantation has three; Soriano Fruits has two; while Checkered Farms and DAPCO have one cooperative each.

Furthermore, the reasons cited on the decrease in the cooperative membership could have some implications on employment opportunities. The Labor Laws provide that "The State shall promote full employment, provide equal work opportunity, provide equal work opportunity regardless of gender, race or creed and regulate employee-employer relations" (Workers Calendar, 1999). But this poses a dilemma to the State inasmuch as under the cooperative management approach, the former company workers are now both workers and owners of the cooperatives. The State still has to redefine the meaning of labor relations in a cooperative management approach, where those once company workers are now both owners and workers of the cooperatives. What then are the indicators of labor relations in a situation where the workers are owners at the same time?

Focusing on employment implications, what could be done while the State is undertaking a series of studies in this new approach of management? These once company workers could be organized into a pool of workers where the cooperatives can request assistance for services needed in the banana plantations.

When the cooperative was in place, it was expected that the union would cease operation; thus, the respondents were asked about the dissolution of the union. Slightly over one half (51.2%) of the respondents reported that their union was dissolved when they joined the cooperative. Some 48.8 percent of the respondents cited that their union was not dissolved.

For those who reported that their coop was dissolved when they became members of the cooperative, the majority (65.5%) claimed that the dissolution of their cooperative was reported to the Department of Labor and Employment (DOLE) while 34.5% did not report the dissolution to said agency. However, Atty. Koronado Apuzen of the Farm Coop revealed that it was not necessary to report the dissolution of the union to DOLE. Such reports are to be made on the initiative of the cooperatives themselves.

Those who reported a dissolution of the union was reported to the DOLE gave various reasons: It is a DOLE requirement (18.7%), as part and parcel of the quarterly report submitted to the DOLE (15.2%), for DOLE people to know about the existence of the union (12.5%), as a requirement to have a cooperative (14.3%), and the establishment of a new union (5.4%). At least a third (33.9%) of the respondents failed to explain why such reports were submitted to DOLE.

On the other hand, those who claimed that the dissolution of the union was not reported to DOLE explained that the union was still existing (64.4%). Others clarified that it was only an association (16.9%), that it is not a requirement (6.8%) and "we just left it to our officers" (8.5%), because there will be a new union and it has expired (1.7% each).

These reasons suggest one possible problem faced by the

union as a result of the change in management from company-controlled workers to cooperative management of the plantations, i.e., whether or not to report to DOLE. A dialogue between the cooperative officials and the coop workers is thus necessary to discuss what happened to the union when the cooperative took over the management of the banana plantations to avoid misconceptions arising from the situation.

Part of the right to self-organization is collective bargaining where the representatives of the employer and the union, duly authorized by the majority of the employees within the union, agree to fix and administer terms and conditions of employment which must not be below the minimum standard fixed by law and to set a mechanism for resolving their grievances, resulting to a collective bargaining agreement, otherwise referred to as the CBA (Workers Calendar, 1999). Based on this, the respondents were asked about the presence of the CBA and grievance machinery. The majority of the respondents (96.1%) claimed that they had a CBA prior to CARP. About 3.9 percent claimed otherwise. These findings suggest that the functions of collective bargaining will cease once the company becomes a cooperative for there will be no conceivable room for the union members to maintain its collective bargaining functions which could lead to sectoral disputes or conflicts of interest within and among coop members. But as observed and as gleaned from the responses of the respondents on disputes experienced, it is deemed necessary that there must be some sort of agreement that will be forged between the coop officials and the workers notwithstanding their being owners of the cooperatives. This is to protect both the workers and the officers. However, Atty. Koronado Apuzen asserted that agreements on the expectations of the workers and the officers should have been discussed during assembly meetings. They can no longer observe the mechanics of collective bargaining under the cooperative management approach because the workers are all owners of the cooperatives.

Section 1, Rule XIX of Department Order # 9 of DOLE, clearly states that "the parties to a CBA shall establish a machinery for the expeditious resolution of grievance arising from the interpretation or implementation of the CBA and those arising from

the interpretation or enforcement of company personnel policies". Thus, in this study, the respondents were asked about the presence of a grievance machinery prior to or during CARP. The data show that the majority of the respondents revealed that prior to and during implementation of CARP they have a grievance machinery (76% and 50.3%, respectively).

How does the grievance machinery work? The two most frequently mentioned processes prior to CARP implementation were reporting the grievance to the officers (22.8%) and the union leaders then to management (18.4%). During CARP implementation, the grievance was resolved by submitting the complaints either to the superiors and subsequently to the management for action (33.3.6%) or to the Board of Directors and then to management (13.9%).

The respondents were further asked whether they had experienced any labor disputes. The data showed that prior to the implementation of the CARP, over one half (52%) of the respondents did have disputes while only 9.5 percent of the respondents claimed to have had labor disputes during CARP implementation.

The majority of the respondents reported that prior to CARP they had labor disputes mainly on the CBA deadlock (66.7%), notice of strike or actual strike (25.8%) and unfair labor practices (21.5%). To a limited extent, others mentioned the certification of election (3.8%). These were no longer true under the cooperative management. During the implementation of CARP, the disputes were limited to the non-provision of some of the benefits (88.2%), delayed releases of salaries given the delayed releases by the company to the cooperative of the proceeds of sales of the bananas (29.4%), and unfair labor practices (2.9%). Such findings suggest that labor disputes during the implementation of CARP have been reduced. A possible explanation may lie in the employees now being collective owners of the land so that things are discussed thoroughly.

However, it is good to stress that disputes should not occur in a cooperative since the employees are both owners and workers at the same time. Everything should have been discussed among themselves and rules and regulations should have been discussed to

make effective the new endeavour that they are into. But, in the words of one coop manager, such disputes are nonetheless expected, the coop member being new to the management approach. He further cited the lack of adequate preparation for the union members to become coop members, i.e., not having the necessary information on the wages and benefits under the cooperative arrangements.

When the respondents were asked about the existence of a Labor Management Coordinating Council, only a few of the respondents responded positively prior to (28.5%) and during CARP implementation (3.9%). This was usually referred to as the labor management council prior to CARP (56.8%) and as the Board of Directors during CARP implementation (50%). Prior to the CARP implementation, others referred to it as the board of directors, steward, labor management consultative meeting, labor-management relations, and negotiating panel. The cooperative members, i.e., during the CARP implementation, usually referred to it as the board of directors, labor management council and the labor management relations. This means that given these experiences with the union, the cooperatives were still conscious of these structures installed during their union days to the extent that these were carried over to the cooperatives. This can be seen as an innovative approach in the cooperative system.

Perceptions on the purpose of the labor-management coordinating council vary. The majority reported that prior to CARP implementation, the Labor Management Coordinating Council was for negotiating between the union and the management (80.4%), to thresh out problems on labor and productivity (36.3%) and to solve problems (16.7%). Other respondents reported that the functions of the labor-management coordinating council were to negotiate the collective bargaining agreement, to help the workers against the management, to settle disputes regarding working relationships, and to serve as an arbiter and a pacifier. During the CARP implementation, the Labor Management Coordinating Council (LMCC) was perceived to focus mainly on problem-solving (50%), particularly those related to labor and productivity (35.7%).

The LMCC was likewise seen as a negotiating body between the cooperatives and the company regarding marketing arrangements.

This was a new form of bargaining between the cooperatives and the company. DOLE assistance may now be explored in terms of organizing these cooperatives and identifying the possible legislation that will protect the cooperatives from the exploitative maneuverings of the company regarding marketing contracts and other contracts.

The Support Services Extended by Corporate Employers to Their Former Employees

It is assumed that the operations of the cooperatives were made possible through the contributions of the coop members. Asked about the amount of the capitalization of the cooperative, the survey-respondents reported that the capitalization of the cooperatives ranged from less than P100,000 to over P900,000, with the majority concentrated in the less than P100,000 capitalization bracket (64.3%). A smaller proportion of the respondents reported capitalization greater than P100,000.

When asked about the sources of their capitalization, the majority of the respondents (57.3%) mentioned their contributions or capital shares which were either fully paid from their separation pay or deducted from their salaries. Other sources of capitalization included excess from land rental, income from sales of the bananas, bank loans, company loans, and management financing. It is interesting to note that 19 percent of the respondents did not know where the capitalization of their cooperative came from. Such responses may be those of the respondents from DARBMUPCO, where the respondent-manager of the cooperative explained that they get their capitalization from the DAR through the Land Bank of the Philippines. Others borrowed from STANFILCO for operation purposes, deductible from the proceeds of the sale of bananas. Such findings indicate that the cooperatives adopted varied ways of putting up the needed capital build-up to operate. Likewise, it was a venue through which financing institutions could venture into and revise their policies regarding capital borrowing from these emerging management approach under transnational corporations. Companies as sources of capitalization are indicative of the support that the cooperatives have from their former corporate employers.

Prior to CARP implementation, the respondents had attended various types of training but the majority attended human resource development (46.5%), and organizational development programs (39.4%). During CARP implementation, the majority attended the training for the cooperatives (87.2%). To a much lesser extent, others attended trainings on human resource development (3.3%) and enterprise development (2.9%).

Such findings indicate the need for more training for the cooperatives and their workers. However, they are limited by their meager capitalization compared to when their members were company workers. Such a situation will not change unless government and non-government agencies are able to package their services to be provided for the coop members to enhance people empowerment. As gleaned from the specific trainings received, most of the respondents have availed of independent or one-shot types of educational inputs. It is suggested that the current trainings received by the workers of the cooperative be reviewed in consultation with the members to be more effective and relevant trainings.

The specific training attended on cooperatives during CARP implementation focused mostly on the pre-membership seminar on cooperatives (73.3%), followed by the cooperative training/seminar (23.9%). Others cited training on leadership, basic orientation seminar, farm coop management, skills training, and educational seminar. The respondents likewise showed that prior to CARP implementation they have attended trainings on the cooperative training/seminar (50%) and the pre-membership seminar (40%).

A limited number of the respondents attended trainings on land management. During the CARP implementation, however, most of them participated in such trainings (57.1%), including those on quality mind setting, leadership seminar, and basic orientation seminar. Those respondents prior to CARP implementation had attended mostly the training on quality mind setting (50%), with some citing training on basic management skills and research.

Similarly, only a few of the respondents had attended training on crop management during CARP implementation. They had

attended trainings on banana culture practice, land valuation, and leadership training. Those respondents prior to CARP implementation had attended mainly training on international standardization organization (78.8%). Others participated in trainings on chemical use, the role of leaders during meetings, research training, and leadership training.

As with the earlier trainings mentioned, only a few of the respondents during CARP implementation attended trainings on human resource development, e.g., quality control, maintenance, rights and privileges, and HRD seminar. The respondents prior to CARP implementation, on the other hand, had had training on "KAIBIGAN" (91%). Others mentioned trainings on "influencing others" and basic health.

Only one respondent during CARP implementation had training on marketing schemes. Prior to CARP implementation, the respondents had training on the quality control circle, marketing schemes and international standardization organization.

On enterprise development, the respondents during CARP implementation had training on banana plantation operations and development, productivity training, fisheries, and management of the cooperative. Those respondents prior to CARP implementation had total quality management, and productivity training.

Similarly, only one respondent during CARP implementation had attended the Workers Organizational Development Program, specifically on values formation. The majority of the respondents prior to CARP implementation participated in trainings on the quality circle (82.1%) and on total quality management (13%). Other trainings indicated were genuine trade unions, grievance handling, and "KAIBIGAN".

The sponsors of the trainings varied, depending on the specific trainings attended by the respondents. During CARP implementation, trainings on cooperatives were handled mostly by the Board of Directors of the Cooperatives and the Cooperative Development Authority (33.61% and 33.2%, respectively). The other sponsors

consisted of the DARBMUPCO for training on land management, and DAR for training on crop management and enterprise development training. Others mentioned the Cooperative Development Authority for human resource development, marketing scheme, the cooperatives and the MASS-SPEC for workers organizational development program, and the management or the company for other trainings.

However, prior to CARP implementation, most of the respondents cited two sponsors – the Cooperative Development Authority for trainings on cooperatives, and the company for land management, crop management, human resource development, marketing scheme, and workers organizational development program.

The findings not only revealed the minimal support from former corporate employers, particularly in training on land management (cited by one respondent) and other trainings (mentioned by six respondents), but also most of the training institutions were government agencies. Thus, it is imperative that the government facilitate the establishment of linkages between the cooperatives and the non-government agencies for their training needs by providing them a list of the non-government agencies who provide trainings for cooperatives and how these services may be availed of.

Coping Mechanisms

While preparing for the transfer of farm management from the company to the workers through the cooperatives, particularly when the concept of cooperatives was not fully understood by the respondents, some of them started establishing "sari-sari" stores, kitchenettes or canteens. Others sold banana rejects, engaged in trucking services and food processing. The majority, however, failed to do anything at all. Income-generating activities were undertaken not only for retirement purposes but likewise as a fall-back mechanism, realizing the time-lag for the development of cooperatives. Some cooperatives engaged in livestock raising for their co-workers but this was not sustained, given the cash-strapped situation of the workers' families. Given such needs, it is hoped that

DOLE will prioritize these families through their Public Employment Service Office. Other non-government agencies are likewise encouraged to design programs for the families of these workers, where the unemployed household members are organized and provided trainings on livelihood so as to earn additional income for their families.

The transfer of farm management to former union members is not an easy task since funds are necessary to finance the field operations. Some members were fortunate in being provided credit by their corporate employer as their starting capital, payable as soon as the proceeds from the sale of bananas were received by the company. Most of them, however, agreed among themselves to put up the necessary funds from their separation pay ranging from P1,500 to P4,000. Some were able to arrange for management financing (former corporate employer), avail of loans from the bank, or secure salary deductions.

Being new to this type of management, the officers of the cooperative availed of the immediate and necessary training from the Cooperative Development Authority such as accounting, management of cooperatives, and staffing, as well as contract-formulation. Meetings with the co-workers-owners were held as a constant feedback mechanism on the status of the cooperative and how problems arising from the complaints of the workers-owners on benefits and wages could be resolved. Members of the cooperative attended any training regarded as important for the welfare of the co-worker-owners whenever funds were available.

Because of the sudden paradigm shift from company-controlled workers to worker-owners, it was generally expected that the worker-owners would complain about the wages and benefits to be received. Would they receive similar wages and benefits under the cooperatives as in the companies? Upon implementation of CARP, all wages went down to P92 per day but this increased up to the time of the survey. The decrease was attributed to the unilateral contract drawn up by the banana corporations. To date, the majority of the cooperatives covered (HEARBCO1, HEARBCO, SEARBeMCo, DARBCO, DARBMUPCO, and CheFARBeMCo) were receiving

P150 a day except for the Hijo Employees Agrarian Reform Beneficiaries Coop 2 (HEARBCO), which was receiving P140 a day. All these cooperatives with marked wage increases used to sell their bananas to Stanfilco while HEARBCO2 sold their bananas to the company.

The respondents indicated under their former companies that the presence of a body which addressed their complaints about unfair labor practices while under the cooperatives, no such body exists. The cooperatives thus established such a body that would attend to all the problems of their co-worker-owners. The usual disputes between the coop management and their workers were more related to wages and benefits, which could easily have been threshed out among coop members.

Issues and Concerns

The majority of the respondents prior to CARP implementation cited that the main problems were about minimum wage (53.1%) and safety measures (31.3%). To a lesser extent, others mentioned health benefits (18.9%) and leave provision (3.3%). However, during CARP implementation, most problems regarding safety measures (46.4%), leave provision (37.4%), health benefits (34.1%) and minimum wage (24.6%). The findings suggest a shift in priorities, i.e., that prior to CARP implementation, the respondents concentrated on minimum wage while during CARP implementation, they were more concerned with safety measures. The present concerns may be attributed to the fact that prior to CARP, the workers had the collective bargaining agreement as a basis for their claims regarding their wages and benefits. This is not, however, present under CARP. For the CARP beneficiaries, the concern was about protection of the workers from health hazards. It is thus perceived that this could not be adequately provided by the cooperatives at the moment since the more pressing concerns were marketing contracts.

Focusing on minimum wage, it appears that these are not the primary issues of the workers, now their wages being more than what was provided for by the agricultural plantations under the Regional

Tripartite Wages and Productivity Board (RTWPB). The minimum wage set before by RTWPB for agricultural plantations was P123 a day. At the moment, all the cooperatives covered by the survey indicated that they were receiving a daily wage of P160, which was higher by P37.00 than what was provided for by the RTWPB. It was only the workers from the HEARBCO2 who received P140 a day.

Close to half of the respondents (44.6%) prior to CARP implementation cited that their wage was below the minimum level. On the other hand, the respondents during CARP implementation indicated that their wages were still not sufficient to meet their needs because they were given salaries below the minimum (60.5%). This suggests that the respondents had a different understanding of the minimum wage, other than what was provided by the RTWPB. One question raised was: "How minimum is minimum"? All the wages provided by the cooperatives to their workers were greater than the minimum wage pegged by the RTWPB.

Other problems cited prior to CARP implementation included delayed implementation of wage increases, not following the basic rate, wage orders not followed, COLA not being implemented or not sufficient to meet cost of living, no overtime, contract not signed, unclear basis for computation, CBA deadlock on wage increase, and wage distortion.

During CARP implementation, the respondents identified the following problems on minimum wage: delayed wages, wage orders not implemented above minimum wage, not sufficient to meet cost of living, no negotiation with the company, contract was not yet signed, and wage distortion. The perceptions of the workers regarding non-implementation of minimum wages which were, in fact, above the minimum wage should be corrected for they received salaries more than the minimum wage provided for by the RTWPB. A follow-up survey should thus be conducted to define their concept of a realistic minimum salary-level, i.e., one that is sufficient to meet the cost of living.

The delayed release of leaves of absence that were convertible to cash was cited by the respondents prior to CARP. During CARP

implementation, most of the respondents (44.4%) indicated that there are no such leaves of absence. Those who did, explained that these have been reduced, e.g., from 16 days to 6 days vacation leaves.

Both the respondents before and during the implementation of CARP claimed that the health benefits were limited (25% and 34.7%, respectively). Some respondents cited problems on health benefits prior to the implementation of CARP, such as the absence of health benefits, not being attended to immediately by the health workers, lack of supply of medicines, medical assistance/medicine were deducted from the salary, delayed releases of health benefits, excess of SSS was deducted by the company from the payroll, health benefits expired within one year, no x-ray, and 50% being free health benefits for dependents.

During CARP implementation, the respondents cited similar problems such as the absence of health benefits, lack of supply of medicine, medical assistance which was deducted from the salary, Philippine Health Insurance was not clear, no monthly free clinic, coop had no money to finance hospitalization, SSS/Medicare remittances were not paid, no funds, free on emergency cases only, and contract was not signed yet.

Both the respondents before and during CARP implementation cited mainly the problem on the inadequate provision of safety measures (50% and 56.1%, respectively). Some respondents cited the following problems prior to the implementation of CARP: delayed releases of safety gadgets, no supply, non-provision of protective gear, and mishandling of chemicals. The respondents during CARP, on the other hand, furthered mentioned problems such as "no supplies", non-provision of protective gear, lack of funds to buy necessary protective gear, no proper training on proper use of gear and delayed releases of new supplies.

The majority of the respondents (84.1%) identified their spouses as their immediate successors. Close to half of the respondents (43.8%) identified the children. Other respondents noted that other relatives may succeed the original beneficiary (2.4%).

The majority of the respondents preferred the coop-owned and management approach (69.5%). Others preferred the leaseback approach (19.3%), growership or contract growing approach (4.5%) and the joint venture approach (1.4%). Such responses indicate that while the respondents know about other possible management approaches that can be adopted in their situations, the majority still preferred the coop management approach. This was their current experience.

Problems Encountered by the Respondents on the Implementation of CARP

The respondents were further asked about on the problems they have encountered relative to CARP implementation. The majority of the respondents noted that they have encountered problems on the company/buyer level (58.6%), followed by coop members-related problems (42.1%), salary-related problems (40.7%), coop management (35.8%), other workers in the plantation (14%), creditors (8.8%) and other types of problems (3.8%).

The three most mentioned problems regarding coop management included incompetent officials (27.4%), "capital share is lost" (26.5%), and corruption (12.7%). Being new to the coop management approach, the officers were not well trained or lacked the necessary training on how to manage the cooperatives, thus they were viewed by the members as incompetent. The issue on capital share being lost, specifically in Hijo cooperatives, was cited because of the observed delay in release of their wages. They believed that the capital share would be used in paying their wages but it was partly used to defray costs incurred in farm operations. This situation readily led the workers to say that there was corruption.

The problems cited relative to coop members were lack of cooperation/understanding/unity (18.3%), members were now beginning to lose interest in becoming members because of corruption, consumer goods were lacking, CLOA holder was hard to control, and there was shortage of money lending (18.3%), break-away members/absentee members (16.7%), and lazy members (15%).

The majority of the respondents reported that they have problems regarding low salary (94.8%) and the salaries not being sufficient to meet their needs (3.4%).

Most of the respondents cited problems regarding the lack of knowledge of the other groups in obligation-clarification (25%), which was true for the break-away group organized by the company, particularly in the case of DARBMUPCO. The break-away group was organized by the company to sow dissension among the members (Alano, 1998, 10-11) This was done by the company by identifying members who had shown weariness over the protracted negotiations between the cooperative and the company. Once identified, the company would provide the wrong information, e.g., that the cooperative was earning a profit of at least P26,000 per hectare every year and that there was no reason for the cooperative to be suffering because it had lots of money. The company, however, failed to inform the members that the cooperative actually incurred more expenses than profits because of the low buying price per box of bananas and the questionable charges deducted by the company from the cooperative's cash proceeds. Once the worker believed such lies, he/she joined the break-away group. Another problem was the company wanted to recruit members and form a separate group from DARBCO (22.7%). Furthermore, they wanted a leaseback arrangement which would affect the coop (12.5%).

The majority of the respondents were not contented with the low buying price (60%). To a much lesser extent, others complained that the contract was ready but was not yet signed (5.9%) and the non-remittances of the sales from the proceeds of bananas (35%). Such findings indicate strategies employed by the banana companies to earn more profits relative to their meager concern for the workers. These are areas which DOLE can review relative to policies and laws for the welfare of the workers, e.g., by securing the actual buying price of bananas per box from the foreign buyers so that concerns of the workers are appropriately and effectively addressed.

The top three most mentioned problems regarding the creditors were the overpriced inputs (32%), the failure of the coop to pay the creditors (28%) and creditor charges that were not included

in the deal (16%). The creditors were often the banana-companies while the debtors were the cooperatives. This is a situation where the banana companies took advantage of the cooperatives. Being new to the business endeavour, the cooperatives lacked the necessary capital to defray the costs in the farm operations. Thus, they were forced to avail of the inputs from the banana companies to be paid from the proceeds of sales of bananas. When payment time came, the cooperatives were confronted with the huge debts incurred. Otherwise, they believed they were earning significantly. (Such findings suggest a carry-over of the landlord-tenant relations or the middleman-farmer arrangements where inputs are availed of on credit at usurious rates so that tenants or farmers are perpetually in debt.) When the cooperative members were asked for suggestions to address this problem, they expressed their need for adequate cash so that they could buy the inputs from the market themselves. This implies the need for legislation to protect the cooperative from the exploitative pursuits of the banana companies.

Suggested Solutions

The respondents were then asked for suggestions on how to solve the problems they had encountered. Again, the three most mentioned problems were cited in the text while the rest of the solutions were indicated in the tables.

For the management of the cooperative, the respondents suggested that seminars and training should be given to the officers of the coop (23.5%), that there is a need to have a meeting or a general assembly (11.8%) to thresh out problems, that the company should sign the contract/agreement, and the need for proper accounting (9.8% each).

For the problems regarding members of the cooperative, most of the respondents reported that there is a need for seminars and training for the members (24.2%), that members should unite and make their stand stronger, and the need to educate members (10.8%).

For the problems relating to salaries, close to half of the respondents suggested the need to increase their salary (45.7%). However, salary increases can only be attained if the company enters

into a marketing contract (22.4%) which will enable the coop management to update the salaries of the workers (10.3%).

For the problems relative to other groups in the plantation, the respondents suggested that such groups should establish their legal existence (22.5%) since they are perceived to be used by the company to sow dissension, that members of not good standing be expelled (17.5%) and that the marketing agreement should be signed (12.5%).

For the problems regarding the company/buyer, most of the respondents cited the need to increase the buying price (21.8%) of the bananas, that the contract be signed (18.2%) and that the marketing agreement (13%) be included.

For the problem related to the creditors, the respondents suggested direct buying of inputs (28%), the need for the contract to be signed to increase the price (24%), and the need to be vigilant with regard to the creditors' accounting system (16%).

For other problems, most of the respondents suggested the need to sign the agreement so as to gain profits (45.5%).

The comments of the respondents regarding the implementation of CARP revealed that they were happy with the coop because they owned the land (17.3%), followed by those saying that the CARP implementation was good (14.2%), good if the implementation was according to law (11.2%), it helps poor people (10.9%) and it will be good if managed well (5%).

Impact of CARP on Corporate Farms and Plantations with Unionized Members

The impact of CARP can be categorized into four areas, namely a) corporate farms; b) cooperative; c) labor relations; and d) employment opportunities.

Corporate Farms. When the management of plantations was transferred to the cooperatives, the corporate farms lost control over their lands upon losing ownership of these lands. This transfer of

farm management from the company to the cooperative means that the company will not be facing problems on labor relations brought about by the various needs of the workers, particularly on wages and benefits. Thus, there is no more collective bargaining agreement to negotiate. This means that the banana corporations will be focusing their attention on marketing bananas and thus have little responsibility over workers of the farms.

On the other hand, while the banana corporations may not have direct control over their lands, they still have control over the marketing and input needs of the cooperatives. Thus, they have not totally severed their relationship with the cooperatives. Being new to the business endeavour, the cooperatives still need the banana corporations for their marketing needs. They do not have the necessary network and facilities to market their harvested and packed bananas to the foreign buyers. Thus, they must have marketing contracts with the banana corporations. This is a new form of labor relations that DOLE should look into, i.e., the possible legislation that can be undertaken to protect the cooperatives from any possible exploitation by the profit-motivated banana corporations.

Furthermore, since the cooperatives do not have the needed capital and since the government has not established the necessary support services (with the existing policies perceived as too tough for the cooperatives to meet), said cooperatives borrow the needed capital or rent the needed facilities from the banana corporations just to maintain the needed farm operations.

Likewise, it is interesting to note that though the banana corporations have no more direct supervisory role over the workers of the cooperatives, they still exert efforts in guiding the cooperatives regarding the quality control of the bananas from planting to harvesting to packaging. Quality control is demanded by the strict requirements of foreign buyers.

Cooperatives. With the farm management placed under the cooperatives, the workers who were once union members under the banana corporations are now facing a new challenge in their lives, i.e., owning and managing the land. They are now assuming all the

activities and the problems faced by the banana corporations in managing the farms. Payment of salaries and provision of benefits are now assumed by the cooperatives and in line with that they have to accumulate enough capital to defray the costs in farm operations, including wages and benefits of their member-workers.

In marketing their bananas, they have to establish marketing relations with the banana corporations which the land they were managing came from. They are not yet in a position to market their produce directly to the foreign buyers, not having met such buyers as yet. Being new to this business endeavor, none of the cooperatives escaped the exploitation of the banana corporations in the marketing contracts. They were subjected to the tough negotiating skills of the banana corporations regarding the buying price per box. Initially, the cooperatives accepted whatever was dictated by the banana corporations regarding the buying price per box of bananas. However, after 10 years since the implementation of CARP, they have learned their lessons in negotiating the buying price of the corporations. The majority of the cooperatives were able to get a buying price of \$2.60 per box (gross price). They get a net of \$2.10 per box, after the deductions of their rental fees for facilities and inputs.

Labor Relations. "Labor relations" implies control of workers by their employers. This situation was clearly seen between the company and their workers. Existence of smooth labor relations was determined by the collective bargaining agreement forged by the company and the workers through their duly designated representatives, subject to negotiation every five years. However, this situation is now absent under the cooperatives because the workers are likewise the owners of the cooperatives who collectively manage the farms sold to them by the banana corporations. But we cannot deny the fact that even if workers are owners of the cooperatives, they are likewise managed by officials who came from within their ranks and who determine their wages and salaries. Such a situation also has an element of control and is thus part of the so-called labor relations.

One emerging aspect relation that needs legislation is the relationship between the cooperatives and the company in marketing

their bananas, given observed tendencies of the banana corporations to exploit the cooperatives. Likewise, legislation should cover the other contracts that the cooperatives will forge with the banana corporations regarding the use of facilities and inputs where the companies charge exorbitant fees.

Employment Opportunities. With the transfer of farm management from the banana corporations to the cooperatives, there were workers who were displaced. Given the unclear status of cooperatives when the concept was offered to them, some workers either requested for separation, retired or were retrenched. With nowhere to go for new employment, some workers returned to their place of origin in Cebu, Bohol, Iloilo, Luzon, or other places in Mindanao. Some simply stayed. Some of these workers may be working while others may be unemployed, thus adding to the unemployment figures.

Under the cooperatives, it is assumed that any member of the family can work in the plantations. But according to the respondents and the officials of the cooperatives, it is not easy to just accept any member of the immediate family of the members of the cooperatives since these supposedly available members of the work-force have not undergone the necessary training in the banana operations. One area of concern is maintaining the quality of care of the bananas based on the requirements of the foreign buyer. Nonetheless, if the coop member retires and wants to pass on his work to his wife or son or daughter, it is acceptable, at least in principle.