

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES
HOUSE BILL No. 2911

INTRODUCED BY HON. RICARDO S. CRUZ, JR.

EXPLANATORY NOTE

The kind of society we aspire for, with the aid of Almighty God, is embodied in the preamble of our Constitution. The hope of building a just and humane society will begin once we look beyond simply providing a minimum wage, and start aiming for a living wage for all Filipinos.

While many factors contribute to building that ideal society—rules-based peace and order, reliable and affordable housing, and public utilities, including a reliable internet connection, quality education, and free healthcare—the debate over wages remains.

The business sector argues that increasing minimum wage could lead to closures, particularly among small enterprises. Regional workers question why their work is less valued than their urban counterparts. Parents are forced to choose between staying with their children or working abroad to provide for them. And millions of farmers, who for generations have relied on what they can grow from the land, are being lured to the city by the promise of a regular salary.

Then while the policymakers, with industry leaders, engage in endless, paralyzing cycles of debates, our people are left to suffer as we wrestle with finding a just and permanent solution to these labor and wage issues.

Indeed, as part of honoring God and building communities through good governance, the State must promote human dignity in the labor sector and create a system where all persons are given the chance to thrive and rise above adversities through proper government support to ensure an enabling working environment that protects their rights, promotes their welfare, and enhances their productivity.

Ensuring that all persons are not discriminated against and provided equal opportunity regardless of age, sex, gender, civil status, disability, ethnicity, religious belief, political affiliation, or any other distinction, exclusion or preference, everyone shall be accorded fair and equal access to employment, promotion, training, terms and conditions of work, and other employment-related benefits, based solely on merit and capability, with the aim of obtaining decent and productive work in conditions of freedom, equity, security and human dignity.

However, despite the government's efforts throughout the years to address these gaps in the labor sector, there remains little to no major improvements in establishing a framework to determine a living wage.

This measure takes inspiration from the work of the First and Second Congressional Commissions on Education, or the EDCOMs I and II, bodies tasked to undertake a comprehensive national assessment and evaluation of the Philippine education sector. These were able to successfully bring together key stakeholders and produce effective, concrete, and actionable recommendations to address the learning crisis. The proposed measure creates an Executive-Legislative Labor Commission, or the LabCom, which likewise aims to achieve similar successes in the labor sector by providing innovative, comprehensive, and strategic recommendations to address emerging and persistent issues and challenges. This would provide a comprehensive look at what the real wage should look like, taking into account the actual expenses of a family for education, health, among others.

High underemployment and informal employment, along with inadequate wages, wage inequality, and poor job quality, are the most perennial problems of the Philippine labor sector and serve as key indicators of deep-seated structural weaknesses in the national economy. Despite the recent improvements in the employment rate at 96.2% as of February 2025, the country continues to grapple with 1.94 million Filipinos remaining jobless, translating to an unemployment rate of 3.8%. More telling, however, is the underemployment rate, which stands at 10.1%, wherein about 4.96 million of the 49.15 million employed workers expressed desire to have additional hours of work at their present job and/or to have an additional job to make ends meet.¹ Meanwhile, the 17 million or 36.2% of the Filipino workforce are engaged in the informal economy, with no access to social protection and excluded from typical safety nets during crises.²

These numbers translate to Filipinos' perception of lived reality. According to the recent Social Weather Stations (SWS) survey conducted in April 2025, 55% of Filipino families consider themselves as *Mahirap* or Poor. The numbers rose from 14.4 million to 15.5 million in just one month. This alone calls for the State to take action.

Not only do we view ourselves as economically poor, but even from an international perspective, the situation of our workers remains deeply concerning. In May 2025, the International Trade Union Confederation (ITUC), the world's largest trade union federation, whose primary mission is the promotion and defense of workers' rights and interests, released the 12th edition of the ITUC Global Rights Index. In the 2025 Index, the Philippines was named as one of the ten worst countries for workers.³

The 1987 Constitution identifies that it is the policy of the State to ensure prosperity through the promotion of full employment, a rising standard of living, adequate social services, and an improved life for all. Under its Social Justice provisions, the State recognizes that workers are entitled to security of tenure, humane conditions of work, and a living wage towards the society that we aspire for.

Moreover, as part of our commitment in meeting the Sustainable Development Goal Target 8.8 on the protection of labor rights and the promotion of safe working environments by 2030, it is the primary objective of the LabCom to fast-track the fulfillment of this target.

¹ Philippine Statistics Authority (April 2025). Labor Force Survey. Employment Rate in February 2025 was estimated at 96.2%. [https://psa.gov.ph/statistics/labor-force-survey#:~:text=Agriculture%20and%20forestry%20\(%2D949,technical%20activities%20\(%2D68%20thousand\).](https://psa.gov.ph/statistics/labor-force-survey#:~:text=Agriculture%20and%20forestry%20(%2D949,technical%20activities%20(%2D68%20thousand).)

² PhilStar Global (December 2023). Informal workers: A path to inclusive growth and prosperity. <https://www.philstar.com/opinion/2023/12/12/2318241/informal-workers-path-inclusive-growth-and-prosperity>

³ International Trade Union Confederation (May 2025). ITUC Global Rights Index 2025. <https://www.ituc-csi.org/global-rights-index-reports>

As the former International Labour Organization (ILO) Director-General Juan Somavia argues, *"reducing the decent work deficit is the quality road to poverty reduction and to greater legitimacy of the global economy."* He added that, *"the goal of decent work is best expressed through the eyes of the people. For many, it is the primary route out of poverty. For many more, it is about realizing personal aspirations in their daily existence and solidarity with others. And everywhere, and for everybody, decent work is about securing human dignity."*

Hence, this bill endeavors to accelerate the progressive realization of strengthening labor rights and to create a national framework where these constitutional guarantees are operationalized. After all, the Bible tells us, in Deuteronomy 24:14 (NIRV): *"Don't take advantage of any hired worker who is poor and needy."*

In line with the policy adopted by its original proponent Senator Alan Peter "Compañero" S. Cayetano, this bill therefore serves as a counterpart measure. It is for the reason stated above that the passage of this measure is earnestly sought.


RICARDO S. CRUZ, JR.

HOUSE OF REPRESENTATIVES
HOUSE BILL No. 2911

INTRODUCED BY HON. RICARDO S. CRUZ, JR.

AN ACT
ESTABLISHING AN EXECUTIVE-LEGISLATIVE LABOR COMMISSION TO
IDENTIFY KEY CHALLENGES IN THE LABOR SECTOR, PROPOSE
SOLUTIONS FOR THE ESTABLISHMENT OF A NATIONWIDE FRAMEWORK
FOR A LIVING WAGE, AND INSTITUTIONALIZE A NATIONAL LABOR
ROADMAP

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

SECTION 1. Short Title. - This Act shall be known as the "*Executive-Legislative Labor Commission (LabCom) Act of 2025.*"

SEC. 2. Declaration of Policy. – It is the declared policy of the State to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all. It is likewise an established State policy to promote social justice in all phases of national development, enhance the rights of workers, and promote their welfare.

Towards this end, the State shall strengthen the national framework and policies on living wages, enhance labor protection programs, and implement measures aimed at improving productivity, reducing unemployment and underemployment, and prioritizing the needs and concerns of vulnerable and disadvantaged groups within the labor sector.

SEC. 3. Purpose and Objectives. – This Act shall ensure that human capital and labor will be at the center of the country's socio-economic development. It aims to provide innovative, comprehensive, and strategic recommendations to address emerging and persistent issues and challenges in the labor sector.

The objectives of this Act are as follows:

- a. Establish a coordinating advisory and policy-recommending body, composed of members of the legislative branch and the labor sector, including those from the worker, migrant, employer, and recruitment groups;
- b. Strengthen and improve labor governance in the country and eliminate fragmentation of policies and programs of relevant government agencies related to workers' rights, productivity, and employment opportunities; and
- c. Enhance and promote linkages among industry, business, and training institutions and strengthen multi-stakeholder engagements and

consultations that will compel the adoption of fair, comprehensive, and evidence-based labor policies to improve labor outcomes, promote skills development, encourage innovation, and enhance the digital economy in the country.

SEC. 4. Definition of Terms. – For the effective implementation of this Act, the following terms are hereby defined:

- (a) **Equality of Employment Opportunities** refers to the guarantee that all persons, regardless of age, sex, gender, civil status, disability, ethnicity, religious belief, political affiliation, or any other distinction, exclusion or preference, shall be accorded fair and equal access to employment, promotion, training, terms and conditions of work, and other employment-related benefits, based solely on merit and capability, with the aim of obtaining decent and productive work in conditions of freedom, equity, security and human dignity. As defined herein, the term employment opportunities includes access to vocational training, access to employment and to particular occupations, and terms and conditions of employment;
- (b) **Full Employment** refers to an employment state wherein there is a promotion of "full, productive and freely chosen employment" by ensuring that there is: (i) work for all who are available for and seeking work; (ii) work which is as productive as possible; and (iii) work freely chosen by workers, who should have the fullest possibility to qualify and use their skills and endowments in a job for which they are well suited, through improved manpower training, allocation and utilization;
- (c) **Informal Employment** refers to all remunerative work that is not registered, regulated, or protected by existing legal or regulatory frameworks, as well as non-remunerative work undertaken in an income-producing enterprise;
- (d) **Living Wage** refers to the wage level necessary to afford a decent standard of living for workers and their families, taking into account country circumstances and calculated for work performed during normal hours. For purposes of this Act, the wage level necessary to afford a decent standard of living includes the amount of family income needed to provide for the family's food and non-food expenditures with sufficient allowance for savings or 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;
- (e) **Underemployment** refers to a situation wherein individuals who are employed express the desire and availability to work for additional hours of work in their present job, or to have additional job, or to have a new job with longer working hours, thereby resulting in economic inefficiency and professional underutilization;
- (f) **Unemployment** refers to a situation wherein individuals who are available for work and actively seeking employment are unable to secure gainful employment, excluding those voluntarily choosing not to work unless the reason for such is any of the following: (i) tired or believed no work available, *i.e.*, the discouraged workers; (ii) awaiting results of previous job application; (iii) temporary illness/disability; (iv) bad weather; and, (v) waiting for rehire or job recall.

SEC. 5. *Establishment of the Executive-Legislative Labor Commission; Mandate.* – The Executive-Legislative Labor Commission, hereinafter referred to as the LabCom, is hereby established. It shall organize itself and commence its mandate upon the effectivity of this Act.

The LabCom shall serve as the principal advisory body that will provide strategic, comprehensive, and evidence-based solutions and recommendations on the following labor market concerns, including, but is not limited to, general employment issues, trends and challenges related to skills and education, employment quality, wages and salaries, adequacy of social protection, and problems of labor governance in the country, with the primary objective of enhancing the right to living wages of the employment sector.

The LabCom shall refer the completed roadmap for the progressive realization of the right to a living wage to the Trabaho Para Sa Bayan Council, created pursuant to Republic Act 11962, otherwise known as the “Trabaho Para sa Bayan Act”, for appropriate action.

SEC. 6. *Composition of the LabCom; Standing Committees.* – The LabCom shall be composed of twelve (12) members, with four (4) members from the Senate; four (4) members from the House of Representatives; and four (4) members from the Executive branch of the government:

1. Chairperson of the Senate Committee on Labor, Employment and Human Resource Development, as Co-Chairperson;
2. Chairperson of the House Committee on Labor and Employment, as Co-Chairperson;
3. Chairperson of the Senate Committee on Economic Affairs, as Member;
4. Chairperson of the House Committee on Economic Affairs, as Member;
5. Chairperson of the Senate Committee on Higher, Technical and Vocational Education, as Member;
6. Chairperson of the House Committee on Higher and Technical Education, as Member;
7. Chairperson of the Senate Committee on Migrant Workers;
8. Chairperson of the House Committee on Overseas Workers Affairs;
9. Secretary of the Department of Labor and Employment, as Member;
10. Secretary of the Department of Trade and Industry, as Member;
11. Secretary of the Department of Economy, Planning and Development, as Member; and
12. Secretary of the Department of Migrant Workers, as Member.

The members of the Commission shall receive no compensation, but travel, communications, and other necessary expenses shall be allowed, subject to existing laws, and rules and regulations.

The members of the LabCom shall establish, from among themselves, standing committees, to be presided over by such members or experts from multi-sectoral groups, and engage resource persons from the public and private sectors as may be needed.

SEC. 7. *Powers and Functions.* – The LabCom shall have the following powers and functions:

- a. Develop the country’s strategic vision and roadmap for labor and employment anchored on national development plans and international labor standards;
- b. Provide a regular forum for intersectoral consultations and proposals for intervention to address, among others, the following: (i) the right to a living

wage; (ii) national and regional unemployment and underemployment rates; (iii) skills development; and (iv) skills mismatch;

- c. Coordinate with government agencies, LGUs, and other relevant sectors to promote policy and program coherence;
- d. Submit an annual State of Labor Report to the President and Congress containing its findings, analysis, and policy and legislative recommendations; and,
- e. Perform other functions as may be necessary for its implementation.

SEC. 8. *National Labor Roadmap.* – The LabCom shall formulate and institutionalize a comprehensive National Labor Roadmap that shall serve as a strategic framework for labor development in the Philippines, which shall be anchored on inclusive, sustainable, and equitable labor outcomes and shall be aligned with the national development plans of the country.

SEC. 9. *The LabCom Secretariat; Executive Director.* – A Technical Secretariat shall be established under the administrative control and supervision of the LabCom. It shall be headed by an Executive Director who shall be appointed by the LabCom. It shall provide the LabCom with technical and administrative support to assist its functions under Section 6 of this Act.

The Executive Director shall have at least ten (10) years of experience and practice in the field of labor, human relations, and skills training to qualify for nomination and appointment. He or she shall work full-time and shall have the rank, privileges, and emoluments of an Executive Director IV (Salary Grade 29).

SEC. 10. *Institute for Labor Studies (ILS)- DOLE.* – The ILS shall serve as the research arm of the LabCom. During the Commission's existence, it shall produce data-based research and provide analysis to contribute to the formulation of labor policy and legislative recommendations.

SEC. 11. *Labor Advisory Council.* – The Labor Advisory Council (LAC) is hereby created. The LAC members shall always be present at all meetings of the LabCom to provide the Commission with expert assistance and advice.

The Senate President and the Speaker of the House of Representatives shall choose recognized experts from the following sectors taking into consideration gender balance in its composition to form part of the LAC: two (2) members from the labor sector, with at least one member coming from the informal sector, two (2) members from the employer sector, two (2) members from the micro, small and medium enterprises, one (1) member from the migrant sector and one (1) from the recruitment sector.

SEC. 12. *Annual Report.* – The LabCom shall submit an annual report to the President and both houses of Congress on or before the last day of September to present strategic recommendations to address implementation gaps of labor policies in the country. The report shall also be made available to the public through the official online portal of the DOLE.

SEC. 13. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the available appropriations of the Senate and the House of Representatives. Thereafter, the amount necessary for its continuous implementation, including any deficiency in the

current year, shall be included in the annual General Appropriations Act, subject to existing budgeting, accounting, and auditing rules and regulations.

SEC. 14. *Repealing Clause.* – All laws, executive orders, presidential decrees, administrative orders, rules and regulations, issuances, or parts thereof inconsistent with any provision of this Act are hereby repealed or amended accordingly.

SEC. 15. *Separability Clause.* – If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts not affected shall remain in full force and effect.

SEC. 16. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved,