

**NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
First Regular Session

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Senate
Office of the Secretary

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SENATE
S. No. 750

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Introduced by SENATOR FRANCIS "TOL" N. TOLENTINO

**AN ACT
REQUIRING INDUSTRIES ENGAGED IN THE EXPLOITATION OF NATURAL
RESOURCES TO GIVE PREFERENTIAL EMPLOYMENT TO LOCAL
RESIDENTS, AMENDING FOR THE PURPOSE THE LABOR CODE OF THE
PHILIPPINES**

EXPLANATORY NOTE


The Philippines is abundant in natural and mineral resources, which many communities rely on for their livelihood. Extractive industries, however, brought relatively negative outcomes to these communities as natural wealth are being exploited. Enterprises engaged in the exploitation of natural resources earn millions at the expense of the communities and the environment. Locals further struggle when their welfare and rights are undermined.

Unfortunately for these residents, communities are usually denied of a share of the companies' profit, which could at least compensate for the loss of their source of livelihood. This is despite Article X, Section 7 of the 1987 Constitution, which states, thus:

Local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits.

This bill is a response to the need to amend the Labor Code to oblige the extractive sector – including mining, quarrying, cement-manufacturing, logging and power generating – to provide preferential employment to the local host. This will prioritize the locals of communities where such activities are conducted and encourage financial stability among households.

It is hoped that the proposed legislation will give prime importance to the constitutional rights of affected communities.¹



FRANCIS "TOL" N. TOLENTINO

¹ This is based on a bill filed by the late Senator Miriam Defensor Santiago during the Fourteenth Congress, First Regular Session; and refiled during the Fifteenth Congress, First Regular Session and the Sixteenth Congress, Second Regular Session. It is now refiled during the Nineteenth Congress in her honor.

1 ELECTRIC), OIL DRILLING AND OTHER EXTRACTIVE
2 ACTIVITIES.

3 B. "RESIDENTS" SHALL MEAN THOSE WHO HAVE RESIDED FOR
4 A PERIOD OF AT LEAST ONE (1) YEAR IN THE PROVINCE OR
5 CITY WHERE THE ACTIVITY IS CONDUCTED.

6 C. ARTICLE 44. PREFERENCE FOR RESIDENTS.
7 CORPORATIONS, PARTNERSHIPS, ASSOCIATIONS OR
8 INDIVIDUALS ENGAGED IN THE DEVELOPMENT AND
9 EXPLOITATION OF NATURAL RESOURCES AS DEFINED IN
10 THE PRECEDING SECTION SHALL GIVE PREFERENCE TO THE
11 EMPLOYMENT OF RESIDENTS OF THE PROVINCE OR CITY
12 WHERE SUCH ACTIVITIES ARE CONDUCTED; PROVIDED,
13 HOWEVER, THAT THE EMPLOYMENT OF MANAGERIAL
14 EMPLOYEES, SHALL ONLY BE MADE UPON CERTIFICATION
15 BY THE BUREAU OF EMPLOYMENT SERVICES THAT NO
16 RESIDENTS ARE QUALIFIED FOR SUCH POSITIONS.

17 ARTICLE 45. PENAL CLAUSE. A VIOLATION OF THE PRECEDING
18 SECTION SHALL BE DEEMED UNLAWFUL AND SHALL BE PROSECUTED
19 AND PUNISHED UNDER ARTICLES 288 AND 289 OF THIS CODE.

20 Sec. 2. Section 43 is hereby renumbered as Section 46, Section 46 as Section
21 47, and the succeeding sections of the Labor Code of the Philippines are hereby
22 renumbered accordingly.

23 Sec. 3. *Separability Clause.* – If any provision of this Act is declared
24 unconstitutional or invalid, the remainder of the Act not affected thereby shall remain
25 valid and effective.

26 Sec. 4. *Repealing Clause.* – All laws, decrees, executive orders,
27 proclamations, and other executive issuances which are inconsistent with or contrary
28 to the provisions of this Act are hereby amended or repealed accordingly.

- 1 **Sec. 5. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days
- 2 following its publication in the Official Gazette or in a newspaper of general circulation.

Approved,