

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
Second Regular Session

House Bill No. 4637



Introduced by Partido ng Manggagawa
Representative Renato "Ka Rene" B. Magtubo

EXPLANATORY NOTE

The Constitution provides for a living wage thus, Article XIII Section 3 states that " The State shall provide full protection to labor xxx. They shall be entitled to security of tenure, humane conditions of work, and a living wage xxx. However, up till now there is still no enabling law to realize such aforesaid provision.

The living wage was defined as the income needed for a family of six (6) to provide for the family's food and non-food expenditures with sufficient allowance for savings and investments for social security so as to enable the family to live and maintain a decent standard of human existence beyond mere subsistence level, taking into account all of the family's physiological, social and other needs.

The current wage rates are nowhere near the living wages estimated at P663.00 per day in Metro Manila as of March 2005 by the National Wages and Productivity Commission (NWPC). With surging prices of basic needs, sardines and noodles have become the workers' staple. Rising inflation rates, oil prices and transportation fares will all the more burden the low-paid workforce. The majority of the workers – private or public / government employees - considered as the backbone of the economy, are still earning way below the living wage as envisioned by the framers of the Constitution.

At present, the government remains the biggest single employer in the country and that there are about 1.45M public sector workers according to Civil Service Commission's data. Teachers, considered as the unsung heroes of our country, are a significant sector among government employees. The profession that molded the youth and provide leaders, workers and movers of this country, once considered noble in the eyes of the nation, is rapidly deteriorating because they are not exempted from the torment of poverty and also have to work extra to make both ends meet.

Using the same NWPC yardstick to measure living wage, the wages of teachers in particular and the government employees in general, are way below the living wage. On top of these, there have been no increases in government workers' compensation, incentives and benefits for the past five (5) years. This dire situation has further been compounded by the current financial crisis that readily translates into lesser government spending that takes its toll on the compensation and benefits of government workers.

Government workers usually compensate for this situation along two easy recourses aside from leaving the bureaucracy and working abroad; first, engagement in individual entrepreneurial spirit or doing it the cooperative way; and second, through the practice of graft and corruption.

Much has been said about how our employees contribute to wastage in time and productivity through inefficiency and corruption. But it is worth noting that, more than a decade ago, the government promoted the economic and social welfare of government workers through programs that would improve their competencies and productivity as well as provide them with opportunities for earning supplemental income, without prejudice and interference to their primary responsibilities as civil servants.

It worked within the context of RA 6938 or the Cooperative Code of the Philippines, which mandated cooperatives as instruments of equity, social justice and sustainable development. Being people's livelihood enterprises, cooperatives pursue livelihood development through the generation of funds and extension of credit, goods and services to its member for productive purposes.

Toward this end, government and all its branches, subdivisions, instrumentalities and agencies are facing challenges of ensuring the provision of technical guidance, financial assistance and other services to enable cooperatives develop into viable and responsive social enterprises.

It is from this rationale that the establishment of government workers' cooperative was encouraged as an effective means of harnessing available manpower and material resources towards productive endeavors and income generating activities.

This act, however, is not to prejudice the right of the employees to have a living wage coming from its employer – the government who had the responsibility to see to it that its workforce are contented and are earning within the mandate of the law.

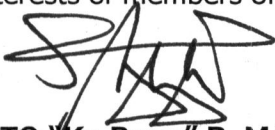
While cooperativism is a movement that fosters social responsibility, public accountability and community leadership attributes complementary to government service, it is supplemental only to the needs of the teachers and the public sector employees. Supposed interests on their share capital and patronage refund shall serve only as value added benefits gained through their participation in their cooperatives and served to supplement their meager income, which had remained unchanged for the past five years.

However, these cooperatives can contribute also to their respective government offices in terms of financial share, facilities and equipment improvements.

The proposed bill, **"An Act Providing For The Operation And Management Of Canteens, Supply And Bookstores, And Other Services By Teachers Or Government Employees' Cooperatives In Public School, Or Government Institutions Or Agencies, Including Government Owned Or Controlled Corporations, Providing Funds Thereof And For Other Purposes"** create a favorable policy environment that will enable government workers to engage in fruitful and productive endeavors that directly impacts on their income and create value added benefits for government as well, without sacrificing government service.

The bill aims to enhance the cooperation and unity among government personnel, organize the employees into viable economic groups and augment the income level of the employees through the benefits and privileges derived from the cooperative without sacrificing their avowed responsibilities rather than they engaging into other income generating activities that affect their time for civil service.

With the conviction that the welfare of the teachers and the government employees is paramount to the interests of members of this august body, the immediate passage of this bill is fervently aspired.



RENATO "Ka Rene" B. MAGTUBO

Party list Representative, Partido ng Manggagawa

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

Second Regular Session

House Bill No. 4637

**Introduced by Partido ng Manggagawa
Representative Renato “Ka Rene” B. Magtubo**

AN ACT

PROVIDING FOR THE OPERATION AND MANAGEMENT OF CANTEENS, SUPPLY AND BOOKSTORES, AND OTHER SERVICES BY TEACHERS OR GOVERNMENT EMPLOYEES’ COOPERATIVES IN PUBLIC SCHOOL, OR GOVERNMENT INSTITUTIONS OR AGENCIES, INCLUDING GOVERNMENT OWNED OR CONTROLLED CORPORATIONS, PROVIDING FUNDS THEREOF AND FOR OTHER PURPOSES.

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

SECTION 1. Title. – This Act shall be known as the “Teachers and Government Employees’ Cooperatives Act of 2005”.

SECTION 2. Declaration of Policy. – It is the declared policy of the State to foster the creation and growth of cooperatives, in particular, teachers and government employees’ cooperatives, as a practical vehicle for promoting self reliance and harnessing people power towards the attainment of economic development and social justice.

Toward this end, the Government and all its branches, subdivisions, instrumentalities and agencies shall ensure the provision of technical guidance, financial assistance and other social services to enable said cooperative to develop into viable and responsive economic enterprises and thereby bring about a strong cooperative movement that is free from any conditions that may infringe upon the autonomy or organizational integrity of cooperatives.

SECTION 3. Scope – This Act shall cover teachers in all public schools, elementary, secondary or tertiary levels and employees in all government branches, agencies and instrumentalities, including government-owned and/or controlled corporations.

SECTION 4. Purposes and Objectives. – This Act aims to:

- (a) promote and strengthen the cooperation and unity among government personnel;
- (b) organize the employees into viable economic groups;
- (c) enable teachers and employees to participate, on official time, in trainings, conferences, fora and similar activities which promote the growth and development of their cooperatives;
- (d) provide opportunity to all employees to manage and operate schools' canteens, supply and book stores and other auxiliary facilities;
- (e) augment the income level of employees through the benefits and privileges derived from the cooperative, and
- (f) ensure that employees will use their time for quality service instead of engaging in economic activities which will undermine their official working hours.

SECTION 5. Management and Operations of Canteens, Supply and Book Stores and Other Auxiliary Services. – Canteens, supplies and bookstores, and other auxiliary facilities located in all branches, instrumentalities and agencies of the government, including government – owned and controlled corporations shall within six (6) months from the implementation of this Act, be managed and operated by employees' cooperatives registered with the Cooperative Development Authority in accordance with Republic Act No. 6938, otherwise known as the Cooperative Code of the Philippines: **Provided**, that such activities shall be without prejudice to the employees' cooperatives entering into other profitable venture outside of their respective government premises, which will promote their economic welfare.

SECTION 6. Internal Management. – The business ventures referred to in Section 5 of this Act shall be managed by the employees themselves or by other individuals as may be appointed by the cooperatives concerned in accordance with its constitution and by-laws: **Provided, however**, that in the management of the business, the interest of public service is not prejudiced: **Provided, further**, that the health and welfare of the employees, patrons and

in the case of teachers' cooperatives, the students and teachers, are considered in the operation of the canteen, supply and book stores and other auxiliary facilities.

SECTION 7. Exemptions from Taxes, Fees, and Other Charges. – Schools or government institutions or agencies including government-owned or controlled corporations shall register with the Cooperative Development Authority pursuant to R. A. 6938, otherwise known as the Cooperative Code of the Philippines, and shall be exempt from payment of all taxes, duties, fees and other charges subject to certain terms and conditions as provided for under the said Code.

SECTION 8. Source of Funds. – Government financial institutions shall allot two percent (2%) of their loanable funds for the purpose of attaining the objectives of this Act.

SECTION 9. Rules and Regulations. The Cooperative Development Authority shall issue rules and regulations as may be necessary for the effective implementation of this Act; **Provided**, that the Cooperative Development Authority shall conduct consultations with the main stakeholders and thereafter issue rules and regulations.

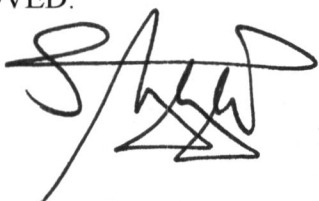
SECTION 10. Appropriations. – Such sums as may be necessary to carry out the provisions of this Act shall be included in the General Appropriations Act of the year following its enactment into law and thereafter.

SECTION 11. Separability Clause. If any provision of this Act is declared invalid or unconstitutional, any other provision not affected thereby shall remain in full force and effect.

SECTION 12. Repealing Clause. All laws, decrees, orders, rules and regulations, and other issuances, or parts, thereof, inconsistent with this Act, are hereby repealed or amended accordingly.

SECTION 13. Effectivity. – This Act shall take effect fifteen (15) days following its publication in two (2) national newspapers of general circulation.

APPROVED.

A handwritten signature in black ink, appearing to be 'S. H. H.' or similar, written over a horizontal line.