

SENATE
P.S. Res. 291

Introduced by Senator Villar

RESOLUTION

URGING THE COMMITTEE ON LABOR, EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE POLICY OF REQUIRING US \$ 5,000 REPATRIATION BOND AND PERFORMANCE BOND EQUIVALENT TO THREE MONTHS SALARY FROM EMPLOYERS OF DIRECTLY HIRED FILIPINOS AS COVERED BY POEA MEMORANDUM CIRCULAR 4, SERIES OF 2007, WITH THE END IN VIEW OF RECOMMENDING APPROPRIATE LABOR LEGISLATION FOR OVERSEAS FILIPINO WORKERS

Whereas, protecting Filipino labor is one of the primary obligations of the government as can be gleaned in the provision of the fundamental law stating, "The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all."¹

Whereas, very recently, the Philippine Overseas Employment Administration (POEA) through Administrator Rosalinda Dimapilis-Baldoz issued Memorandum Circular Number 4, a substantial guideline on the direct hiring of Filipino workers, addressing such issues and concerns as

- a. employers (whether individual or institutional) covered;
- b. the pre-qualification of employers wishing to directly hire Filipino workers;
- c. procedures for the direct hiring of Filipino workers and documentations required;
- d. exemptions from pre-employment medical examination and attendance in pre-departure orientation seminar;
- e. ban on direct hiring by employers accredited/registered with POEA

Whereas, in the provisions under the heading "Documentary Requirements for the Processing of Direct Hires", the following requirements are needed to be complied (in addition to the usual administrative requirements):

¹ Article XIII, Section 3 (Social Justice-Labor)

1. certificate of worker coverage under a performance bond equivalent to the worker's three months salary and secured at no cost to the worker;
2. certificate of worker coverage under a repatriation bond in the amount of US \$ 5,000 or its peso equivalent at no cost to the worker;
3. certificate of medical insurance secured at no cost to the work.

Whereas, while the circular is issued consistent with the noble intentions of the Labor Code of the Philippines, the guideline is perceived to discourage foreign employers from hiring workers, mostly Filipino professionals;

Whereas, in a news report, it has been reported that the "Filipino workers across the globe have denounced the policy, particularly the requirement on foreign employers to post a repatriation bond of US\$ 5,000 plus US\$ 3,000 performance bond in hiring an employee from the Philippines"²;

Whereas, the Philippine Embassy in Singapore has suspended the implementation of the new government guidelines on direct hiring, in deference to a full discussion and meeting with the Filipino community and other concerned sector relevant to the issue;


Whereas, the extent of the opposition of Filipino labor is reflected in the overall position of leading OFW organization, Migrante International-Middle East, which is "urging the embassies (of the Philippines) to defy the Philippine Overseas Employment Administration's Memorandum Circular No. 4 (POEA MC 4) and to follow the lead of the embassy in Singapore"³;

Whereas, accordingly, the policy will result in the non-competitiveness of Filipino labor;

Whereas, a legislative inquiry is recommended to ferret out the true information and appropriateness of the guideline and making it relevant and effective to promote the cause of Filipino labor: Now therefore be it

RESOLVED BY THE SENATE OF THE PHILIPPINES, TO URGE THE COMMITTEE ON LABOR, EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE POLICY OF REQUIRING US \$ 5,000 REPATRIATION BOND AND PERFORMANCE BOND EQUIVALENT TO THREE MONTHS SALARY FROM EMPLOYERS OF DIRECTLY HIRED FILIPINOS AS COVERED BY POEA MEMORANDUM CIRCULAR 4, SERIES OF 2007, WITH THE END IN VIEW OF RECOMMENDING APPROPRIATE LABOR LEGISLATION FOR OVERSEAS FILIPINO WORKERS.

*Adopted,*²⁷


MANNY VILLAR

² Mark J. Ubalde, GMANews.TV, posted on February 2, 2008

³ Mark J. Ublade, "RP Diplomats urged to defy direct hiring rule", GMANews.TV, February 2, 2008,