

1 Republic of the Philippines  
2 HOUSE OF REPRESENTATIVES  
3 Quezon City

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5 EIGHTEENTH CONGRESS  
6 Second Regular Session

7  
8 HOUSE RESOLUTION No. 1972  
9



10 Introduced by  
11 BAYAN MUNA Representatives FERDINAND R. GAITE,  
12 CARLOS ISAGANI T. ZARATE and EUFEMIA C. CULLAMAT,  
13 GABRIELA Women’s Party Representative ARLENE D. BROSAS,  
14 ACT TEACHERS Party-List Representative FRANCE L. CASTRO,  
15 and KABATAAN Party-List Representative SARAH JANE I. ELAGO  
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17 **RESOLUTION**

18 **URGING THE HOUSE OF REPRESENTATIVES TO CONDUCT AN INQUIRY,**  
19 **IN AID OF LEGISLATION, ON THE IMPLEMENTATION OF DEPARTMENT OF**  
20 **LABOR AND EMPLOYMENT DEPARTMENT ORDER NO. 174, SERIES OF 2017,**  
21 **AND ITS EFFECTIVITY IN REGULATING THE CONTINUING PRACTICE OF**  
22 **CONTRACTUALIZATION**

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24 **WHEREAS**, during his campaign for the presidency in 2016, Pres. Rodrigo Duterte pledged  
25 his support to the labor sector’s demand to end contractualization in the country. He soon  
26 reneged on this promise by vetoing a security of tenure bill that could have partially banned  
27 the practice;

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29 **WHEREAS**, on March 16, 2017, the Department of Labor and Employment (DOLE) issued  
30 Department Order 174, series of 2017 (DO174-17) entitled “Rules Implementing Articles 106  
31 to 109 of the Labor Code, As Amended” to govern the regulation of contracting and  
32 subcontracting arrangements in the private sector;

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34 **WHEREAS**, DO174-17 updated the implementation of Articles 106 to 109 of the Labor  
35 Code, as amended, in order to curb the practice of the prohibited labor-only contracting, and  
36 to set more stringent standards for the legally recognized contracting and subcontracting  
37 arrangements;

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39 **WHEREAS**, several labor groups have expressed their dissatisfaction with DO174-17 saying  
40 that the Order merely improved the ways in which the practice of contractualization could  
41 continue, and thus favored the interests of business more than the right of workers to security  
42 of tenure. Furthermore, the order has been criticized for further legitimizing the removal of  
43 employer-employee relationship between principal companies and outsourced employees,  
44 which was the root issue in contractualization. The labor department meanwhile claimed that  
45 the order is a “win-win solution”;

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**WHEREAS**, research group Ibon Foundation reported in 2019 that 8.5 million workers were non-regulars and/or are agency hired;

**WHEREAS**, in November 2019, Labor Secretary Bello reported that it had already regularized 474,329 contractual workers. Of this figure, 343,580 workers were regularized through voluntary regularization, and 130,749 workers were regularized as a result of labor inspections;

**WHEREAS**, in July 2020, in the middle of the pandemic, hundreds of contractual workers of Zenith Foods Corporation, a subsidiary of Jollibee Foods Corporation (JFC) which was earlier tagged by the labor department as number 1 in practicing labor-only contracting, were laid off. This happened even after JFC vowed to annually regularize 3,000 of its workers;

**WHEREAS**, DOLE issued Department Order 213, series of 2020 which suspended all labor inspections for the duration of community quarantines;

**WHEREAS**, as the pandemic and the series of government-imposed lockdowns continue to negatively impact the economy and result in mass layoffs and historic unemployment levels, workers continue to assert their right to security of tenure and demand policies that genuinely uphold their rights;

**WHEREAS**, after four years of implementation, it is imperative to review, and assess the impact and effectivity of DO174-17 in protecting the right of workers to security of tenure;

**THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED**, that the House of Representatives, through the Committee on Labor and Employment, conduct an inquiry, in aid of legislation, on the results of the implementation of Department of Labor and Employment Department Order 174, series of 2017.


*Adopted,*

  
**REP. FERDINAND R. GAITE**  
*Bayan Muna Partylist*

  
**REP. CARLOS ISAGANI T. ZARATE**  
*Bayan Muna Partylist*

  
**REP. EUFEMIA C. CULLAMAT**  
*Bayan Muna Partylist*

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**REP. ARLENE D. BROSAS**  
*GABRIELA Women's Party*



**REP. FRANCE L. CASTRO**  
*ACT Teachers Partylist*



**REP. SARAH JANE I. ELAGO**  
*Kabataan Partylist*