

SENATE

S. B. No. 1916

Introduced by **SENATOR JINGGOY EJERCITO ESTRADA**

EXPLANATORY NOTE

The Philippine labor market in recent years has been showing a dismal performance as the country's employment rates continue to decline. This slump in employment pushed the unemployment rate to a two-digit level, indicating a weak labor market. The unemployment scenario is expected to be worse and there will be substantial loss of job opportunities and income. There ought to be a deliberate effort on the part of government to improve the total Philippine employment picture.

The President herself acknowledged this situation and has in fact included the creation of six to ten million jobs as her administration's top priority among the 10-point agenda of her governance. To assist the Arroyo Administration in fulfilling this mandate, there should be an agency tasked solely to plan, manage and supervise local jobs and employment opportunities to abate the growing unemployment and underemployment.

This bill, therefore, seeks the creation of a Local Employment Authority, as an attached agency of the Department of Labor and Employment (DOLE), which shall be responsible in planning and managing local employment promotion, facilitation, generation and enhancement for both wage and non-wage employment.

For this reason, the immediate approval of this bill is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

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

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S.B. No. 1916

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AN ACT
CREATING THE LOCAL EMPLOYMENT AUTHORITY, DEFINING ITS
POWERS AND FUNCTIONS AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. Declaration of Policy. - It is the policy of the State to afford protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race or creed, and regulate the relations between workers and employers.

SEC 2. The Local Employment Authority. - For the purpose of carrying out the above policy, there shall be created under the Department of Labor and Employment (DOLE), a Local Employment Authority, herein referred to as the Authority. The Authority shall be responsible for planning and managing employment promotion, facilitation, generation and enhancement strategies to afford each and every Filipino the opportunity of gainful and productive employment.

SEC 3. Powers of the Authority. - The Authority shall have the following powers and functions:

1. Formulate policies, standards and procedures and systems for human resource development, allocation, utilization, and referral and placement for both wage and non-wage employment;
2. Establish and maintain coordinative linkage with the private sector to facilitate employment promotion and generation;
3. Regulate and supervise private sector participation in the recruitment and placement of workers locally under such rules and regulations as may be issued by the Governing Board;
4. Establish and maintain a registration or work permit system in aid of proper manpower and development planning;
5. Formulate employment policies, standards and procedures and programs designed to benefit and protect both wage and non-wage

earners, particularly the disadvantaged/special groups of workers and their communities such as, but not limited to women, young workers, working children, rural and agricultural workers, informal sector workers, persons with disabilities, and the elderly;

6. Formulate policies and promulgate orders, rules and regulations implementing the provisions of the labor code affecting in particular the disadvantaged/special groups of workers;
7. Set standards which shall protect the welfare of the disadvantaged/special groups of workers, improve their working conditions, increase their efficiency, secure opportunities for their gainful and productive employment and find ways for their economic, educational, social and cultural advancement;
8. Prepare and recommend to the Governing Board the approval and issuance of rules and regulations necessary in the interpretation of all laws relating to local employment;
9. Undertake development studies and researches on employment promotion, facilitation and enhancement, and submit recommendations to the Governing Board;
10. Undertake studies on the training needs of the disadvantaged/special groups of workers and develop programs and projects to enhance their productivity and employability, and effective participation in community development;
11. Provide legal and technical assistance on matters relating to the employment of both wage and non-wage earners;
12. Coordinate, monitor and evaluate employment interventions of all government instrumentalities;
13. Act as the government's clearing house of all information relating to local employment; and
14. Perform such other functions as may be assigned by the Governing Board or as may be provided by law.

SEC. 4. Governing Board. - A Governing Board composed of the Secretary of Labor and Employment as ex-officio chairman, and the Secretaries of the National Economic Development Authority, Department of Trade and Industry, Department of Agriculture, and the Director General as ex-officio members shall manage the Authority.

In addition, the President shall appoint one (1) representative each from the employer/industry and labor sectors, who shall hold office for three (3) years.

The Board shall meet once a month or as often as deemed necessary. The Board Chairman and Members shall receive per diems for each meeting actually attended in such amount as may be fixed by the Governing Board.

SEC. 5. Powers of the Governing Board. - The Governing Board shall have the following powers and functions:

- a) Recommend to the President of the Republic of the Philippines for approval a comprehensive Employment Plan;

- b) Approve employment programs and projects to be implemented by the Authority;
- c) Promulgate rules and regulations for the effective implementation of this Act;
- d) Monitor and review on a periodic basis the local employment situation and recommend appropriate policies, measures and strategies to improve and maximize the promotion and generation of productive employment; and
- e) Perform such other functions and powers as may be authorized by law.

SEC. 6. Structure. - Three Bureaus under the Department of Labor and Employment, namely: a) Bureau of Local Employment; b) Bureau of Rural Workers; and c) Bureau of Women and Young Workers shall be merged to give way for the creation of the Authority.

(a) **Director General.** - The Authority shall be headed by a Director General to be appointed by the President, who shall manage and supervise the affairs of the Authority. The Director General shall have a position level equivalent to that of a Department Undersecretary.

(b) **Deputy Director General.** - The Director General shall be assisted by a Deputy Director General, with a position level equivalent to that of a Department Assistant Secretary, in implementing and carrying out employment policies and plans laid down by the Authority.

(c) **Departments.** - The Authority shall have three (3) major Departments, each to be headed by a Director IV, namely:

1. Employment Promotion and Facilitation;
2. Employment Planning and Monitoring; and
3. Management Services and Operations.

(d) **Regional Operations.** - The DOLE Regional Offices shall continue to be the implementing arm for the national employment program at the regional level.

(e) **Personnel Complement.** - The existing manpower complement of the three (3) merged Bureaus shall be reviewed in accordance with the Civil Service rules and regulations. Personnel who may not be absorbed by the Authority or Regional Offices of the DOLE shall be offered an appropriate retirement/retrenchment package as may be authorized by law.

SEC 7. Appropriations. - For the purpose of organizing the Local Employment Authority, the respective budgets of the three (3) abolished Bureaus shall be pooled as initial funding for the Authority. Thereafter, the amount

necessary for the operations of the Authority shall be included in the General Appropriations Act.

SEC. 8. Repealing Clause. - All other provisions, law, decrees, executive orders, rules and regulations or parts thereof contrary to, or inconsistent with this Act are hereby repealed or modified accordingly.

SEC 9. Effectivity. - This Act shall take effect upon its approval and publication in at least two (2) national newspapers of general circulation.

Approved,