

# PRESIDENT TO LABOR LEADERS: NO TO ABOLITION OF 'ENDO' FOR NOW

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Ending contractualization is one of the campaign promises that President Duterte has yet to keep.

Mr. Duterte has asked for more time to study a proposed executive order (EO) on contractualization on the ground that the order might turn off foreign investors, said labor leaders who met with him in Malacañang on Wednesday.

He has asked that he be given until March 15 to study the proposed EO, said Luis Manuel Corral, Trade Union Congress of the Philippines (TUCP) vice president.

"We are dismayed because we were expecting something more," Corral told reporters. "[W]e reminded him about the dead-end for millions of workers relying on his promise."

Kilusang Mayo Uno (KMU) chair Elmer Labog likened Mr. Duterte's request for more time to study the proposed EO to workers being "dribbled."

"We are worried it will be a watered down version of the EO," Labog said of the final order that the President would sign.

The labor leaders said workers had expected Mr. Duterte to sign the EO during the dialogue.

Under the proposed EO, regular employment would become

the norm, while contractualization would be allowed only for some professions to be decided by the Department of Labor and Employment and its advisory council, the National Tripartite Industrial Peace Council.

## Security of tenure

The EO proposed by labor groups would prohibit contractualization if it contravened the rights of workers on security of tenure, union organizing and collective bargaining.

The proposed EO defines security of tenure as the direct hiring relationship between a principal employer and an employee.

Contractualization, which is being used by employers to avoid regularizing the employment status of their workers, offers workers no security of tenure.

## 'Endo' rampant

The practice is rampant in the country.

"Endo" or end-of-contract is what trade unions refer to as a contractualization scheme that offers short-term and unprotected temporary work arrangements.

Endo workers, in particular, are bound by a five-month timeframe so that companies will not make them regular employees after six months as mandated by the Labor Code.

## 5-5-5 scheme

From this arrangement stems the 5-5-5 scheme in which workers are hired and fired every five months so that employers will not make them regular employees, who become entitled to various benefits and privileges after six months at work.

The labor department issued Department Order No. 174 in March last year to further regulate the practice of contractualization. The order bans labor-only contracting, strictly regulates lawful contractual arrangements and ends endo schemes.

## The department order listed

down "prohibited" practices, such as contracting through an in-house agency and contracting work that is also done by regular employees.

However, labor groups rejected the issuance since it did not address their demand to abolish all forms of contractualization. They said the order would only encourage the perpetuation of contractualization in the country.

## Request for an EO

This prompted them to ask Mr. Duterte to issue an EO on contractualization.

↑ CONTRACTUALIZATION

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Corral said there was room for contractualization for specific jobs and activities, which by their very nature are contractual.

The labor leaders said they had promptly and faithfully cooperated with the process of drafting the EO.

Mr. Duterte requested a draft EO during his Labor Day meeting with labor leaders in Davao City last year.

### Bigger protests loom

"He asked us on Labor Day last year to prepare a draft, which we did. We also engaged in several dialogues with DOLE to finalize the EO," said a joint statement by Nagkaisa and KMU. "It is frustrating that we have been made to wait this long only to be rejected," the statement added.

The labor groups said they would "hold bigger protests to put pressure on the President to sign our EO and to fulfill his promise of ending all forms of contractualization."

Apart from contractualization, labor leaders raised the wage issue during the almost two-hour meeting with Mr. Duterte.

"We were demanding an immediate implementation of a national minimum wage to increase the purchasing power of those outside of Metro Manila," Labog said. INQ

### WHAT WENT BEFORE

During the third and last debate among presidential candidates in April 2016, then Davao City Mayor Rodrigo Duterte promised to end contractualization.

"The moment I assume the presidency, contractualization will stop... The problem is after six months, companies will not pay employees their bonuses and even their 13th month pay," he said in Pangasinan province.

A month since assuming office, Mr. Duterte reiterated his statement, warning that he will train his guns literally on business owners practicing "endo."

"You know why? I can utter things like that. I am [the] President. I have immunity. I can summon you. I will shoot you [and order] 'Bring him to the funeral parlor. You're making me angry,'" he said then.

"I cannot inspect every business across the Philippines," he added. "If we have no power to close down [the business], I will go there and shoot [the owner]. Then it's over. The business is now closed down."

"[But] that's just hyperbole," the President said. —INQUIRER RESEARCH

Source: Inquirer Archives