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SENATE  
SENATE BILL NO. 1862

RECEIVED BY: *ji*

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Introduced by Senator Ferdinand R. Marcos, Jr.

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### EXPLANATORY NOTE

The mandate of Section 9, Article II of the 1987 Philippine Constitution is clear: "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all."(underscoring supplied).

It is indeed the primordial task of the State to ensure the economic stability of the country, and free the people from the snares of poverty by strengthening the labor market.

However, the following findings of the Department of Labor and Employment (DOLE) are worth looking into: (*The Philippine Labor and Employment Plan 2011 – 2016 Inclusive Growth Through Decent and Productive Work, July 2012, pages 3 and 4*).

#### *"The Philippine Economy and Labor Market*

A country with a population of 92 million people, the Philippine economy expanded at a modest growth rate of 4.7% per annum over the ten-year period 2001-2010. Measured in terms of Gross Domestic Product (GDP), the economy grew almost uninterrupted from 2001 (1.8%) to 2004 (6.4%). The pace of growth slowed down in 2005 (5.05%) and 2006 (5.3%) but was up again in 2007 (as in the global economy) recording the second highest growth (7.1%) during the decade. With the onset of the global financial crisis, the growth figure declined sharply in 2008 (3.7%) and bottomed to 1.1% in 2009. With the global economic recovery in 2010, the domestic economy again posted a rebound, growing by 7.3%, on the back of firm recovery in manufacturing, merchandise exports and service based industries (trade and private services), bolstered by strong consumption and sustained inflow of remittances.(underscoring supplied).

*Employment growth in "boom and bust pattern" and lags behind GDP growth*

Over the same period, employment grew but at a slower pace on the average, at 2.9% annually. This trend follows the global trend of employment lagging behind economic growth and productivity (ILO,

Global Employment Trends Brief, January 2006). Moreover, the movement of employment overtime was not in sync with the steady growth in GDP but followed a "boom and bust pattern". (underscoring supplied).

Volatility in employment can be traced in large part to the effect of extreme weather disturbances (dry spells and destructive typhoons), which had a negative impact on agricultural employment (2000, 2003, 2005, 2009 and 2010). This occurred because the agriculture sector still accounts for a fairly large share (33% to 37%) of the country's employment in the past decade.

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*Structure of the economy not in sync with the structure of the labor market*

To the greater extent, the "disconnection" between growth in output and growth in employment can be attributed to the difference between GDP and employment with respect to their sectoral structures. In 2010, for instance, the agriculture, forestry and fishing sector accounted for less than one-fifth (16.8%) of GDP but this sector absorbed about one third (33.2%) of the country's total employed. In contrast, the industry sector which contributed a third (33.6%) to domestic output comprised only a small share (15.0%) of total employed. On the other hand, output and employment shares of the services sector were 49.7% and 51.8%, respectively." (underscoring supplied).

Given the above-quoted scenario, the real challenge now to the government is how to translate the country's economic gains into employment opportunities for all.

This proposed measure seeks to provide the remedy to this social malady.

Under this bill, an interagency body known as the "**Inter-Agency Council for the Creation of Jobs**" is hereby established which is administratively attached to the Office of the President. It shall serve as the overall advisory and coordinating mechanism that shall design policy and program directions for all job creation endeavors in the country. Tasked to recommend job creation strategies to the Executive Department and to the Local Government Units (LGUs), the Council undertakes an important duty to analyze the different methods in providing equal employment opportunities for all.

Furthermore, the Council, composed of fifteen (15) members chaired by the Secretary of the Department of Labor and Employment (DOLE), shall submit to Congress an annual report which shall include, among other things, policy recommendations which require legislative action towards the eradication of hindrances in the establishment of business enterprises.

The Council shall encourage and assist the LGUs in mapping out business opportunities in their respective localities and tie up them to investors.

The Council shall serve as the important vehicle in translating the country's economic progress into more concrete rewards by providing clear directions in creating employment to all. Job creation is a multi-faceted endeavor that requires the joint efforts of different government agencies to provide effective and holistic employment creation strategies. This will be the answer to the current dismal situation where around 11.2 million Filipinos are unemployed (Social Weather Station Survey, June 28-30, 2013).

The economic success of this country is more meaningful when the GDP is capably matched by the growth in employment.

Thus, the early passage of this bill is earnestly requested.

  
**FERDINAND R. MARCOS, JR.**

SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

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**AN ACT ESTABLISHING THE INTER-AGENCY COUNCIL FOR THE CREATION OF JOBS, DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

**Section 1. Declaration of Policy.** It is the policy of the State to give highest priority in ensuring prosperity and economic growth of the country, and free the people from the snares of poverty through the formulation and adoption of policies that promote full employment, and attain improved quality of life.

**Sec. 2. Inter-Agency Council for the Creation of Jobs.** To carry out the declared national policy, there is hereby established an Inter-Agency Council for the Creation of Jobs, hereinafter referred to as the Council, which shall be an inter-agency body administratively attached to the Office of the President.

**Sec. 3. Composition.** The Council shall be composed of Fifteen (15) members as follows: the Secretary of the Department of Labor and Employment (DOLE), who shall serve as its chairperson, the Director-General of the National Economic and Development Authority (NEDA), the Secretary of Department of Trade and Industry (DTI), the Secretary of the Department of Justice (DOJ), the Secretary of the Department of Finance (DOF), the Secretary of the Department of Agriculture (DA), the Secretary of the Department of Foreign Affairs (DFA), the Administrator of the Overseas Worker and Welfare Administration (OWWA), the Administrator of the Philippine Overseas Employment Administration (POEA), the Presidents of the League of Provinces of the Philippines (LPP), League of Cities of the Philippines (LCP), League of Municipalities of the Philippines (LMP). The President shall also appoint a representative from the Philippine Chamber of Commerce and Industry (PCCI), Employer's Confederation of the Philippines (ECOP) and from the recognized employee's union, who shall serve a term of three (3) years and who may be reappointed for another term.

**Sec. 4. The Secretariat.** The Council shall organize a secretariat to be headed by a Chief of Office. The Council shall determine the secretariat's staffing pattern, qualifications, duties, responsibilities and functions as well as the compensation for the positions to be created subject to the National Compensation and Classification Plan and other existing civil service rules and regulations.

**Sec. 5. Assistance from other Agencies.** The Council may, in the performance of its functions, request the cooperation, assistance, and support of appropriate government agencies and non-governmental organizations.

**Sec. 6. Council Meetings.** The Council shall meet regularly once every three (3) months and may hold special meetings to consider urgent matters upon the call of the Chairman or any Five (5) Council members.

**Sec. 7. Powers and Functions of the Council.** The Council shall have the following powers and functions:

(1) To act as the overall advisory and coordinating mechanism, providing policy and program directions for all job creation endeavors in the country;

(2) To recommend job creation strategies to the Executive Department and to the Local Government Units (LGUs);

(3) To submit to Congress an annual report which shall include, among other things, policy recommendations which require legislative action towards the eradication of hindrances in the establishment of business enterprise.

(4) To encourage and assist the LGUs to map out business opportunities in their respective localities and tie up them to investors;

(5) To receive investment related complaints and refer them to appropriate government agencies for action.

(6) To perform such other functions as may be necessary in furtherance of the purposes of this Act.

**Sec. 8. Appropriations.** The sum of Ten Million Pesos (Php 10,000,000.00) is hereby authorized to be appropriated, out of any funds in the National Treasury not otherwise appropriated to carry out the functions of the Council under this Act. Thereafter, the sum needed for the operation and maintenance of the Council shall be included in the annual Budget of the Office of the President.

**Sec. 9. Repealing Clause.** All laws, executive orders, presidential decrees, and other issuances, or parts thereof, inconsistent with the provisions of this Act are hereby repealed.

**Sec. 10. Separability Clause.** If any section or part of this Act shall be declared unconstitutional, such declaration shall not invalidate other provisions thereof.

**Sec. 11. Effectivity Clause.** This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,