

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FOURTEENTH CONGRESS
Second Regular Session

House Resolution - 693



Introduced by
Gabriela Women's Party Representatives
LIZA LARGOZA-MAZA and LUZVIMINDA ILAGAN;
Anakpawis Representative RAFAEL V. MARIANO

RESOLUTION

CALLING ON THE HOUSE OF REPRESENTATIVES COMMITTEE ON LABOR AND EMPLOYMENT TO CONDUCT AN INVESTIGATION IN AID OF LEGISLATION, ON THE EXTENT AND LEGALITY OF FLEXIBLE LABOR ARRANGEMENTS, AND RECOMMEND MEASURES TO PROTECT THE RIGHTS AND WELFARE OF WORKERS

WHEREAS, Article 280 of the Labor Code states that, "...employment shall be deemed to be regular where the employee has been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer, except where the employment has been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of the engagement of the employee or where the work or service to be performed is seasonal in nature and the employment is for the duration of the season."

WHEREAS, flexible labor arrangement is opposed to regularization of workers. Contractualization, the most common form of labor flexibilization, means replacing regular workers with non-regular or temporary workers who receive wages below the minimum wage level and with less or sometimes no benefits. Non-regular or temporary workers include casuals, contractuels/project-based, seasonal, probationary, and paid trainees/apprentices;

WHEREAS, in the Philippines, data shows that non-regular workers do the work of regular workers, that is, they "perform activities which are usually necessary or desirable" and essential for the company's survival. Usually, non-regular workers are hired for a previously determined period of time that is expected not to last more than a short period, usually less than 6 months. There are even worse cases where the period of service of the worker is not pre-determined, so the management has the discretion to remove them anytime;

WHEREAS, a study made by the Center for Trade Union and Human Rights (CTUHR) in 2004 revealed that in the CALABARZON (Calamba, Laguna, Batangas, Rizal, Quezon) region, three out of five workers are considered temporary or non-regular;

WHEREAS, the CTUHR-study cites a case of Masuda Philippines, a car manufacturer based in Laguna special economic zone, where 87.5% or 700 of its 800 employed workforce are considered temporary workers. The daily wage of regular workers in Masuda ranges from P280 to P320, while non-regular workers receive P267 to 277 only. Moreover, aside from performing similar work with that of regular workers, non-regular workers in said company have higher quotas compared to their regular counterpart, thus, forcing them to work for a longer period;

WHEREAS, the extent of contractualization can also be felt in the decrease in union membership since the onslaught of contractualization in 1990's. In the case of San Miguel Corporation (SMC) for example, according to Ilaw at Buklod ng Manggagawa (IBM), union in the SMC conglomerate, the company has 39, 000 strong workforce in the early 1990's. At present, an item in their website showed that the company has 26, 000

employees. IBM revealed that of the total workers employed by SMC only 1,100 of them are regular;

WHEREAS, government data shows that union membership went down from 3.57 million members in 1995 to 1.896 million members in the last quarter of 2007, a decline of nearly 2 million. Moreover, this means that union membership in 2007 was only 5.65 % of the total 33.56 million employed persons. With the decline in union membership, the defense and protection of workers' rights weakens;

WHEREAS, the increasing number of non-regular workers also mirrors the extent of labor flexibilization, as well as the extent of violations of workers' rights in the country. Citing a government data from 1990 to 1994, a study of the Asia Pacific Research Network (APRN) in 2000 showed that the combined number of casual, contractual and part-time workers in total enterprise-based employment comprise 14 to 15%. In 2004, based on the data released by the Bureau of Labor and Employment Statistics (BLES), the total number of non-regular workers (casual, contractual, seasonal, apprentice, and probationary) already reached 26% or 628,495 of the 2,413,443 employed persons in non-agricultural establishments employing 20 or more workers;

WHEREAS, businessmen point to trade globalization as the main reason for the emergence of labor flexibilization for this is their only way to reduce costs. Donald Dee, then president of the Employers Confederation of the Philippines told the Manila Times in 2003 that, "It is true that contractual labor is now really extensive. Easily seven in every 10 companies practice contractualization... We know for a fact that contractualization is meant to avoid regularization."

WHEREAS, labor flexibilization violates the workers' constitutional right. Article XIII Section 3 states that,

"The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment opportunities for all.

"It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiation, and peaceful concerted activities, including the right to strike in accordance with law.

"They shall be entitled to security of tenure, humane conditions of work and a living wage. They shall also participate in decision-making processes affecting their rights and benefits as may be provided by law.xxx"

WHEREAS, with the flexibilization scheme, the workers are not protected in any way. They are not covered by collective bargaining agreements, minimum wage law and security of tenure;

WHEREAS, there is an urgent need for Congress to look into the worsening condition of our non-regular workers, and enact legislative measures that would ensure their security of tenure, as well as protection of their rights and welfare;

NOW THEREFORE, BE IT RESOLVED that the House of Representatives Committee on Labor and Employment conduct an investigation in aid of legislation on the extent and legality of flexible labor arrangements, and recommend measures to protect the rights and welfare of workers.

Adopted,


REP. LIZA LARGOZA-MAZA


REP. LUZVIMINDA C. ILAGAN


REP. RAFAEL V. MARIANO