

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**SIXTEENTH CONGRESS
First Regular Session**

House Bill No. 2542



**Introduced by TUCP Party-List Representative
Hon. Raymond Democrito C. Mendoza**

EXPLANATORY NOTE

Workers in cooperatives should enjoy similar rights as those in other private enterprises, including the right to establish and join organizations of their own choosing. The right to self-organization is guaranteed to all workers without distinction, qualification or prior authorization.

The Philippine Constitution guarantees "the rights of all workers to self-organization, collective bargaining and negotiations, xxx". However, not all cooperative member-workers enjoy this right. The Supreme Court has ruled, among other things, that cooperative member-workers are co-owners, thus they are not entitled to the right to organize for the purpose of collective bargaining.

Cooperatives are ethical organizations and must respect the rights of their workers when acting as employers. They are member-owned, operate on the principle that is based on people and not capital, and so they should guarantee their workers' right to organize for the purpose of collective bargaining in the same way.

This bill including "cooperatives" and "cooperative members" in the definition of "employer" and "employee", respectively in Article 212 (e) and (f) and "cooperatives" in the coverage and employees' right to self-organization in Article 243 of the Labor Code will abandon several Supreme Court rulings on this matter.

The proposed amendment will bring Philippine law into compliance with ILO Convention No. 87 on Freedom of Association, which the Philippines is obliged to observe as a member State of the International Labor Organization (ILO).


HON. RAYMOND DEMOCRITO C. MENDOZA
Representative, TUCP Party-List

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AN ACT
GRANTING COOPERATIVE MEMBER-WORKERS THE RIGHT TO SELF-ORGANIZATION,
AMENDING FOR THIS PURPOSE CERTAIN PROVISIONS OF PRESIDENTIAL DECREE
NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE
PHILIPPINES

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

Section 1. Article 212 paragraphs (e) and (f) of the Labor Code is hereby amended to read as follows:

"ARTICLE 212. Definitions. -Xxx xxx

(e) "Employer" includes any person, **INCLUDING A COOPERATIVE**, acting in the interest of an employer, directly or indirectly. The term shall not include any labor organization or any of its officers or agents except when acting as employer.

(f) "Employee" includes any person, **INCLUDING A COOPERATIVE MEMBER**, in the employ of an employer. The term shall not be limited to the employees of a particular employer, unless the Code so explicitly states. It shall include any individual whose work has ceased as a result of or in connection with any current labor dispute or because of any unfair labor practice if he has not obtained any other substantially equivalent and regular employment."

Section 2. Article 243 of the Labor Code is hereby amended to read as follows:

"ARTICLE 243. Coverage and employees' right to self-organization. - All persons employed in commercial, industrial and agricultural enterprises and in religious, charitable, medical, or educational institutions, **AND COOPERATIVES**, whether operating for profit or not, shall have the right to self-organization and to form, join, or assist labor organizations of their own choosing for purposes of collective bargaining. Ambulant, intermittent and itinerant workers, self-employed people, rural workers and those without any definite employers may form labor organizations for their mutual aid and protection."

Section 3. Separability Provisions.-- If any part of this Act is held invalid or declared unconstitutional, the same shall not affect the validity and effectivity of the other parts thereof.

Section 4. Repealing Clause. --All laws, decrees, executive orders, rules and regulations or parts thereof, which are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

Section 5. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two newspapers of general circulation.

Approved,