

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

2010
Office of the Secretary

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SENATE

Senate Bill No. 2576

2010
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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

**AN ACT
CREATING THE LOCAL EMPLOYMENT AUTHORITY, DEFINING ITS
POWERS AND FUNCTIONS AND APPROPRIATING FUNDS THEREFOR**

EXPLANATORY NOTE

The Philippine labor market in recent years has been showing a dismal performance as the country's employment rates continue to decline. This slump in employment pushed the unemployment rate to a two-digit level, indicating a weak labor market. The unemployment scenario is expected to be worse and there will be substantial loss of job opportunities and income. There ought to be a deliberate effort on the part of government to improve the employment situation of the country.

To effectively address this problem, there should be an agency tasked solely to plan, manage and supervise local jobs and employment opportunities to abate the growing unemployment and underemployment.

This bill, therefore, seeks the creation of a Local Employment Authority as an attached agency of the Department of Labor and Employment (DOLE), which shall be responsible in planning and managing local employment promotion, facilitation, generation and enhancement for both wage and non-wage employment.

For this reason, the immediate approval of this bill is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

SECRET
Office of the Secretary

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

1 **SECTION 1. Declaration of Policy.** It is the policy of the State to afford
2 protection to labor, promote full employment, ensure equal work opportunities
3 regardless of sex, race or creed, and regulate the relations between workers and
4 employers.
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6

7 **SEC. 2. The Local Employment Authority.** – For the purpose of
8 carrying out the above policy, there shall be created under the Department of
9 Labor and Employment (DOLE), a Local Employment Authority, herein referred
10 to as the Authority. The Authority shall be responsible for planning and
11 managing employment promotion, facilitation, generation and enhancement
12 strategies to afford each and every Filipino the opportunity of gainful and
13 productive employment.
14

15
16 **SEC. 3. Powers of Authority.** – The Authority shall have the following
17 powers and functions:
18

- 19 1. Formulate policies, standards and procedures and systems for human
20 resource development, allocation, utilization, and referral and
21 placement for both wage and non-wage employment;
- 22 2. Establish and maintain coordinative linkage with the private sector to
23 facilitate employment promotion and generation
- 24 3. Regulate and supervise private sector participation in recruitment and
25 placement of workers locally under such rules and regulations as may
26 be issued by the Governing Board;
- 27 4. Establish and maintain a registration or work permit system in aid of
28 proper manpower and developing planning;
- 29 5. Formulate employment policies, standards and procedures and
30 programs designed to benefit and protect both wage and non-wage

1 earners, particularly the disadvantaged/special groups of workers and
2 their communities such as, but not limited to women, young workers,
3 working children, rural and agricultural workers, informal sector
4 workers, persons with disabilities, and the elderly;

- 5 6. Formulate policies and promulgate orders, rules and regulations
6 implementing the provisions of the Labor Code affecting in particular
7 the disadvantaged/special groups of workers;
- 8 7. Set standards which shall project the welfare of the
9 disadvantaged/special groups of workers, improve their working
10 conditions, increase their efficiency, secure opportunities for their
11 gainful and productive employment and find ways for their economic,
12 educational, social and cultural advancement;
- 13 8. Prepare and recommend to the Governing Board the approval and
14 issuance of rules and regulations necessary in the interpretation of all
15 laws relating to local employment;
- 16 9. Undertake development studies and researches on employment
17 promotion, facilitation and enhancement, and submit recommendations
18 to the Governing Board;
- 19 10. Undertake studies on the training needs of the disadvantaged/special
20 groups of workers and develop programs and projects to enhance their
21 productivity and employability, and effective participation in community
22 development.
- 23 11. Provide legal and technical assistance on matters relating to the
24 employment of both wage and non-wage earners;
- 25 12. Coordinate, monitor and evaluate employment interventions of all
26 government instrumentalities;
- 27 13. Act as the government's clearing house of all information relating to
28 local employment; and,
- 29 14. Perform such other functions as may be assigned by the Governing
30 Board or as may be provided by law.

31
32
33 **SEC. 4. Governing Board** – A Governing Board composed of the
34 Secretary of Labor and Employment as ex-officio chairman, and the Director
35 General of the National Economic Development Authority, the Secretaries of the
36 Department of Trade and Industry and the Department of Agriculture as ex-officio
37 members shall manage the Authority.

38
39 In addition, the President shall appoint one (1) representative each from
40 the employer/industry and labor sectors, who shall hold office for three (3) years.

41
42 The Board shall meet once a month or as often as deemed necessary.
43 The Board Chairman and Members shall receive per diems for each meeting
44 actually attended in such amount as may be fixed by the Governing Board.

45
46
47 **SEC. 5. Powers of the Governing Board.** – The Governing Board shall
48 have the following powers and functions:

- 49
50 a) Recommend to the President of the Republic of the Philippines
51 for approval a comprehensive Employment Plan;
- 52 b) Approve employment programs and projects to be
53 implemented by the Authority;
- 54 c) Promulgate rules and regulations for the effective
55 implementation of this Act;
- 56 d) Monitor and review on a periodic basis the local employment
57 situation and recommend appropriate policies, measures and

- 1 strategies to improve and maximize the promotion and
2 generation of productive employment; and
3 e) Perform such other functions and powers as may be authorized
4 by law.
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7 **SEC. 6. Structure.** – Three Bureaus under the Department of Labor and
8 Employment, namely: a) Bureau of Local Employment; b) Bureau of Rural
9 Workers; and c) Bureau of Women and Young Workers shall be merged to give
10 way for the creation of the Authority.
11

12 a) Director General. – The Director General shall be assisted by a
13 Deputy Director General, with a position level equivalent to that of a Department
14 Assistant Secretary, in implementing and carrying out employment policies and
15 plans laid down by the Authority.
16

17 b) Deputy Director General – The Director General shall be
18 assisted by a Deputy Director General, with a position level equivalent to that of a
19 Department Assistant Secretary, in implementing and carrying out employment
20 policies and plans laid down by the Authority.
21

22 c) Departments. – The Authority shall have three (3) major
23 Departments, each to be headed by a Director IV, namely:
24

- 25 1. Employment Promotion and Facilitation;
26 2. Employment Planning and Monitoring; and
27 3. Management Services and Operations.
28

29 d) Regional Operations. – The DOLE Regional Offices shall
30 continue to be the implementing arm for the national employment program at the
31 regional level.
32

33 e) Personnel Complement. – The existing manpower complement
34 of the three (3) merger Bureaus shall be reviewed in accordance with the Civil
35 Service rules and regulations. Personnel who may not be absorbed by the
36 Authority of Regional Offices of the DOLE shall be offered an appropriate
37 retirement/ retrenchment package as may be authorized by law.
38
39

40 **SEC. 7. Appropriations.** – For the purpose of organizing the Local
41 Employment Authority, the respective budgets of the three (3) abolished Bureaus
42 shall be pooled as initial funding for the Authority. Thereafter, the amount
43 necessary for the operations of the Authority shall be included in the General
44 Appropriations Act.
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47 **SEC. 8. Repealing Clause.** – All other provisions, law, decrees, executed
48 orders, rules and regulations or parts thereof contrary to, or inconsistent with this
49 Act are hereby repealed or modified accordingly.
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52 **SEC. 9. Effectivity.** – This Act shall take effect upon its approval and
53 publication in at least two (2) national newspapers of general circulation.
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Approved,