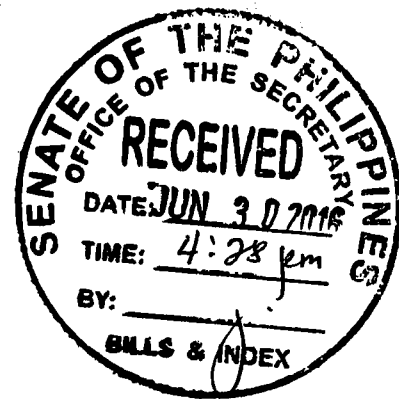


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE

P. S. Res. No. 1



Introduced by Senator Juan Miguel F. Zubiri

RESOLUTION
DIRECTING THE APPROPRIATE COMMITTEES IN THE SENATE
TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE PRACTICE OF
CONTRACTUALIZATION AND SUB-CONTRACTUALIZATION AS WORK
ARRANGEMENTS IN THE PHILIPPINES, WITH THE END IN VIEW OF
STRENGTHENING AND CORRECTING LOOPHOLES
IN THE IMPLEMENTATION OF LABOR LAWS

WHEREAS, Article XIII, Section 3 of the 1987 Philippine Constitution guarantees "that the state shall afford full protection to labor" and workers "shall be entitled to security of tenure, humane conditions of work, and a living";

WHEREAS, in the months leading to the recent elections, the issue of labor contractualization has been raised as a fundamental concern of labor groups and workers in the Philippines. Labor groups stressed that hiring on a contractual basis puts workers in precarious employment positions, undermining the Constitutional duty of the state to ensure that workers enjoy security in their employment;

WHEREAS, in order to carry out this Constitutional mandate of protecting workers, the Department of Labor and Employment promulgated implementing rules and regulations, among them DO-18-02, which defines and allows legitimate contracting and subcontracting for as long as it does not fall within the category of labor-only contracting;

WHEREAS, some unscrupulous employers, however, willingly and knowingly circumvent labor laws and use contractual working arrangements to evade granting of benefits such as overtime pay, 13th month pay, maternity or other form of leaves, rest days, and social security or retirement benefits, among others. Contractualization likewise prevents workers from joining collective bargaining units since most labor unions require regular workers as members;

WHEREAS, in the 2014 Integrated Survey on Labor and Employment conducted by the Philippine Statistics Authority, employment of non-regular workers in establishments with at least 20 workers was placed at 1.336 million. This represents almost a third of the total workforce of 4.472 million. Across categories, contractual and project-based workers comprised 672,279 or half of the total non-regular workers. Contractual/project-based workers also registered an increase of 71,515 from 2012 to 2014 or equivalent to a growth rate of 11.9 percent;

WHEREAS, the above mentioned statistics show that contractualization is not just prevalent but increasing as well. Employers argue that for them to remain competitive, they should not be burdened with high costs of labor and should not be compelled to follow very strict hiring impositions.

WHEREAS, reports show how abusive some employers have become by repeatedly hiring and ending workers contracts within a five-month period to get past the rule of regularizing workers who have worked beyond the mandatory six-months, which workers has aptly coined "*ENDO or 5-5-5*";

WHEREAS, workers accept these working arrangements because of the prevalence of poverty and the abject lack of employment opportunities. Filipinos have been conditioned to think that contractual jobs are better than no jobs at all;

WHEREAS, Senate, with its oversight functions, can look into these allegations to help improve the plight of contractual workers by granting the benefits due them. It is also within the ambit of the Senate's legislative function to review existing labor practices and whether they conform to labor laws, rules and regulations;

WHEREAS, as elected representatives of the people, we have a sense of duty to afford everyone the full protection of labor most especially those deprived due to the precarious nature of their employment;

NOW THEREFORE, BE IT RESOLVED by the Philippine Senate to direct the appropriate Senate Committees to conduct an inquiry, in aid of legislation, into the practice of contractualization and sub-contractualization as work arrangements in the Philippines, with the end in view of strengthening and correcting loopholes in the implementation of labor laws.

Adopted,



JUAN MIGUEL F. ZUBIRI