

## MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT**, entered into by and between:

The **DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE)**, a government agency, with office address at the DOLE Building, Intramuros, Manila, represented herein by its Secretary, **PATRICIA A. STO. TOMAS**, hereinafter referred to as the "**DOLE**";

-and-

The **PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA)**, a government corporation created and operating under Republic Act. No. 7916, as amended, with office address at Almeda Building III, Roxas Boulevard corner San Luis Street, Pasay City, represented herein by its Director General, **ATTY. LILIA B. DE LIMA**, hereinafter referred to as "**PEZA**";

### WITNESSETH

**WHEREAS**, it is the policy of the State to: 1) afford protection to labor, 2) promote full employment, ensure equal work opportunities regardless of sex, race or creed, and 3) regulate the relations between workers and employers;

**WHEREAS**, the DOLE is a government agency tasked to implement the state policy and specifically mandated to promote and protect workers' right and welfare and to maintain industrial peace by promoting harmonious relationship between workers and employers;

**WHEREAS**, the PEZA is a government owned and controlled corporation established to contribute to the accelerated creation of employment opportunities by encouraging and supporting investments in the development and operation of economic zones;

**WHEREAS**, under Republic Act No. 7916, otherwise known as the Special Economic Zone Act of 1995, the labor-management relations within the economic zones shall be governed by the Labor Code of the Philippines and the employees thereat shall be entitled to salaries and benefits not less than those provided by the Labor Code, as amended;

**WHEREAS**, the DOLE and the PEZA recognize the non-adversarial modes of settling differences such as conciliation, mediation and voluntary arbitration as the best means to stabilize labor-management relations and the catalyst in building a workplace conducive to economic efficiency, productivity and development;

**WHEREAS**, the DOLE and the PEZA also mutually recognize that industrial peace and harmony can only be achieved through compliance with labor laws and standards, and through effective enforcement mechanisms by concerned agencies;

**WHEREAS**, both DOLE and PEZA are united in their thrust to focus labor education programs not only to empower workers and their organizations, but also to educate the employers and their representatives on management prerogatives and responsibilities and Filipino work culture and values.



**NOW THEREFORE**, in view of the foregoing premises and consideration, the parties have hereunto agreed, as follows:

### **Maintenance of Industrial Peace**

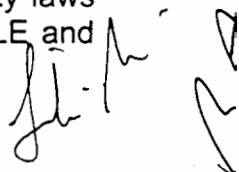
1. The Industrial Relations Division–PEZA (IRD–PEZA), in coordination with the DOLE–NCMB shall provide immediate counseling, conciliation and mediation services in the settlement of disputes between workers and employers within economic zones;
2. In cases of Notices of Strikes and Lockouts and Preventive Mediation cases, the DOLE–NCMB shall provide conciliation and mediation services in accordance with the existing rules and regulations in the handling of labor disputes and may be assisted by the IRD–PEZA;
3. The DOLE–NCMB and the PEZA shall, in all aspects, mutually coordinate and cooperate in the speedy disposition of disputes as well as in monitoring potential and existing industrial disturbances;
4. The DOLE–NCMB and the PEZA shall jointly facilitate consultation meetings among workers and locators to further achieve industrial harmony.

### **Conduct of Labor Education Program**

5. The DOLE and the PEZA shall help and assist each other in designing and undertaking a systematic and intensified education program for workers and investors in economic zones, aimed at building an atmosphere where workers and employers view each other as partners in the workplace and for the creation of a labor relations climate conducive to the institution of mechanism for cooperation and workers participation, improvement of productivity, working conditions and the quality of work life;
6. The DOLE and PEZA shall jointly undertake orientation programs for foreign employers on Filipino work culture and values; the Philippine labor laws and pertinent legislations; and DOLE conciliation-mediation program, to promote better labor management relations;
7. The PEZA shall provide the equipment and facilities in the conduct of orientation, training and capability building seminars while the DOLE shall provide assistance in terms of training modules and materials and other related technical assistance and facilitation services.

### **Enforcement of Labor Standards**

8. The DOLE and PEZA recognize each other's mutual concern for the effective implementation of labor standard laws in accordance with the Labor Code, as amended and within the DOLE's National Standards Enforcement Framework and its implementing Department Order. Thus, enforcement of labor standards and occupational health and safety laws within the economic zones shall be a joint undertaking of the DOLE and PEZA.

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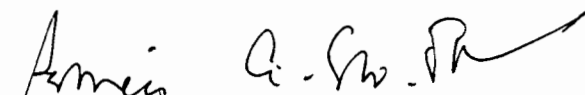
9. Any inspection and/or investigation shall be conducted by the duly authorized representatives of the DOLE Regional Office and PEZA. Any findings for violations of the labor standards and occupational health and safety laws shall be resolved in accordance with law.
10. The DOLE and PEZA shall, for monitoring purposes, prepare a quarterly report of its annual inspection of locator enterprises operating within the economic zones.

The DOLE and PEZA shall immediately create a Technical Working Group (TWG) to formulate the specific guidelines to implement the provision of this Memorandum of Agreement and shall regularly meet to monitor and assess the implementation of programs, identify the necessary adjustments and changes to be introduced and to recommend programs and projects geared towards the objective of ensuring compliance with labor standards laws and maintenance of industrial peace within the economic zones.


The **MEMORANDUM OF AGREEMENT** shall take effect upon signing hereof by the contracting parties.

**IN WITNESS WHEREOF**, the parties have hereunto affixed their respective signatures this 27<sup>th</sup> day of March, 2006 in the City of Manila.


**DEPARTMENT OF LABOR  
AND EMPLOYMENT:**


  
**PATRICIA A. STO. TOMAS**  
Secretary

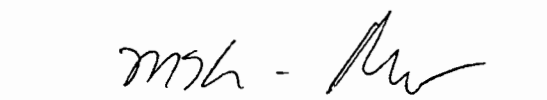
**PHILIPPINE ECONOMIC ZONE  
AUTHORITY:**

  
**LILIA B. DE LIMA**  
Director General

SIGNED IN THE PRESENCE OF:

  
**LUZVIMINDA G. PADILLA**  
Undersecretary for Workers' Welfare  
DOLE Rep. to the PEZA Board

  
**MANUEL G. IMSON**  
Undersecretary for Labor Relations  
DOLE

  
**MARY HARRIET O. ABORDO**  
Deputy Director General for Operations  
PEZA