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REPUBLIC OF THE PHILIPPINES)
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SENATE

RECEIVED

P.S. Resolution No. **1029**

Introduced by Senator **FRANCIS G. ESCUDERO**

RESOLUTION

EXPRESSING THE SENATE'S VIEW ON THE IMPACT OF THE GLOBAL ECONOMIC CRISIS ON THE FILIPINO LABOR SECTOR AND ACCORDINGLY URGING THE SENATE TO CONVENE ITSELF AS A COMMITTEE OF THE WHOLE TO LOOK INTO THE VIABILITY AND EFFECTIVENESS OF ADOPTING CERTAIN POLICY MEASURES TO MITIGATE AND ADDRESS THE VARIOUS ILL EFFECTS OF THE CRISIS ON PHILIPPINE LABOR, PARTICULARLY ACUTE UNEMPLOYMENT AND POVERTY.

WHEREAS, economics expert and former Budget Secretary Benjamin Diokno, in a labor forum sponsored by the Blas F. Ople Policy Center at the Asian Institute of Management in January 2008, estimated that 500,000 Filipinos here and abroad are bound to lose their jobs as the global recession deepens.

WHEREAS, according to news reports, the following is the sad current state of our country's labor sector vis-à-vis the global financial crisis, *viz:*¹

Figures from the Department of Labor and Employment (DOLE) published last year state that around 15,000 Filipinos, mostly from export processing zones were laid off while around 19,000 others are facing reduced working hours;

The DOLE has also been receiving daily notices of not only retrenchments but also reduction of work shifts, and it is expected that 60,000 workers in the electronics and information technology sector could lose their jobs because of the effects of the worldwide recession;

The presence of almost daily casualties of lay-offs and reduced work hours nationwide such as: ² 1,500 in Amkor Technology Philippines; a total of

¹ "Bailout plan for workers pushed" by Kristina Alave, Erika Sauler, Inquirer.net, Philippine Daily Inquirer, January 25, 2009.

"RP fears IT job losses." Agence France-Presse, Inquirer Mobile, Philippine Daily Inquirer, January 22, 2009.

² "Amkor Philippines lays off 1,500 workers." Agence France-Presse, Inquirer.net, Philippine Daily Inquirer, February 7, 2009. "RP fears IT job losses." Agence France-Presse, Inquirer Mobile,

3,300 in Advanced Micro Devices Inc.(to cut 1,100 after dismissing 2,200 workers); 1,800 in Intel Corp. (which recently shutdown its operation in the Philippines); 500 in Accenture; around 3,368 workers and 5,065 affected by reduced working hours in outsourcing firms; some 500 workers in Federal Express since it has closed its Asian hub in the Subic Freeport; 405 in Isabela; 1,916 in Cordillera, 1,376 of whom are miners from Lepanto Consolidated Mining Corp.; 411 in Texas Instruments Phils. Inc. in Baguio City; 300 in Cebu and many are affected by work rotation scheme; almost 1,000 in Misamis Oriental and Iligan City; and the DOLE Northern Mindanao Regional Office Director Alan Macaraya, estimates that close to 34,000 workers in the said region stand to lose their jobs or work hours shortened this year as a result of the global economic crisis.

WHEREAS, official DOLE figures likewise reveal that 40,000 workers have already lost their jobs since October of last year due to the global crisis while a total of 120,000 have been affected by layoffs, rotation, reduced working hours and reduction in incomes.

WHEREAS, the domino effect of the unemployment caused by the worldwide recession has been causing unrest to both the organized and unorganized sectors of Filipino workers nationwide as exemplified by the growing number of complaints for illegal dismissal being filed before the DOLE and the National Labor Relations Commission and the staging of protest rallies and other mass actions by labor groups against the mass lay-off of employees.

WHEREAS, these indications are too serious to be ignored by the Senate and for the institution not to do anything to address the same through effective legislative measures.

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED that the Senate **express** its view on the impact of the global economic crisis on the Filipino labor sector and accordingly **convene** itself as a Committee of the Whole and look into the viability and effectiveness of adopting certain policy measures to address the foregoing concerns and which may serve as the core of a short-term government stimulus package imbued with the long term vision of further strengthening the country's economy such as, but not limited to:

Philippine Daily Inquirer, January 22, 2009. "Amkor Philippines lays off 1,500 workers." Agence France-Presse, Inquirer.net, Philippine Daily Inquirer, February 7, 2009. "Gov't fears 60,000 IT job losses." Inquirer.net, Philippine Daily Inquirer, January 23, 2009. *Ibid.* "Accenture in RP lays off 500 workers," by Lawrence Casiraya. Inquirer.net, Philippine Daily Inquirer, January 16, 2009. "(UPDATE) FedEx closes hub in Philippines," Agence France-Presse, Inquirer.net, Philippine Daily Inquirer, February 6, 2009. "3,368 Central Luzon workers lose jobs, 5,065 working less hours," by Tonette Orejas, Villamor Visaya Jr., Central Luzon Desk, Northern Luzon Bureau, Inquirer.net, Philippine Daily Inquirer, February 8, 2009. *Ibid.* "Displaced workers scout for jobs abroad," by Tonette Orejas, Vincent Cabreza, Inquirer.net, Philippine Daily Inquirer, January 27, 2009. *Ibid.* "Shutdown of Cebu factory questioned," by Kristine Alave, Inquirer.net, Philippine Daily Inquirer, January 6, 2009. "Downturn affects 34,000 Mindanao workers," by Ma. Cecilia Rodriguez, Rizalene Acac, Mindanao Bureau, Inquirer.net, Philippine Daily Inquirer, February 7, 2009. *Ibid.*

- A. A viable subsidy program for all displaced workers affected by the ongoing financial crisis;
- B. A tax refund for all wage and salaried earners equivalent to two months of their salary;
- C. Expansion and reform of the country's employment program by diversifying the areas where training programs may be implemented in order to create a better skilled and diverse workforce;
- D. Extension of Philhealth coverage for displaced workers both domestic and migrant;
- E. Moratorium on demolitions and evictions for informal settlers and condonation of penalties and interests for low-cost and socialized homeowners;
- F. Provision for tax deductions and other incentives for employers who increase salaries and benefits within a determined period of time;
- G. Creation of programs geared to encourage entrepreneurship among workers, with a view of providing information and training on how to start and operate a business, thereby providing additional employment opportunities.
- H. A rationalized approach to granting incentives with a view towards strengthening local industries, such as business process outsourcing, as well as other skills and knowledge based industries which have remained relatively unaffected by the current economic crisis; and
- I. Other measures which may ease the pressure of the current economic crisis on workers.

Adopted.



FRANCIS G. ESCUDERO