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SENATE

S. B. NO. 129

Introduced by SENATOR JOEL VILLANUEVA

AN ACT
INSTITUTIONALIZING AND EXPANDING THE NATIONAL
EMPLOYMENT RECOVERY STRATEGY (NERS) TO A NATIONAL
EMPLOYMENT ACTION PLAN, APPROPRIATING FUNDS THEREFOR
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

On January 30, 2020, the Department of Health (DOH) confirmed the first case of the novel coronavirus disease (COVID-19) in the country, which was then reported as a "cluster" of pneumonia cases "of unknown cause" originating from Wuhan, China. Consequently, it resulted in the imposition of a ban on the entry of Chinese nationals from Wuhan City, and subsequently, to and from China, Hongkong, and Macau, Taiwan, and to some areas in South Korea.¹

On March 7, 2020, the first local transmission of the COVID-19 was confirmed by the DOH, triggering the declaration of a state of public health emergency on March 8, 2020, through Proclamation No. 922, and the imposition of the "community quarantine" on March 12, 2020, to prevent the further spread of the virus. On March 16, 2020, the "enhanced community quarantine" was implemented in the entire Luzon area, wherein all persons are required to remain at home, all modes of transportation had been suspended, provision of essential goods and services are regulated, and uniformed personnel strictly enforced quarantine procedures.²

Since then, it is undeniable that all Filipinos have been widely affected. Micro, small, and medium enterprises (MSMEs), which account for 99.5% of all enterprises, or 952,969 businesses enterprises, and provided a total of 5,380,815 jobs or 62.66% of the country's total employment based on the 2020 Philippine Statistics Authority (PSA) List of Establishments, faced severe uncertainties.³ As of April 29, 2020, the

¹ Philippine Daily Inquirer, Timeline: One year of Covid-19 in the Philippines, available at <https://newsinfo.inquirer.net/1406004/timeline-one-year-of-covid-19-in-the-philippines> (last accessed June 25, 2022).

² Id.

³ DTI, 2020 MSME Statistics, available at <https://www.dti.gov.ph/resources/msme-statistics/> (last accessed June 25, 2022).

Department of Trade and Industry (DTI) reported that 52.66% of MSMEs fully closed their operations due to the pandemic.⁴

The informal economy was likewise affected by the public health crisis. The 2008 Informal Sector Survey conducted by the then National Statistics Office (NSO) and the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) found that there were approximately 10.5 million informal sector operators in the Philippines,⁵ and in 2018, the PSA reported that there were at least 15.68 million informal or self-employed workers nationwide.⁶ This was further exacerbated by the pandemic, as found by a report prepared by the Asian Development Bank, which found that the pandemic alone affected 1.7 million jobs up to January 2021, and employment in the informal sector rose by about 435,000.⁷

As of December 2020, the Department of Foreign Affairs had repatriated 327,511 Overseas Filipino Workers (OFWs), both land-based and sea-based.⁸ A survey conducted by the International Organization for Migration, with 8,332 respondents who returned to the Philippines in 2020, showed that at least 70% of OFWs had their employment terminated, their contracts were not renewed, or their employers asked them to leave.⁹

Moreover, the COVID-19 crisis rapidly accelerated digitalization for several businesses, with the number of DTI-registered online business in October 2020 reaching 82,000, compared to around 1,700 from January to March 2020, a whopping 624% increase in volume of online payment transactions via Instapay and 130% for PESONet, and an expected e-commerce annual growth of 14.7% from 2021-2025.¹⁰ However, these positive developments will need to be accompanied by a whole-society approach in ensuring that the labor workforce remain competitive and employable through ramped-up efforts for skilling, reskilling, and upskilling, particularly in digital skills, otherwise, this will further lead to greater digital divide and job-skills mismatch.

The foregoing are just a few of the examples of how the COVID-19 pandemic impacted the country and specific sectors. Thus, there is a need to institutionalize the present National Employment Recovery Strategy (NERS) of the country, which was originally constituted through Executive Order No. 140, series of 2021, to address the social and economic issues due to the pandemic, and the challenges and opportunities brought about by new technologies.

⁴ Philippine Daily Inquirer, DTI: Over half of MSMEs in PH fully stopped operations due to virus outbreak, *available at* <https://business.inquirer.net/296227/dti-over-half-of-msmes-in-ph-fully-stopped-operations-due-to-virus-outbreak> (last accessed June 25, 2022).

⁵ Informal sector operators counted at 10.5 million (Results from the 2008 Informal Sector Survey). Philippine Statistics Authority, *available at* <https://psa.gov.ph/content/informal-sector-operators-counted-105-million-results-2008-informal-sector-survey> (last accessed June 25, 2022); <https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/title/Employment%20Situation%20in%20July%202018>

⁶ Available at: <https://pcw.gov.ph/magna-carta-of-workers-in-the-informal-economy/>

⁷ Asian Development Bank, Philippines' COVID-19 Employment Challenge: Labor Market Programs to the Rescue, *available at* <https://blogs.adb.org/blog/philippines-covid-19-employment-challenge-labor-market-programs-to-rescue> (last accessed June 24, 2022).

⁸ Asian Development Bank, COVID-19 and Overseas Filipino Workers, *available at* <https://www.adb.org/sites/default/files/publication/767846/sewp-021-covid-19-ofws-return-migration-reintegration.pdf> (last accessed June 25, 2022).

⁹ *Id.*

¹⁰ Dr. Rafaelita M. Aldaba, Department of Trade and Industry, COVID-19 and Digital Transformation of the Philippines, *available at* https://pidswebs.pids.gov.ph/CDN/EVENTS/aldaba_adb_pids_10march.pdf (last accessed June 25, 2022).

Under this bill, the NERS shall be institutionalized and expanded to become the National Employment Action Plan (NEAP), which shall be the country's employment recovery and generation masterplan. It shall have the following objectives:


1. To stimulate national and local economic growth and development through linked investment incentives to the creation of more decent employment to address unemployment, underemployment, and rising precarity and informality of work arrangements;
2. To promote the employability, competitiveness, wellness, and productivity of workers through efficient and effective delivery of skills development and enhancement programs, and maximization of opportunities in the labor market in a post-Covid-19 world; and
3. To provide support and incentives to businesses, whether existing or emerging, particularly micro, small and medium enterprises (MSMEs), and ensure the security and preservation of employment.

The bill enumerates action components to achieve the foregoing objectives, and allows the inclusion of additional action components, and their corresponding success measures and performance indicators to ensure flexibility in the achievement of its objectives.

The bill also proposes to reconstitute the NERS Task Force created under E.O. No. 140, s. of 2021 as the Inter-Agency Council for Jobs and Investments, or IAC, which shall be co-headed by the DTI, DOLE and TESDA secretaries. Additionally, in view of the invaluable insights and contributions of the private sector in the implementation of the NERS and to guarantee the private sector's participation, the IAC will include representatives from employers' organizations and labor groups. The IAC may likewise establish working groups which will focus on developing employment recovery and job creation in specific industries and emerging sectors, such as, but not limited, to construction, tourism, agriculture, IT and business process management, and manufacturing.

Lastly, local government units will play a crucial role in the localization of the National Employment Action Plan through the formulation of plans, programs, or projects geared towards employment recovery and job generation within their respective jurisdictions.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


SENATOR JOEL VILLANUEVA, Jr.



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AN ACT
INSTITUTIONALIZING AND EXPANDING THE NATIONAL
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EMPLOYMENT ACTION PLAN, APPROPRIATING FUNDS THEREFOR
AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the "Trabaho Para sa Lahat ng Pilipino Act."

SEC. 2. Declaration of Policies. – It is the policy of the State to afford full protection to labor, local and overseas, organized and unorganized, promote full, productive and freely chosen employment and livelihood, and ensure equal employment opportunities for all, irrespective of sex, race, color, religion, political opinion, national extraction or social origin.

Accordingly, the State shall ensure, in pursuit of poverty reduction through decent employment, an environment that encourages more employment and entrepreneurship opportunities, provide comprehensive support to existing and emerging businesses, particularly to the micro, small and medium enterprises (MSMEs), and improve the employability and productivity of workers.

SEC. 3. Coverage. – This Act shall apply to national, regional, and local government units (LGUs), without prejudice to the right of the LGUs within the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM) to opt to adopt their own regional employment plan.

SEC. 4. National Employment Action Plan (NEAP). – A National Employment Action Plan, integrating the 2021-2022 National Employment Recovery Strategy (NERS) from the pandemic, shall be the State's employment recovery and generation masterplan which shall have the following objectives:

- (a) To stimulate national and local economic growth and development through linked investment incentives to the creation of more decent employment to address unemployment, underemployment, and rising precarity and informality of work arrangements;

(b) To promote the employability, competitiveness, wellness, and productivity of workers through efficient and effective delivery of skills development and enhancement programs, and maximization of opportunities in the labor market in a post-Covid-19 world; and

(c) To provide support and incentives to businesses, whether existing or emerging, particularly micro, small and medium enterprises (MSMEs), and ensure the security and preservation of employment.

For this purpose, the Inter-Agency Council for Jobs and Investments (IAC) under Section 4 of this Act shall formulate the NEAP, which shall integrate and implement the NERS within one (1) year upon the lifting of the declaration of the state of calamity. The NEAP shall have clear action components, success measures, and performance indicators, including, but not limited to:

(a) Provision of support for the establishment and growth of MSMEs, including increased access to financing and capital, and other incentives, to promote self-reliance and spur employment generation;

(b) Equipping unskilled workforce, particularly youth and women, with skills training and other opportunities to improve their employability and competitiveness;

(c) Encouraging and incentivizing employers and other private sector organizations, including industry stakeholders, that offer training, including technology, knowledge and skills transfer, upskilling and reskilling, apprenticeship, on-the-job training, and other similar activities, geared towards the improvement of the workforce;

(d) Formulating plans and incentives and facilitating the transition of workers from the informal to the formal economy through the provision of assistance for formalization of their livelihoods, such as business registration;

(e) Empowering the workforce through orientations, seminars, and all other modes on their rights as guaranteed by the 1987 Constitution, Presidential Decree No. 442, or the Labor Code of the Philippines, and different rules and regulations, including the right to self-organization and collective bargaining;

(f) Identifying priority sectors, key and emerging industries, and other areas with high employment potential, for purposes of encouraging domestic investment and foreign direct investment in such sectors, implementing targeted support and subsidy to volatile sectors, and providing support to create value-added supply chain;

(g) Expanding the implementation of active labor market policies and programs, including employment facilitation and job matching services, create innovative means to reach more workers, and improve the efficiency of delivering such services;

(h) Enhancing tripartism and social dialogue through increasing the participation and representation of youth, women, and workers in the informal economy, among others, in labor issues and concerns;

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2 (i) Developing affordable schemes to encourage and incentivize workers in the
3 informal economy to be enrolled in the Social Security System;
4
5 (j) Promoting ethical and fair recruitment to protect the rights of migrant workers
6 through improved supervision of recruitment agencies, prosecution and conviction
7 of traffickers and illegal recruiters, and intensified occupational safety and health
8 inspections, among others; and
9
10 (k) Implement the full-cycle and comprehensive national reintegration program for
11 documented and undocumented Overseas Filipino Workers.
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13 For this purpose, the IAC shall describe and set standards for the development of
14 additional action components, and their corresponding success measures, and
15 performance indicators.
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17 **SEC. 5. Inter-Agency Council for Jobs and Investments (IAC).** – The NERS Task
18 Force, created under Executive Order No. 140, series of 2021, is hereby reconstituted as
19 the Inter-Agency Council for Jobs and Investments. It shall be composed of the following:
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- 21 (a) Secretary of the Department of Trade and Industry as Chairperson;
22
23 (b) Secretary of the Department of Labor and Employment, as Co-Chairperson;
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25 (c) Director-General of the Technical Education and Skills Development Authority
26 (TESDA), as Co-Chairperson;
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28 (d) Secretary of the Department of Migrant Workers, as member;
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30 (e) Secretary of the Department of Budget and Management (DBM), as member;
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32 (f) Secretary of the Department of Finance (DOF), as member;
33
34 (g) Director-General of the National Economic and Development Authority, as
35 member;
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37 (h) One (1) representative from the employers organizations; and
38
39 (i) One (1) representative from the labor organizations.
40

41 The IAC chairpersons and members may designate their representatives, who must be
42 next-in-rank to the principal member and fully authorized to decide for and on their behalf.

43 The DOLE shall serve as the Secretariat of the IAC. It shall be composed of existing
44 personnel from the DOLE, and shall provide administrative, operational, and technical
45 support to the IAC.

46 The IAC shall coordinate and obtain resource persons from other government agencies
47 and instrumentalities as well as private stakeholders as may be necessary to realize the
48 objectives of this Act.
49

SEC. 6. Powers and Functions of the IAC. – The IAC shall have the following powers and functions:

- (a) Formulate a medium and long-term NEAP, and make the necessary changes thereto, in order to address the recovery of the labor market and the prevailing employment issues therein, including providing employment objectives and targets, action components and performance indicators, implementation and coordination mechanisms, and monitoring and evaluation. The NEAP shall undergo an annual review and evaluation of its implementation, accomplishments, and recommendations to address gaps in its execution;
- (b) Conduct a comprehensive analysis of the employment situation and labor market in the country, review of existing policies and programs affecting the workforce in general and the informal economy, youth, and women, in particular, and map initiatives undertaken with the support of the private sector, non-government organizations, or international development organizations;
- (c) Harmonize the employment, livelihood and training projects and programs of the National Government towards the preservation and creation of more jobs;
- (d) Collaborate with local government units in planning, devising, and implementing employment recovery and job generation programs within their localities, and ensure their alignment with the NEAP;
- (e) Create working groups in support of the development and implementation of the NEAP;
- (f) Tap civil society organizations, employers organizations, labor unions and groups, and other partners, where feasible, for joint programs and technical cooperation initiatives to augment and expand employment generation and livelihood projects;
- (g) Engage in promotional activities to expand the reach of national and local employment campaign;
- (h) Craft and provide guidelines for the institutionalization of the NEAP in each government agency;
- (i) Submit to the Office of the President, the Senate of the Philippines, and the House of Representatives a report on the review and evaluation of the implementation of the NEAP; and
- (j) Perform such other functions that may be related to the implementation of the NEAP.

SEC. 7. Establishment of IAC Working Groups. – To pursue a whole-of-government approach in the implementation of the NEAP, working groups may be established by the IAC, as may be necessary. The creation of working groups shall be in line with the objectives and targets as may be indicated in the NEAP, and shall work on developing employment recovery and job creation in specific industries and emerging sectors, such as, but not limited to, construction, tourism, agriculture, IT and business process management, and manufacturing.

1 Industry sector representatives, including representatives from the labor and employers'
2 groups, shall be consulted and shall participate in the working groups.

3
4 **SEC. 8. Active Participation of Local Government Units.** – LGUs shall formulate plans,
5 programs, or projects geared towards employment recovery and job generation within
6 their localities. The IAC, together with the DILG, shall craft policies and guidelines, and
7 provide support to local government units in the localization and alignment of their
8 respective plans with the NEAP.

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10 **SEC. 9. Report to Congress.** – The IAC shall submit an annual report to Congress on
11 the status of implementation, accomplishments, and recommendations in employment
12 recovery and job generation.

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14 **SEC. 10. Implementing Rules and Regulations.** – Within ninety (90) days from the
15 effectivity of this Act, the DTI, DOLE, and TESDA, in coordination with DBM, DOF, NEDA,
16 and other concerned agencies and private stakeholders, shall formulate the implementing
17 rules and regulations for the effective implementation of this Act.

18
19 **SEC. 11. Separability Clause.** – Any portion or provision of this Act that is declared
20 unconstitutional or invalid shall not have the effect of nullifying other portions or provisions
21 hereof as long as such remaining portions can still subsist and be given effect in their
22 entirety.

23
24 **SEC. 12. Repealing Clause.** – All laws, ordinances, rules, regulations, other issuances
25 or parts thereof, which are inconsistent with this Act, are hereby repealed or modified
26 accordingly.

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28 **SEC. 13. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in
29 the Official Gazette or in two (2) newspapers of general circulation.

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31 **Approved,**