

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

SENATE  
S. No. 1571

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Introduced by Senator Miriam Defensor Santiago

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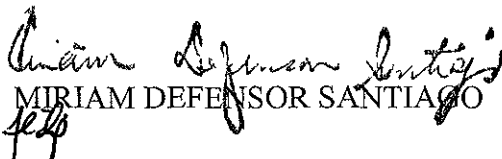
#### EXPLANATORY NOTE

This bill seeks to provide employment in communities where extractive industries are engaged in the development and exploitation of natural resources. More often than not, these extractive industries such as mining, quarrying, cement manufacture, logging, generation for power by steam (geothermal) or water (hydro-electric) cart of the national wealth without even sharing their profits in the form of benefits with local residents. In fact, in most cases, these extractive industries, after they had taken away the natural wealth of these communities, left these communities poorer than before the extraction of their wealth.

The Constitution in Article X, Section 7, however, gives the mandate that local governments shall have an equitable share in the proceeds derived from the utilization and development of the natural resources, including the sharing of revenue with the inhabitants by way of direct benefits. This Congress can do no less, by enacting legislation to enhance this constitutional mandate for the benefit of the residents of these communities.

In substance, this bill seeks to amend the Labor Code, as amended, to compel these extractive industries to provide preferential employment to residents of these communities where they exploit and utilize the natural wealth.

This is a senate counterpart bill to the one filed in the House of Representatives by Rep. Exequiel Javier.<sup>1</sup>

  
MIRIAM DEFENSOR SANTIAGO

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<sup>1</sup> This was originally filed during the 14<sup>th</sup> Congress 1<sup>st</sup> Regular Session

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1 AN ACT  
2 REQUIRING INDUSTRIES ENGAGED IN THE EXPLOITATION OF NATURAL  
3 RESOURCES TO GIVE PREFERENTIAL EMPLOYMENT TO LOCAL RESIDENTS,  
4 AMENDING FOR THE PURPOSE THE LABOR CODE OF THE PHILIPPINES

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

5 SECTION 1. A new title is hereby added to Book I of the Labor Code of the Philippines  
6 which shall read as follows:

7 Title III. Employment of Residents in Industries Engaged in the Development and  
8 Exploitation of Natural Resources.

9 Article 43. Definition. Industries engaged in the development and exploitation of natural  
10 resources shall include corporations, partnerships, associations, individuals engaged in mining,  
11 quarrying, manufacture of cement, logging, generation of power by steam (geothermal) or water  
12 (hydro-electric), oil drilling and other extractive activities.

13 Residents shall mean those who have resided for a period of at least one (1) year in the  
14 Province or City where the activity is conducted and have a evinced a desire to reside therein  
15 permanently.

16 Article 44. Corporation, partnerships, associations or individuals engaged in the  
17 development and exploitation of natural resources as defined in the preceding section shall give  
18 preference to the employment of residents of the Province or City where such activities are  
19 conducted; provided, however, that the employment of managerial employees, shall only be  
20 made upon certification by the Bureau of Employment Services that no residents are qualified for  
21 such positions.

1 Article 45. A violation of the preceding section shall be deemed unlawful and shall be  
2 prosecuted and punished under Articles 288 and 289 of this Code.

3 SECTION 2. Section 43 is hereby renumbered as Section 46, Section 46 as Section 47  
4 and the succeeding sections of the Labor Code of the Philippines are hereby renumbered  
5 accordingly.

6 SECTION 3. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication  
7 in a newspaper of general circulation.

8 Approved.