

# Rody may sign EO on contractualization soon

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The long wait may soon be over for workers who have been pushing for a ban on contractualization.

Labor Secretary Silvestre Bello III said yesterday that President Duterte is expected to sign within the next two weeks an executive order prohibiting contractualization.

“There is no definite date yet, but the last time I talked to the President, he said he would meet with the labor groups before the Holy Week or immediately after,” Bello said.

He said the Office of the Executive Secretary told him to wait for the meeting to discuss the proposed executive order.

Once signed by the President, the proposed EO will reduce the illegal practice of contractual employment nationwide.

Labor groups have long been urging the President to fulfill his campaign promise of a total ban on contractualization.

Bello, however, said the Department of Labor and Employment (DOLE) could not impose a total ban even with the new EO as there are aspects of temporary employment allowed under the law.

He said Congress should still come up with a law even with the issuance of the executive order.

“An executive order can be easily amended,” he said.

To date, about 40 percent of the country’s workers are contractuels.

Bello said the government has succeeded in regularizing over 130,000 contractual employees since the DOLE launched a campaign against illegal contractualization.

Malacañang confirmed Bello’s statement that the President could not order a total ban on contractualization because only a new law can prohibit the practice.

Senior Deputy Executive Secretary Menardo Guevarra admitted that some of the workers’ demands could not be granted through an EO.

“That draft EO has been under study in our office for some time. The main problem is that some of the things they want to happen are not within the power of the executive department. A legislative action is needed,” Guevarra said in a press briefing.

“If you want something like a total ban on contractualization, you need a law to repeal or amend that particular provision of the Labor Code. An executive order is meant only to supplement or to give implementing details of what the law provides. But it cannot add or subtract or substantially alter what the law provides. That’s really more for Congress to do,” he added.

Last year, the DOLE imposed a ban on labor-only contracting, strictly regulated lawful contractual arrangements and included workers in checking compliance with labor standards and laws.

Other practices that were prohibited include the farming out of work through a “cabo” or persons who under the guise of a labor organization, cooperative or any entity, supply workers

to an employer and contract out of job or work through an in-house agency or cooperative that merely supplies workers to the principal.

The “cabo” also engages in contracting out of job or work by reason of a strike or lockout and those being performed by union members.

The order also prohibited contractors and subcontractors to require their employees to perform functions currently being performed by regular employees of the principal.

Guevarra said a total ban on contractualization of workers could be implemented if the exemptions in the labor code are revoked.

“But for now, what the executive department is doing is really to make compliance with the existing regulations very strict,” he said.

Asked about the chances of the EO on endo being released, Guevarra said: “There’s a slim chance, but not really on the substantive side of it. Perhaps it would really be more on strictly enforcing the existing provisions of the law because an executive order cannot alter what the law provides.”

“If there are more safeguards that need to be put in place, the EO will do that,” he added.

Guevarra admitted that the EO on endo would not be different from the order issued by the labor department.

While a total ban is not possible through an EO, the executive branch can endorse a proposal to Congress.

“We are still trying to do our best to come up with an executive order that can be acceptable to the labor sector. That’s our priority. If the labor sector remains unhappy with the best EO that we can come up with, that’s the time that we’ll probably do our consultations with Congress,” Guevarra said.

In February, Duterte said he was eyeing a compromise on labor contractualization, admitting that he could not force businesses to provide all benefits to workers.