



**Employers
Confederation
of the
Philippines**



**Philippine Chamber of
Commerce and Industry**



MBC
MAKATI BUSINESS CLUB
THE FORUM FOR CONSTRUCTIVE IDEAS



PALSCON
PHILIPPINE ASSOCIATION OF LEGITIMATE SERVICE CONTRACTORS



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The American Chamber of Commerce of the Philippines, Inc.



The Canadian
Chamber of Commerce
of the Philippines
La Chambre de Commerce Canadienne des Philippines



1 July 2019

**PRESIDENT
RODRIGO ROA DUTERTE**
Republic of the Philippines

Dear President DUTERTE:

The undersigned business organizations are writing you to please help prevent the “Security of Tenure and End to Endo” bill from becoming a law. There is no need for a new law to end Endo, as it is now prohibited by your Executive Order No. 51 and by DOLE Department Order No. 174 series of 2017. If passed into law, the bill will have adverse effects on the Philippines’ global competitiveness and its capability to create more and better-quality jobs for Filipinos.

The Security of Tenure and End to Endo Bill intends to strengthen workers’ security of tenure and to end ENDO, an employment malpractice by some unscrupulous employers who hire workers for a period of less than six months at a time, to avoid making them regular employees after the six-month probationary period. Both DOLE DO No. 174-17, which took effect in early 2017, and EO No. 51, which took effect in mid-2018, already prohibit ENDO. If ENDO is dead, therefore, the SOT Bill is superfluous.

Security of tenure is a constitutionally guaranteed right of workers and the Labor Code recognizes this. However, the workers’ right to security of tenure is not absolute. There is no such thing as perpetual employment especially if the employee is no longer performing. The law provides that employers have the power to dismiss an employee based on just or authorized causes subject to observance of due process. In protecting the rights of workers, the law authorizes neither oppression nor self-destruction of the employers.

Passing the SOT bill is counterproductive especially for businesses which are dealing with the changing world of work. The concept of dependent employment is steadily being eroded. Under the “future of work”, there will be unprecedented rise of independent contractors, telework, and a constellation of other internet-enabled companies.

The rest of the world is now into more flexible work arrangements. Prohibiting legitimate job contracting in the Philippines will, in the words of a respected labor law expert, “turn us back into the dark ages.” When this happens, the Philippines will become less globally competitive and investors might opt to locate their manufacturing, logistics, and other functional hubs in other countries with more investor-friendly policies. The jobless growth we have been experiencing over the years could worsen.

In fact, the regulatory framework must be re-examined to make it more flexible to facilitate business and job creation instead of obstructing new forms of employment as what would be the consequence of the SOT bill in the event it is signed into law. Passing stringent laws that limit flexibility and encroaches on management prerogative may scare away local and foreign investors.

We have always supported laws and policies that will truly be beneficial to the economy as a whole – those that attract investment, generate productive employment, and preserve existing jobs. As the most representative sectoral organizations in the country, we commit to foster a culture of responsible and ethical business conduct -- the key to industrial peace and harmonious labor-management relations.

Very sincerely yours,



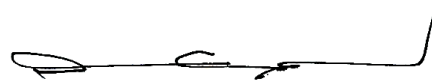
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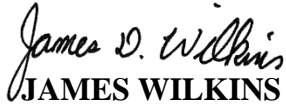
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