

### Title: Employers Confederation of the Philippines vs. National Wages and Productivity Commission and Regional Tripartite Wages and Productivity Board-NCR, Trade Union Congress of the Philippines

### Facts:

The Employers Confederation of the Philippines (ECOP) filed a petition questioning the validity of Wage Order No. NCR-01-A issued on October 23, 1990, by the Regional Tripartite Wages and Productivity Board of the National Capital Region. The Order was promulgated under Republic Act No. 6727, or the “Wage Rationalization Act,” aiming to provide new wage rates and establish mechanisms for minimum wage determination across various regions. This specific order mandated a P17.00 daily wage increase for workers in the National Capital Region receiving wages up to P125.00 per day.

Following the issuance of Wage Order No. NCR-01, which originally proposed the wage increase, both the Trade Union Congress of the Philippines (TUCP) and the Personnel Management Association of the Philippines (PMAP) filed motions for reconsideration, while ECOP opposed the order. Responding to these motions, the Board issued Wage Order No. NCR-01-A, amending the original order precisely as described.

ECOP appealed this decision to the National Wages and Productivity Commission, which dismissed the appeal for lack of merit on November 6, 1990. A motion for reconsideration filed by ECOP was denied on November 14, 1990. ECOP then brought the matter to the Supreme Court, arguing that the Board exceeded its authority by granting an across-the-board wage increase and that it should focus on setting minimum wages, not salary ceilings.

### Issues:

1. Whether the Regional Tripartite Wages and Productivity Board exceeded its authority under Republic Act No. 6727 by prescribing an across-the-board wage increase.
2. Whether the Wage Order contradicted the intent of Republic Act No. 6727 to promote collective bargaining as the primary mode of settling wage issues.

### Court’s Decision:

The Supreme Court denied the petition, holding that the Regional Board did not exceed its authority in issuing Wage Order No. NCR-01-A. The Court agreed with the National Wages and Productivity Commission’s interpretation that prescribing an across-the-board hike was consistent with the “salary-ceiling method” of determining minimum wages, aimed at rectifying wage distortions. The Court further dismissed ECOP’s argument, emphasizing

that wage determination, incorporation a method to address wage distortions, falls within the Boards' authority under the Wage Rationalization Act. The decision underscored the legislative intent to empower the Boards with sufficient discretion to achieve the statute's goals.

### ### Doctrine:

The case reiterates the doctrine that legislative powers, such as wage-fixing, can be delegated to administrative bodies provided that Congress establishes clear and sufficient standards. It also confirmed that the Regional Tripartite Wages and Productivity Boards have the authority to employ the "salary-ceiling method" to address and minimize wage distortions, highlighting the institutional preference towards this method as opposed to the "floor-wage method" to ensure more equitable wage arrangements.

### ### Class Notes:

- Wage definition (Labor Code, Article 97 (f)): Remuneration or earnings payable by an employer for work done, which can include the value of facilities provided.
- Minimum Wage definition and policy objectives (Republic Act No. 6727, Section 1): Establishes the statutory minimums to ensure a decent living standard for workers and promotes equitable income distribution as part of social justice.
- Power of delegation: Legislative power can be delegated to administrative bodies if guided by clear and sufficient standards.
- Salary-ceiling method: Recognized as a valid legislative policy to address wage distortions and to ensure equitable wage adjustments.

### ### Historical Background:

The Wage Rationalization Act, or Republic Act No. 6727, was enacted against a backdrop of persistent wage distortions and the need for a more systematic and region-sensitive approach to setting minimum wages in the Philippines. By establishing Regional Tripartite Wages and Productivity Boards, the law aimed to decentralize wage determination, promote industrial peace through minimized disputes over wage distortions, and ultimately ensure fair and equitable wages aligning with the economic and social development goals of the country. This case validates the Boards' authority and the legislative intent behind the Act, emphasizing the role of state intervention in labor-capital relations to uphold social justice principles.