

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



Senate
Office of the Secretary

SENATE
S. No. 217

'19 JUL -2 P6:17

RECORDED BY

Introduced by Senator Francis "Tol" N. Tolentino

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

EXPLANATORY NOTE

The Philippines is abundant in natural and mineral resources which many communities rely on for their livelihood. Extractive industries, however, brought relatively negative outcomes to these communities as natural wealth are being exploited. Enterprises engaged in the exploitation of natural resources earn millions at the expense of the communities and the environment. Locals further struggle when their welfare and rights are undermined.

Unfortunately for these residents, communities are usually denied of a share of the companies' profit which could at least compensate for the loss of their source of livelihood. This is despite the Article 10, Section 7 of the Constitution which states:

"Local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits."

For this matter, this bill is a response to the need of amendment in the Labor Code to oblige the extractive sector – including mining, quarrying, cement

manufacturing, logging and power generating – to provide preferential employment to the local host. This will prioritize the locals of communities where such activities are conducted and encourage financial stability among households.

It is hoped that the proposed legislation will give prime importance to the constitutional rights of affected communities.¹



FRANCIS "TOL" N. TOLENTINO
Senator

¹ This was lifted from a bill filed by the late Senator Miriam Defensor Santiago during the Fourteenth Congress, First Regular Session; refiled during the Fifteenth Congress, First Regular Session; refiled during the Sixteenth Congress, Second Regular Session; and is now refiled during the Eighteenth Congress in her honor.

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

1 Section 1. A new title is hereby added to the Labor Code of the Philippines, Book
2 I which shall read as follows:

3 **TITLE III. EMPLOYMENT OF RESIDENTS IN INDUSTRIES**
4 **ENGAGED IN THE DEVELOPMENT AND EXPLOITATION OF NATURAL**
5 **RESOURCES.**

6 **ARTICLE 43. DEFINITION. – INDUSTRIES ENGAGED IN THE**
7 **DEVELOPMENT AND EXPLOITATION OF NATURAL RESOURCES SHALL**
8 **INCLUDE CORPORATIONS, PARTNERSHIPS, ASSOCIATIONS,**
9 **INDIVIDUALS ENGAGED IN MINING, QUARRYING, MANUFACTURE OF**
10 **CEMENT, LOGGING, GENERATION OF POWER BY STEAM**
11 **(GEOTHERMAL) OR WATER (HYDRO-ELECTRIC), OIL DRILLING AND**
12 **OTHER EXTRACTIVE ACTIVITIES.**

13 **RESIDENTS SHALL MEAN THOSE WHO HAVE RESIDED FOR A**
14 **PERIOD OF AT LEAST ONE (1) YEAR IN THE PROVINCE OR CITY WHERE**

1 THE ACTIVITY IS CONDUCTED AND HAVE EVINced A DESIRE TO
2 RESIDE THEREIN PERMANENTLY.

3 ARTICLE 44. CORPORATIONS, PARTNERSHIPS,
4 ASSOCIATIONS OR INDIVIDUALS ENGAGED IN THE DEVELOPMENT
5 AND EXPLOITATION OF NATURAL RESOURCES AS DEFINED IN THE
6 PRECEDING SECTION SHALL GIVE PREFERENCE TO THE EMPLOYMENT
7 OF RESIDENTS OF THE PROVINCE OR CITY WHERE SUCH ACTIVITIES
8 ARE CONDUCTED; PROVIDED, HOWEVER, THAT THE EMPLOYMENT OF
9 MANAGERIAL EMPLOYEES, SHALL ONLY BE MADE UPON
10 CERTIFICATION BY THE BUREAU OF EMPLOYMENT SERVICES THAT NO
11 RESIDENTS ARE QUALIFIED FOR SUCH POSITIONS.

12 ARTICLE 45. A VIOLATION OF THE PRECEDING SECTION SHALL
13 BE DEEMED UNLAWFUL AND SHALL BE PROSECUTED AND PUNISHED
14 UNDER ARTICLES 288 AND 289 OF THIS CODE.

15 Sec. 2. Section 43 is hereby renumbered as Section 46, Section 46 as Section 47
16 and the succeeding sections of the Labor Code of the Philippines are hereby
17 renumbered accordingly.

18 Sec. 3. *Repealing Clause.* – All laws, decrees, orders, and issuances, or portions
19 thereof, which are inconsistent with the provisions of this Act, are hereby repealed,
20 amended or modified accordingly.

21 Sec. 4. *Effectivity.* – This Act shall take effect after fifteen (15) days after its
22 complete publication in the Official Gazette or in at least two (2) newspapers of general
23 circulation.

Approved,