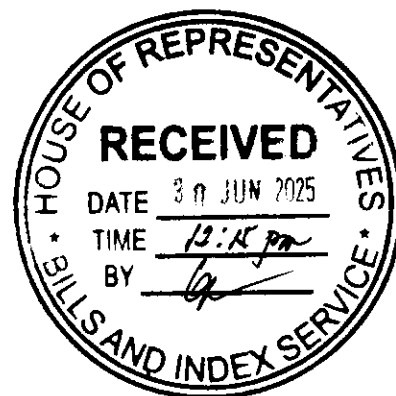




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH (20TH) CONGRESS
First Regular Session

HOUSE BILL NO. 95



Introduced by KAMANGGAGAWA Partylist
Representative **ELIJAH R. SAN FERNANDO**

EXPLANATORY NOTE

According to the Philippine Statistics Authority Integrated Survey on Labor and Employment, 54.7% of the estimated 31,277 establishments with more than 20 workers employ agency-hired workers. The total number of agency-hired workers was placed at 691,341¹.

To date, labor-only contracting remains rampant despite the issuance of Department Order No. 18-02, series of 2002, of the Department of Labor and Employment, whereby Section 5 declares labor-only contracting is prohibited where the contractor merely recruits, supplies, or places workers to perform a job, work or service for a principal².

The intent of Articles 106 to 109 of the Labor Code of the Philippines – to regulate a form of flexible employment – has, in practice, resulted in systematic evasion of labor standards, wage laws, and social protection. Labor-only contracting has become a tool to weaken the employer's accountability and fragment labor rights enforcement.

These provisions have failed to protect the workers from abusive contracting arrangements, leaving them exposed to continuous exploitation to suffer from precarious employment, lack of security of tenure, and inadequate access to benefits.

¹ PSA, Statistics on Agency-Hired Workers. (2017)

² DOLLE, Department Order No. 18-02. (21 February 2002)

This bill seeks to repeal Articles 106 to 109 of the Labor Code of the Philippines to discontinue the exploitative practice of labor-only and other forms of prohibited contracting. By repealing the said Articles, it can promote full employment of workers and equality of employment opportunities for all, as stipulated in the 1987 Constitution.

In solidarity with the working class, the passage of this bill is earnestly sought.



ELIJAH R. SAN FERNANDO
Representative
KAMANGGAGAWA PARTYLIST



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AN ACT
REPEALING ARTICLES 106, 107, 108, AND 109
OF PRESIDENTIAL DECREE NO. 442, AS AMENDED,
OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

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

SECTION 1. Articles 106, 107, 108, and 109 of the renumbered Presidential Decree No. 442, otherwise known as the Labor Code of the Philippines, as amended, are hereby repealed.

SEC. 2. If any provision of this Act is declared unconstitutional or invalid, the remaining provisions shall remain in full force and effect.

SEC. 3. All laws, decrees, executive orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,