

Press Release

**Department of Labor and Employment
Bureau of Working Conditions
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DOLE ON ENSURING WORKERS' SECURITY OF TENURE

With its mandate to protect and promote workers' welfare and to maintain industrial peace, the Department of Labor and Employment (DOLE) is exerting its best efforts to create policies and programs and enforce labor laws and standards for the attainment of its long-term vision that every Filipino worker attains full, decent and productive employment.

One of the proactive actions that the DOLE takes to safeguard the welfare of workers is ensuring the latter's security of tenure which is a basic right of each worker. Thus, the Department enforces labor laws and standards through inspection of establishments' and their contractors'/subcontractors' compliance to general labor standards (GLS) and occupational safety and health standards (OSHS). Hence, Department Order No. 174 was issued on 2017 to increase level of awareness on the constitutional right of workers to security of tenure, pass on the responsibility to the principal to exercise oversight over the contractor to comply with labor laws and make the principal accountable for violation of its contractor of labor laws and social legislations.

Following the issuance of this Department Order (DO), contractors and subcontractors become the top priority sector subject for inspection. DOLE DO 174, superseding previous DOs relative to contractualization guidelines, reiterates strict prohibition of labor-only contracting (LOC) and all other prohibited practices in contracting and subcontracting arrangements. Based on the DO 174, Labor Inspectors (LIs) shall prudently inspect the contractor's substantial capital, terms of employment and the means and manner by which contractor's employees perform their task, among others. LIs are also tasked to gather all significant observations during the conduct of inspection thru interview of workers and inspection of employment records to determine the compliance of principal establishments and its contractors to GLS including the DO 174. The Regional Director, upon evaluation of the information gathered by the LI, shall declare whether or not an establishment is engaged in labor-only contracting.

In 2017, there were a total of 60,732 establishments inspected nationwide. Of these, 15,837 contractors/subcontractors were inspected. This figure includes establishments which may be counted repeatedly due to the contractor's engagement with several principals. The four groups of contractors/subcontractors being monitored are those engaged in janitorial, security, construction services and other service providers.

Barely a month ahead of Labor Day, the DOLE-NCR Regional Director Henry John Jalbuena has ordered fast food giant company, Jollibee Foods Corporation (JFC) to regularize its 6,482 workers as a result of evaluation of the inspections conducted in the company and those under its franchise. Aside from being ordered to regularize its workers, JFC was also directed to refund "illegally collected payments to 426 affected

workers in the amount of P15,432,305.00 for Coop Share, Coop Christmas Party Paluwagan Fund, and Coop Savings Fund.” Director Jalbuena had also ordered the company to return P4.14 million in “unlawful wages, deductions, bonds, donations, shares and other illegal payment collections to 412 affected workers.”

“We have received the order from DOLE and we’re following the process DOLE prescribed to appeal this order,” JFC said in a statement sent to reporters.

The company said it has been compliant with the new guidelines on contracting and subcontracting arrangements contained in DO 174. The company further added that it only deals with reputable contractors which have been duly accredited and registered with DOLE and they have been cooperating and will continue to cooperate with DOLE.

The DOLE also issued a similar compliance order to Perf Restaurant, also known as Burger King, to regularize 704 workers deployed by three of its contractors. JFC currently holds the master franchise of Burger King in the Philippines.

As part of the administration’s campaign to oppose all forms of contractual labor arrangements, the DOLE is set to continue dialogues with previously inspected establishment and to inspect other fast food chains as well – McDonald’s and KFC – for compliance with labor laws.

“Last month, a mandatory conference was conducted by the DOLE Makati and Pasay Field Offices with the management of Chowking with succeeding dialogues set for this month,” the DOLE said.

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