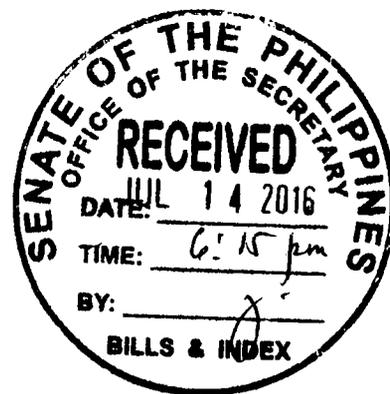


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE
P.S. Resolution No. 11



Introduced by **Senator Richard "Dick" J. Gordon**

RESOLUTION TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE RAMPANT CONTRACTUALIZATION OF WORKERS BY RETAIL AND SERVICE ESTABLISHMENTS, MANUFACTURING AND OTHER INDUSTRIES TO CIRCUMVENT WORKERS' RIGHT TO SECURITY OF TENURE

WHEREAS, the contractualization of workers by certain employers, particularly large retail and service establishments like department stores, malls, fast food chains and restaurants, including those in manufacturing and other industries, is being lamented as subjecting workers to unfair hiring practices and unfavorable labor conditions;

WHEREAS, according to the Trade Union Congress of the Philippines (TUCP), around half of the country's 67.1 million workers are engaged in contractualization;

WHEREAS, one manifestation of how contractualization has become prevalent is that words like "Endo" and "5-5-5" have seeped into the vernacular: "Endo" is the shortened version of "end of contract" and is used to refer to the definitive end of contractual employment, while "5-5-5" are workers who can only work for five months at a time, renewable for another two five-month contracts only. Five months is the usual contract period, because employment is generally deemed regular if it exceeds six months from the date the employee started working, and there is no agreement to the contrary;

WHEREAS, it is reported that these workers receive less than the mandated minimum wage without social protection benefits such as Social Security System (SSS), Pag-IBIG, and PhilHealth and they are also deprived of overtime and holiday pays, non-cash perks and other benefits;

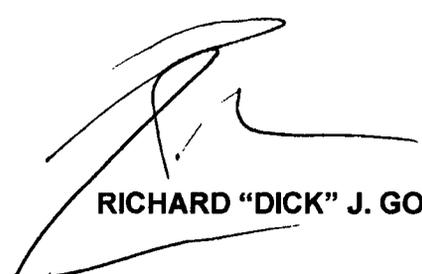
WHEREAS, Article XIII, Section 3 of the 1987 Philippine Constitution guarantees that all workers shall be entitled to security of tenure, among other cardinal rights of a worker;

WHEREAS, Articles 106 to 109 of the Labor Code of the Philippines and several Department Orders of the Department of Labor and Employment (DOLE), particularly DOLE Order No. 18-A (DO 18-A), governing the contracting and subcontracting of workers differentiate between a "legitimate contractor" and a "labor-only contractor", which DO 18-A expressly prohibits;

WHEREAS, in spite of labor laws regulating contractualization of work, there are strong allegations that certain employers circumvent the law in order to prevent workers from attaining regular status that will provide them mandated benefits: Now, therefore, be it:

Resolved by the Senate, as it is hereby resolved, to conduct an inquiry in aid of legislation to determine: 1) the sufficiency and relevance of current laws / policies on contractualization of workers by retail and service establishments, manufacturing and other industries; and 2) to create measures to prevent circumvention of laws and policies on this matter to ensure that the right to security of tenure of workers is sufficiently protected.

Adopted,


RICHARD "DICK" J. GORDON