Message of the Secretary

81ST FOUNDING ANNIVERSARY
DEPARTMENT OF LABOR AND EMPLOYMENT

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DOLE Labor Governance Learning Center
Intramuros, Manila
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(Greetings)

Today, we are celebrating the 81st DOLE Anniversary which marks another year of earnest and unrelenting service to our publics. For this, we adopted the theme, “Higit pa sa Tagumpay at Reporma, ang DOLE mas Makabuluhan, mas Nadarama!” This statement embraces the DOLE’s aspirations and commitments for better program and service delivery that is both meaningful and felt by our publics that include the labor and employer sectors, women workers, OFWs and their service providers, young workers, and the vulnerable groups in the labor market.

As we celebrate, we recall the happy “firsts”—meaningful reforms from 2011 to the present that bring us closer to our vision of a client-friendly DOLE that cares and serves with excellence by “doing its ordinary work in extraordinary ways”. We created the vision that helps transform the lives of our publics and we accomplished them by the grace of God and only for the praise and glory of His Name.

We remember 2011, as the New Labor Governance Year. We inaugurated transparency, accountability, and integrity at the DOLE when, for the first time, a tripartite-indorsed Philippine Labor and Employment Plan (LEP) was crafted, and later indorsed by the NEDA to President Benigno S. Aquino III in April 2011 as the first sectoral plan in support of the newly-adopted Philippine Development Plan. Guided by the 22-Point Agenda of the President and the Decent Work framework, the LEP, 2011-2016 promotes the creation of an environment conducive to the development of human resources as the best asset of the country and the promotion of sound and stable industrial peace founded on social justice. The LEP integrates decent work and competitiveness outcomes which finally found their way in the DOLE Planning Tool, 2014-2016 Performance Contract with the President. Being a tripartite-indorsed Plan, the programs, activities, projects, and targets under the Plan undergo an annual review by the National Tripartite Industrial Peace Council and the Joint Foreign Chambers of Commerce of the Philippines vis-a-vis its Arangkada Report. Now on its third year, our LEP scorecard, based on ILS monitoring, indicates that out of the total 308 indicators, 75.6 percent of the targets have been completed. The WEF Global Competitiveness Report also shows that Labor Market Efficiency indicators improved by 20 notches, placing the Philippines from 111th in 2010 to 91st in 2014. Similarly, the 2010 Decent Work Indicators—consisting of 11 indicators where we registered progress in 6 indicators that need to be sustained and 5 gaps that need to be addressed—are expected to yield better results when the Philippine Decent Work Profile undergoes its review the first quarter next year.

We remember 2012 as the Social Protection Year for a number of milestones in labor and social legislation. First, the Philippines, through the DOLE, took the leadership at the Committee on Domestic Work as Chair at the 99th and 100th Sessions of the International Labor Conference (ILC) that led to the adoption of ILO Convention 189, or the Convention Concerning Decent
Work for Domestic Workers, in 2011. In less than a year, the Philippines ratified the Convention and became the second country, next to Uruguay, to ratify it which led to its entry into force after one year, or on 13 September 2013.

The Convention is a landmark international instrument that recognizes domestic workers for the first time as workers with human and employment rights entitled to equal protection under the law. It is internationally-acknowledged as a genuine step towards ensuring decent work for all domestic workers.

Second, the internationally-recognized leadership of the Philippines contributed to the unprecedented fast and smooth passage of our national legislation, R.A. 10361, or An Act Instituting Policies for the Protection and Welfare of Domestic Workers or Batas Kasambahay in January 2013, ending almost two decades of the pendency of the bill in Congress. Consistent with the principles of the Convention, the Batas Kasambahay is a landmark law that recognizes for the first time, the rights and benefits of domestic workers like workers in the formal sector. 1.9-M domestic workers benefit from the law, which gives meaning to the inclusive growth agenda for domestic workers who, before, are not protected by the umbrella of labor and social legislation.

Third, it strengthens the position of the country as a leader in OFW protection, particularly in forging bilateral agreements for the estimated 470,000 overseas Filipino domestic workers. We remember the milestone bilateral agreement, between the Philippines through the DOLE and the Kingdom of Saudi Arabia, which includes a Standard Employment Contract, the first-ever agreement involving domestic workers between a labor-sending and labor-receiving country among GCC member-States.

In 2012-2013, the Philippines also successfully negotiated agreements providing similar standards of protection and standard employment contracts for domestic workers with Jordan and Lebanon. We end 2014, with a historic visit to all the GCC countries with a singular message, that is, the rest of the GCC States are ready to negotiate with the Philippines on long overdue agreements and standard employment contracts for domestic workers and skilled workers. We also end the year with two Abu Dhabi Dialogue-approved projects that will benefit all migrant workers in all GCC countries: one on skills development, certification, and recognition and another on comprehensive labor information and orientation that the POEA and OWWA will spearhead. The two projects were the fruits of the Philippine Chairmanship of the Dialogue during the last two years.

On 20 August 2012, the Philippines ratified the Maritime Labour Convention, 2006 (MLC, 2006) in pursuit of its commitment to promote and protect the welfare of its seafarers and level the playing field for shipowners who provide decent work to seafarers anywhere in the world. The ratification benefits nearly 70,000 domestic seafarers, and over 30 percent of the global supply of seafarers, keeping the Philippine record as the manning capital of the world. The new LLCS has covered the compliance requirements of the MLC for ships in both domestic and international waters.

At the program implementation level, we remember pursuing in 2012 a more focused and community-based strategy toward the elimination of the worst forms of child labor through the “Child Labor Free Barangay” and “Child Labor Free Enterprise”. By defining better our response to the campaign, we launched in 2013 a Cabinet-led convergence program with the support of the
private sector and civil society and faith groups, which we call H.E.L.P. M.E. (Health, Education, Livelihood, Promotion, Protection, and Prosecution and Monitoring and Evaluation). As we end 2014, our efforts resulted to 60 enterprises declared child labor-free and 39 barangays at various stages of progress towards child labor-free barangays.

Lastly, as part of our reform on social protection for vulnerable workers, we have subsumed under the DOLE Integrated Livelihood and Emergency Employment Program the disparate programs for vendors, fisherfolk, disabled, child laborers, and workers displaced by calamities to make implementation simple and clearer. From 2010-2013, we have released P1.26 billion in livelihood assistance to 372,616 beneficiaries. By the end of 2014, we would have released P1.691 billion in livelihood funds for the benefit of 292,853 beneficiaries.

The year 2013 is most remembered in many milestones of the DOLE. First, as the Tripartism and Social Dialogue Year, it took off in July 2010 when we engaged our social partners in the passage of the LEP, the NTIPC has assumed a historic role in the country’s compliance with ILO Convention No. 87, or the Freedom of Association Convention, when it was officially designated as the high-level monitoring body on cases brought before the ILO supervisory bodies and the Subcommittee on GSP of the US Congress, as recommended under the four-year National Program of Action on Freedom of Association to address issues on compliance. As we close 2014, the ILO Committee on Freedom of Association, Committee of Experts, and Committee on the Application of Standards, have noted significant progress in the country’s compliance with the Convention.

Tripartism continues to be robust as the DOLE continues to facilitate the organization of tripartite industrial peace councils. Today, we have 128 regional (16), provincial (65), and municipal (47) Tripartite Industry Peace Councils (TIPCs); eight national Industry Tripartite Councils (ITCs); and 264 regional ITCs, 156 of which have Voluntary Codes of Good Practices. They serve as consultative bodies on labor and social policies; in the promotion of integrity and efficiency among DOLE personnel; and in the validation of certification issued under the new labor law compliance system. Recognizing the need for its further institutionalization, the President has signed into law R. A. No. 10395, An Act Strengthening Tripartism, Amending for the Purpose Article 275 of the Labor Code of the Philippines.

Second, 2013 is also the Labor Relations and Dispute Settlement Year as we institutionalized the SEnA under R.A. No. 10396, signed by the President on 14 March 2013. Since 2010 when the program started, all DOLE agencies have been mandated to strictly follow a 30-day mandatory conciliation-mediation process towards forging agreements, or win-win solutions, that foster fair, speedy, and inexpensive labor justice. Since then, there has been a sharp increase in the number of requests for assistance (RFA) filed in the different offices and agencies of the Department, and a substantial drop in the number of cases entering the compulsory arbitration processes in the NLRC and DOLE Regional Offices. From October 2010 to 30 April 2014, the DOLE, through its regional offices, bureaus, and attached agencies, has processed a total of 79,024 RFA with an average duration to settle of 20 days; and settled 63,525 RFA, or an 80 percent settlement rate, benefiting 93,170 workers with P2.8 billion in monetary benefits.

Third, on the same year, the Civil Service Commission recognized the DOLE’s SEnA Team as Presidential Lingkod Bayan Awardee for the 2013 Search for Outstanding Public Officials and Employees. The DOLE’s SEnA Team was conferred the Presidential Lingkod Bayan Award for
its exceptional performance in delivering speedy, impartial, inexpensive, and accessible settlement of labor issues through conciliation and mediation. This was the first time that a program, only on the first year of its implementation, was conferred the prestigious Award.

Fourth, with the combined effects of the SEnA with 80 percent settlement; plus the successful settlement and disposition of notices of strikes and lockouts at the annual average rate of 89 percent; and the high disposition rate of SPeEd cases at the compulsory arbitration stage at 90 percent, our country has been experiencing an unprecedented stable industrial peace based on fair and speedy labor justice with a single-digit strike incidence, and the Secretary of Labor hardly exercising her extraordinary power of assumption of jurisdiction over national interest cases.

Fifth, we remember 2013 when we inaugurated a new culture at the DOLE with a new labor law compliance system (LLCS) that drastically transformed our traditional approach to labor law compliance from a “police inspector” to a “client-friendly labor law compliance officer” who informs, educates, and assesses compliances on all labor laws and regulations based on transparent and easy-to-understand checklists of standards, and who trains and teaches clients on how to correct deficiencies until they are declared compliant, at no costs.

Sixth, we are thankful for 2013 when the governance system at the DOLE received its biggest boost with the grant by the President of an additional 372 labor and employment officer plantilla positions—the first in the history of the DOLE—despite its approved rationalization plan, to ensure the successful implementation of our LLCS reforms. By the end of 2014, we have covered all the 76,766 establishments targeted for the first year of its implementation, highlighted by DTI and DOT recognition that compliance by all companies with labor laws under the system is one effective strategy to attract investors and tourists to our country. Moreover, the system is now an important instrument in recognizing core labor standards and decent work compliance in forging multilateral economic and trade agreements.

Seventh, 2013 was also the year when the General Appropriations Act included the full staff complement for the National Reintegration Center for OFWs (NRCO), which included a Bureau-like complement for the Central Office and for the regions. With this support, we are now on track in terms of ensuring that we have a well-defined response to the reintegration needs of OFWs in view of the President’s pronouncement in his 22-Point Labor and Employment Agenda to facilitate the return of OFWs into productive endeavors. By the end of 2014, we have released P46.1 million of our reintegration funds to 5,128 beneficiaries of starter kits that included entrepreneurship development training and purchase of equipment and materials for their small start-up businesses.

The NRCO budget is allotted for distressed women workers, mostly victims of illegal recruitment and trafficking, while OWWA funds are intended for its members who are legal and documented workers. From 2010 to 2013, the OWWA has released P818 million in its reintegration budget for 9,342 beneficiary members to fund the grant of small start-up livelihood projects and to finance the loan of medium and big businesses through the facility of the Land Bank of the Philippines. It has also released P831 million for its various scholarship and education and training programs for 187,613 members and their dependents from 2010 to 2013. We end 2014 with the adoption of a broader national reintegration framework for consideration by the NEDA
Subcommittee on Migration and Development under its Social Development Committee when it meets in 2015.

There are significant events in 2014 that we shall remember well. First, it is Youth Employment Facilitation Year when our Special Program on the Employment of Students, or SPES, started attracting increasing partnerships with the private sector and enhancing it by developing a prescribed curriculum for SPES beneficiaries using JobStart as model, and ensuring compliance with the Commission on Audit’s SPES Audit Observation Memorandum. JobStart is a pioneering project of the DOLE in partnership with the Asian Development Bank and the Government of Canada. It aims to shorten the job search period by assisting the youth in accessing career development pathways through skills and life skills training, career counseling, and on-the-job training, in partnership with employers. In its pilot implementation, four institutionalized Public Employment Service Offices (PESOs)—Quezon City; San Fernando, Pampanga; Taguig City; and General Trias, Cavite—will be enhanced to develop their capabilities in the assessment of jobseekers, career guidance and employment, coaching, life skills and technical training, job matching to internship, and case tracking and management.

Second, it is the Two-Tier Wage System (TTWS) Year when minimum wage, since 2010, has been linked to an amount which is a little over the poverty income threshold to serve as social safety net, or social floor, for fixed income earners. By the end of 2014, eight (8) regions will be compliant with Tier 1, while the remaining eight (8) shall be fully compliant by 2016 as they close the poverty threshold-minimum wage gap. Thus, of the total 107 minimum wage rates, 92 wage rates are now compliant with Tier 1 and only 15 wage rates remaining to be compliant between 2015 and 2016.

Third, 2014 is also Productivity Year because we vigorously implemented, through Productivity Advisories of the RTWPBs, the second tier of the TTWS and begun integrating it as a component of our Labor Law Compliance System. For this purpose, we launched the Productivity Toolbox as part of the facilitative and advisory services offered by our LLCOs to establishments using the convergence program on Labor Management Cooperation, involving the NCMB, NWPC, BWC, OSHC, ECC, and DOLE Regional Offices with the support of more than 240 Productivity Specialists trained by the Temasek Foundation and Nanyang Polytechnic of Singapore, another “first” at the DOLE.

As we close 2014, we look at 2015 target of 11,500 enterprises to be provided orientation and training under the Productivity Toolbox, with priority given as incentive to enterprises awarded Certificates of Compliance on General Labor Standards and Occupational Safety and Health and those with functional LMCs facilitated by the NCMB. As an advocacy strategy for Tier 2 of the TTWS, the NWPC and RTWPBs will recognize and issue seals of recognition to enterprises implementing the productivity incentive schemes under the Productivity Toolbox. Those that have implemented and sustained their productivity improvement programs and gainsharing schemes shall be qualified to participate in the 2015 Productivity Olympics.

Fifth, we remember 2014 as Governance Year when, internally, at the very start of the P-Noy Administration and consistent with the Good Governance and Rule of Law Chapter of the Philippine Development Plan, we have pursued ISO Certification for all client-based transactions in frontline offices, including support services. As of November 2014, eight Regional
Offices (CAR, 3,6,9,10,11,12, and 13) and four Attached Agencies (POEA, TESDA, OWWA, and NMP) have already gained ISO certification. All of DOLE offices are expected to be ISO-certified before by 2015.

Sixth, 2014 is the COA Report Year when we succeeded three years in a row to keep our QUALIFIED rating, in contrast to the 2009 ADVERSE report presented in 2010. In 2014, we implemented the “No Gift, No Bribe” policy in all DOLE offices and institutionalized a monitoring system of our internal processes through the Tripartite Efficiency and Integrity Boards across all offices and Attached Agencies.

Seventh, 2014 is the Year of the Hi-Tech Online Delivery System of DOLE services to clients. The Enhanced Phil-Jobnet is no longer just found in the usual job kiosks we placed in public areas, such as malls, but is now a mobile app accessible to all, with an SMS facility that sends information on available jobs to jobseekers. This was made possible by our partnership with the private sector to expand our services to include online talent pooling, career counseling, and job and skill matching. The LLCS has an online information system developed with ILO technical assistance where LLCOs are equipped with tablets to input compliance records of establishments used to be done manually, also a “first” at the DOLE.

Eighth, the year 2014 is also the POLO Year when we start transforming our POLOs into Centers of Care and Excellence as mandated in the 22-point Labor and Employment Agenda of the President. We have developed and installed the Foreign Labor Operations Information System (FLOIS) in eight Posts, six of which are in Asia and two are in Europe. By the first quarter of next year, we hope to have finished the installation of the FLOIS in all the Middle East Posts. The system, which is essential to our efforts for transparency and accountability at the Posts, covers web-based modules that will facilitate faster and real-time reporting of POLO operations, particularly on finance, management of the MWOFRCs, handling of welfare cases, and the verification of documents on-site and employer accreditation.

We recall 2014 when the Department excitedly made its first venture into animation as a medium for information dissemination by formally launching the new and improved Labor and Employment Education Services (LEES) on 30 January 2014. This signaled the departure from the classroom-based labor education program that used traditional materials from cartolina, LCDs, and overhead projectors to a more modern, pro-active, and technology-based approach with the production of learning audio-visuals and video clips. This shift addressed several challenges in program delivery by simplifying Information, Education and Communication (IEC) materials for better appreciation and understanding of the Department’s stakeholders. It has also expanded the reach of the Department by making labor and employment education available to its clients anytime, anywhere. I hope that our clients have seen and “liked” on YouTube our LEES videos which are short animation clips on DOLE programs and services.

We also recall that it is in 2014 when we launched the POEA Online Pre-Employment Seminar (PEOS) for well-informed decisions when planning to work overseas, and the POEA Agency Hires OEC Online System. The POEA’s Online Balik Mangagagawa (BM) services for securing Overseas Employment Certificate is just like an airline e-ticket and ends, once and for all, the perennial problems of delays and long queues of returning and vacationing OFWs.
As we close 2014, we look forward to accessing the online training facility for OFW Entrepreneurship of the National Reintegration Center for OFWs (NRCO), developed in collaboration with the ILO through its “Decent Work AcrossBorders (DWAB) Project” and also, the DOLE-IOM on-line training course on crisis management, expected to be completed in the first quarter of 2015. This follows the baby steps we made in e-Learning through the OSHC’s e-BOSH and TESDA’s e-Learning, both launched in 2012.

Finally, we open the Labor Governance Learning Center, or the LGLC, with an E-Learning facility as the Department pursues the reforms, not only in the delivery of labor and employment education, but also in governance as integral to the thrust of the Aquino III administration’s reforms towards fostering transparency, integrity, competence, and excellence amongst our people, not only those belonging to the DOLE family of agencies, but even among our partner organizations and sectors. To quote straight from the President’s Social Contract with the Filipino People:

“We will start to make these changes first in ourselves – by doing the right things, by giving value to excellence and integrity and rejecting mediocrity and dishonesty, and by giving priority to others over ourselves. We will make these changes across many aspects of our nation.”

As we go on with our work, I want us to get a clear sense of what we do directly from the President himself as early as 2012 when, in his message to us during our 79th Foundation Anniversary, he said: “Saludo rin po tayo sa lahat ng bumubuo ng DOLE, sa pangunguna ni Secretary Rosalinda Baldoz. Hindi biro ang tungkulin ninyong magbukas ng mga oportunidad sa bansa, at ang tiyaking ligtas at makaturungan ang kalagayan ng manggagawa. Nagsisilbi rin kayong tulay sa maayos na ugnayan ng ating manggagawa at pribadong sektor. Tinutugunan ninyong hinaing ng manggagawa, at tinitimbang ito nang may pagsasaalang-alang sa tatag ng mga industriya.”


**Concluding Notes**

Ladies and gentlemen, friends and partners of the Department, and my DOLE family: What I have just shared are highlights of the “labor of love” we at the Department have given to our clients way back in 2010. I thought it best to present the 2014 accomplishments, not in isolation, but within the context of the reforms we started during the first day of the Aquino administration. It begun with the end in mind, that is, for the DOLE to transform itself into a government agency of great difference and significance to our nation. Indeed, the DOLE has been seen by our publics in a positive light as we garnered encouraging ratings, as follows:

- In the 2011 *Arangkada* Report of the Joint Foreign Chambers of the Philippines, the DOLE garnered six stars on allowing firms providing same-day services to overseas clients to provide employees who work on holidays substitute day-offs without holiday premium; five stars for achieving substantial progress on the issue of maintaining low level of labor
disruption; and four stars for having started reforms on wages, jobs and skills mismatch, labor adjudication, and modernization of the Labor Code.

• For its intensified campaign against corruption, the DOLE has returned to register in the public ‘radar’. For the first time, we achieved a ‘Good’ rating in the SWS survey on sincerity in fighting corruption. The 2013 Survey of Enterprises on Corruption is the 11th in a series of surveys conducted under the auspices of the Makati Business Club, in cooperation with the Australian Aid-The Asia Foundation Partnership in the Philippines, and the National Competitiveness Council under its Integrity Initiative Program. This is the first time the DOLE was included in the survey. Among 24 government agencies, the DOLE placed second among four agencies with a ‘Good’ net rating, with +43. The three are the DepEd (+49); Supreme Court (+36); and DOJ (+35).

• In the MBC’s Executive Outlook Survey of August 2012, the DOLE, for the first time, was one of nine government agencies with the highest approval rating since the survey was started in 1993. The DOLE copped fourth among nine places, with a rating of 56.3 percent, following the Bangko Sentral ng Pilipinas, Department of Tourism, and Department of Budget and Management. The DOLE leaped 13 rungs, and placed 10th in all the agencies surveyed, from 23rd place in 2011. It is the only ‘non-economic’ agency among the highest placers.

• In the SWS’s Quarterly Survey on Satisfaction with the National Administration, two items always comes up with a ‘Good’ rating for the administration: (1) on providing jobs, which has always been not lower than +30 percent from 2010 to 2013; and (2) on promoting the welfare of OFWs which, from +39 percent in 2012, has reached a high of +44 percent in December 2013. This peaked to +59 percent in August 2012. The DOLE’s approval rating has also moved up in the Pulse Asia Survey when it comes to creation of more jobs (from 48 percent in 2011 to 55 percent in 2012) and in improving workers’ pay (from 43 percent in 2011 to 46 percent in 2012).

• Our efforts for stronger protection and empowerment of migrant workers, particularly women, have not gone unnoticed. The UN Committee on Migrant Workers has cited the Philippines’s substantial progress in protecting the rights of its migrant workers abroad and its extensive and advanced legal and policy framework for implementing the International Convention on the Protection of the Rights of Migrant Workers and Members of their Families.

• In 2013, the Philippines became one of 10 countries, out of 144, which made “significant advancement” (highest rating) in its efforts to eliminate the worst forms of child labor in the Findings on the Worst Forms of Child Labor of the US DOL.

• In March 2014, the Labor and Employment Secretary, together with the ILO and the Federation of Free Workers, received the St. Scholastica’s College’s Hildegard Award for Outstanding Achievement in Development Communication for the “Batang Malaya” anti-child labor campaign.
• In the World Economic Forum on Global Competitiveness, the Philippines in 2013-2014 ranked 59th out of 148 countries, and ranked 91st in the 7th Pillar on Labor Market Efficiency from 111th in 2010.

• Our efforts to ensure compliance with labor laws acquired international dimension as observance of labor rights and international labor standards is now the main feature of our trade agreements.

• Employment trends during the Aquino III administration continue to show remarkable improvements, capped by the October 2014 Labor Force Survey showing total employment at its new high and unemployment rate at 6 percent—the lowest since April 2005.

• Substantive elements of decent work have 31 indicators. We have achieved progress at 17 of these indicators that we need to sustain, and continue to work on 14 indicators where we have gaps that need to be addressed.

• Finally, let me share our decent work gains since 2010: positive and sustained labor productivity growth rate; increasing wage share in GDP; increasing share of wage employment in non-agricultural employment; and decreasing youth unemployment rate, among others.

Even as we share this good news, let us look forward to more in the coming years as we pursue to sustain the gains and close the gap in our decent work and global competitiveness goals. Toward this end, our priorities are:

• Inclusion of Kasambahay Law into the LLCS;

• Issuance of separate LLC Certificates to companies compliant with gender-sensitive labor laws;

• MRAs/ recognition of qualifications for the professionals and skilled workers

• Passage of important labor bills into law: (a) PESO Bill; (b) Apprenticeship Bill; (c) NLRC Reform Bill; (d) Right to Self-Organization Bill; (e) LLCS Bill; (f) Seafarers Bill; (g) alternative Bill on Security of Tenure and (h) JobStart Bill.

• Upgrading of POLOs into Centers of Care and Excellence.

• Documentation and publication of successful stories on all DOLE programs and services

• Conclusion of all bilateral agreement on domestic and skilled workers with GCC countries and those with pending bilateral negotiations

With all these milestones, let me greet everyone a blessed happy 81st anniversary and my sincere congratulations to each member of the DOLE family and our most-valued partners for what we have done, so far. Basta po kasama natin ang Diyos, malakas po ang ating pananampalataya na magagawa natin ang lahat ng ito. Thank you very much and my advance greeting of Merry Christmas to all of you. God bless you all.