

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Thirteenth Congress
First Regular Session

3786

H.B. No. _____

Introduced by Representative Carlos O. Cojuangco

EXPLANATORY NOTE

Eugene Staley in *The Future of Underdeveloped Countries* (1961) said that, "One of the real problems of economic development nowadays, which did not exist in earlier times, is the temptation of underdeveloped countries to imitate the advanced social legislation of highly developed countries, or even to go them one better, without first imitating productivity. It requires a high quality of leadership, both in labor movement and the government, to select those items of modern social legislation which can be used to smooth the path of development and prevent abuses without stifling economic growth, and to reject those which cannot be supported until more growth has occurred."

This sums up the balancing act that the government has to do. It has to provide for an atmosphere suitable for the generation of investments to prove for employment opportunities. Incentives to capitalists cannot, however, be at the expense of the labor force.

In 1995, the PEZA Law was passed primarily to promote countryside development. Thus, incentives were given to locators or enterprises within the ECOZONES. In the process, many were saying that the labor force within these zones may have been placed in a compromised position.

This bill seeks to grant board, lodging and/or housing benefits to ECOZONE employees and personnel. It aims to redress the primary quandary of an ECOZONE employee who has been forced by circumstances to be away from the comforts of his home. It likewise addresses the need of a similar employee who may long have wanted to have a place, proximate to where he works, his new home, but may not afford to buy it. In a simple way, it seeks to balance the welfare of these laborers with their employers.

In view of the foregoing, early passage of this bill is earnestly requested.



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AN ACT
PROVIDING FOR BOARD, LODGING AND HOUSING BENEFITS TO
EMPLOYEES AND PERSONNEL IN ECOZONE ENTERPRISES,
AMENDING FOR THE PURPOSE SECTION 37 OF REPUBLIC ACT NO.
7916, OTHERWISE KNOWN AS THE 'SPECIAL ECONOMIC ZONE
ACT OF 1995' AND FOR OTHER PURPOSES

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

Section 1. **Short Title** - This Act shall be known and cited as the "Ecozone Housing Act."

Section 2. **Board, Lodging and Housing to Ecozone Employees** - Section 37 of Republic Act No. 7916, otherwise known as the "The Special Economic Zone Act of 1995" is hereby amended to read as follows:

"Sec. 37. **Labor and Management Relations** - Except as otherwise provided in in this Act, labor and management relations in the ECOZONE shall be governed by the existing Labor Code of the Philippines. Employees and personnel in the ECOZONE enterprises shall receive salaries and benefits and shall enjoy working conditions not less than those provided under the Philippine Labor Code and other relevant laws, issuances, rules and regulations of the Philippine Government and the Department of Labor and Employment."

SIXTY (60) DAYS AFTER THE PASSAGE OF THIS ACT INTO LAW, IT SHALL BE MANDATORY FOR EXISTING AND NEW ENTERPRISES IN ECOZONES TO PROVIDE FOR BOARDING AND/OR LODGING FACILITIES TO ALL OF ITS EMPLOYEES AND PERSONNEL. THE PEZA

ENTERPRISE MAY BY ITSELF OR JOINTLY WITH ANOTHER OR A GROUP OF ENTERPRISES SHOULDER THE COST OF THE BUILDING AND DEVELOPMENT OF SAID FACILITIES.

THE FAIR AND REASONABLE VALUE FOR THE USE OF THESE FACILITIES MAY BE DEDUCTED AGAINST THE WAGES OF THE PERSONNEL AND EMPLOYEES. THE SECRETARY OF LABOR AND EMPLOYMENT IS HEREBY AUTHORIZED TO FIX FROM TIME TO TIME THE FAIR AND REASONABLE VALUE OF THE BOARD AND LODGING FACILITIES.

SIXTY (60) DAYS AFTER THE PASSAGE OF THIS ACT INTO LAW, THE PEZA IN COORDINATION WITH THE NATIONAL HOUSING AUTHORITY (NHA) IS HEREBY MANDATED TO IDENTIFY AND DESIGNATE AREAS INSIDE OR OUTSIDE, BUT WITHIN THE PROXIMITY OF ECOZONES, SUITABLE FOR THE CONSTRUCTION AND DEVELOPMENT OF LOW COST HOUSING SUBDIVISIONS EXCLUSIVELY FOR ECOZONE EMPLOYEES AND PERSONNEL.

THE PEZA AND THE NHA MAY TAP THE RESOURCES OF ECOZONE ENTERPRISES WHO ARE WILLING TO OFFER HOUSING BENEFITS TO ITS EMPLOYEES.

Section 3. Repealing Clause - All laws, decrees, executive orders, and rules and regulations, or parts thereof, which are inconsistent with this Act, are hereby repealed or modified accordingly.

Section 4. Separability Clause - If for any reason, any provision of this Act is declared invalid or unconstitutional, the other parts not affected thereby shall continue to be in full force and effect.

Section 5. Effectivity - This Act shall take effect thirty (30) days after its complete publication in a newspaper of general circulation.

Approved.