

# ECOP bucks passage of Security of Tenure Bill

By RICHMOND MERCURIO

Employers have expressed grave concern over House Bill 6908 or the Security of Tenure Bill on becoming a law, warning of its detrimental impact to the economy and job creation.

Employers Confederation of the Philippines (ECOP) president Donald Dee told **The STAR** the group has "serious problems" with HB 6908, which the House of Representatives approved on second reading last week.

The bill seeks to strengthen the security of tenure of employees in the private sector to address the problems of labor-only contracting and end of contract or "endo."

"If they are really going to approve that, we have a problem. We have a big problem with it if they pass it the way they passed it," Dee said.

Dee said ECOP has already made their position known to Congress regarding the bill previously, but the congressmen refused to listen.

"We have serious problem with it and we're trying to work it out explaining to the honorable congressmen that what they are doing is really detrimental to the economy and to job creation," he said.

"We're now working and talking to them. Are you serious about this because this will cause trouble," Dee added.

HB 6908 seeks to amend Article 106 of Presidential Decree 44 titled "Contractor" so that whenever an employer enters into a contract with a person for the performance of the former's work, the employees of the contractor shall be paid in accordance with the Labor Code and other laws. Contracting out

of the same work contracted out by the employer is prohibited.

The House of Representatives said in the event the contractor fails to pay the wages, allowances and benefits of his employees based on the Labor Code and other laws, the employer shall be jointly and severally liable with the contractor to such employees to the extent of the work performed under the contract, in the same manner and extent that he is liable to employees directly employed under him.

The bill also inserted a new Ar-

article 303-A titled "Administrative Penalties" which cites the penalties the Department of Labor and Employment shall impose on erring principal employers, job contractors, manpower agencies, workers' cooperatives, and any other similar entities.

The biggest labor coalition NagKaisa last week gave its full support for the passage of HB 6908, saying they look forward to the enactment of the new measure imposing higher penalties for employers engaging in labor-only contracting scheme.

NagKaisa said they support the provisions imposing a fine of P30,000 for each worker engaged in labor-only contracting arrangement, but the total amount shall not exceed P5 million.

ECOP has also expressed opposition to 10 Senate bills proposing new employee leaves and increasing of existing ones that were tackled by the Employment, and Human Resources Development last week, saying any further reduction in the number of working days through additional leaves would have a critical impact not only on business productivity, but also on their cost of doing business.

\* HOUSE BILL

\* EMPLOYEES CONFEDERATION  
OF THE PHILIPPINES (ECOP)