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**EXECUTIVE ORDER NO. 797**

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**REORGANIZING THE MINISTRY OF LABOR AND  
EMPLOYMENT, CREATING THE PHILIPPINE  
OVERSEAS EMPLOYMENT ADMINISTRATION,  
AND FOR OTHER PURPOSES**

WHEREAS, under the New Republic, national economic development shall be pursued with renewed vigor and greater determination;

WHEREAS, the attainment of national goals is contingent among others on the development of employment opportunities, the protection of workers, and the promotion of industrial peace;

WHEREAS, recent local and international developments have imposed new demands and challenges on the existing delivery system for labor and labor-related services;

WHEREAS, under Presidential Decree No. 1416 as amended, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments.

NOW, THEREFORE, I FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested in me by Presidential Decree No. 1416 as amended, do hereby order and ordain:

SECTION 1. The Ministry of Labor and Employment, hereinafter referred to as the Ministry, shall be the primary policy, programming, coordinating and administrative entity of the executive branch of the government in the field of labor and employment. The primary

function of the Ministry shall be the development of employment opportunities, the protection of workers, and the promotion of industrial peace.

SECTION 2. The authority and responsibility for the exercise of the powers and the discharge of the functions of the Ministry shall be vested in the Minister of Labor and Employment, hereinafter referred to as the Minister, who shall be appointed by the President. He shall be assisted by such Deputy Ministers as may be appointed by the President. The Minister is authorized to determine and assign the respective functional areas of responsibility of the Deputy Ministers, should there be more than one; provided, that such delineation of responsibilities shall cover the substantive functions and operations of the Ministry; and provided, further, that no Deputy Minister shall be assigned primarily administrative responsibilities.

SECTION 3. There is hereby created a Bureau of Local Employment, which shall assume the functions of the Bureau of Apprenticeship and the domestic employment functions of the Bureau of Employment Services, and which shall absorb applicable functions, appropriations, records, equipment, property, and such personnel as may be necessary of the abolished units.

SECTION 4. There is hereby created a Philippine Overseas Employment Administration, hereinafter referred to as the administration, which shall assume the functions of the Overseas Employment Development Board, the National Seamen Board, and the overseas employment functions of the Bureau of Employment Services; which shall absorb the applicable functions, appropriations, records, equipment, property, and such personnel as may be necessary of the abolished units; and which shall have the powers, functions, and structure as provided for below.

(a) The Administration shall formulate and undertake in coordination where necessary with the appropriate entities concerned a systematic program for promoting and monitoring the overseas employment of Filipino workers taking into consideration domestic manpower requirements, and to protect their rights to fair and equitable employment practices. It shall have original and exclusive jurisdiction over all cases, including

money claims, involving employer-employee relations arising out of or by virtue of any law or contract involving Filipino workers for overseas employment, including seamen. This adjudicatory function shall be undertaken in appropriate circumstances in consultation with the Construction Industry Authority of the Philippines. The governing Board of the Administration, as hereunder provided, shall promulgate the necessary rules and regulations to govern the exercise of the adjudicatory functions of the Administration.

(b) The Administration shall have a three-man Board composed of the Minister as Chairman, the Administrator, and a third member who shall be appointed by the President, who shall be well versed in the field of overseas employment, and who shall serve for a term of two years. The Administrator and such Deputy Administrators as may be necessary shall be appointed by the President. The President may, at his discretion, designate a Deputy Administrator as the third member of the Board, and he may also confer the rank of Deputy Minister in a concurrent capacity to a particular incumbent of the position of Administrator.

(c) The principal substantive subdivisions of the internal structure of the Administration shall be established along the major functional areas corresponding to welfare services, placement and market development, and regulation. Each principal substantive subdivision shall be headed by a Director who shall be appointed by the President upon the recommendation of the Minister. The Administration shall have its own support staff.

(d) An Advisory Board for Overseas Employment and an Advisory Board for Seamen are hereby created with such members as may be appointed by the Minister. The Advisory Boards shall have an essentially private sector composition to advise the Administration on its overseas operations, and its members shall be entitled to rates of compensation comparable to those prescribed for members of the abolished Overseas Employment Development Board and the National Seamen Board.

(e) The Regional Labor Office for the Middle East and Africa created under Executive Order No. 787 shall form part of the Administration. The head of the Regional Labor Office shall have the rank of Ambassador (Chief of Mission II).

SECTION 5. The Bureau of Labor Standards is hereby renamed the Bureau of Working Conditions. In addition to its present functions, the Bureau shall assume the functions of the Institute of Occupational Health and Safety abolished under Executive Order No. 591.

SECTION 6. The Ministry proper of the Ministry shall be composed of an Office of the Minister, a Planning Service, a Labor Statistic Service, a Financial and Management Service, an Administrative Service, an information and Publication Service, an International Labor Affair Service, and a Legal Service. The Deputy Ministers shall form part of the Office of the Minister.

SECTION 7. The Ministry shall exercise supervision and control over the following bureaus and offices:

- (1) Bureau of Local Employment
- (2) Bureau of Labor Relations
- (3) Bureau of Working Conditions
- (4) Bureau of Rural Workers
- (5) Bureau of Women and Minors
- (6) Institute of Labor and Manpower Studies

SECTION 8. The Ministry shall exercise administrative supervision over the following entities:

- (1) National Labor Relation Commission
- (2) National Wages Council

- (3) Philippine Overseas Employment Administration
- (4) Welfare Fund for Overseas Workers

SECTION 9. The following corporation is attached to the Ministry for policy and program coordination:

- (1) Employees Compensation Commission

SECTION 10. The following entities are hereby abolished, and their functions, together with applicable appropriations, records, equipment, property, and such personnel as may be necessary are hereby transferred to such appropriate units of the Ministry as may be deemed suitable by the Minister:

- (1) Bureau of Employment Services
- (2) Bureau of Apprenticeship
- (3) Free Legal Assistance Office
- (4) National Seamen Board
- (5) Overseas Employment Development Board
- (6) Population/Family Planning Office

SECTION 11. The Ministry shall have such ministry-wide regional offices as may be necessary, under the supervision and control of the Office of the Minister, in accordance with Article I, Chapter III, Part II of the Integrated Reorganization Plan as amended. Each regional office shall be headed by a Regional Director who shall be assisted whenever necessary by an Assistant Regional Director. The Regional Director shall have supervision and control over the activities of the Ministry in the region, except as may be otherwise determined by the Minister.

The abolition of the Arbitration Branches, the Field Services Divisions, and the Labor Relations Divisions in the regional offices pursuant to Executive Order No. 591 shall be given effect, and their

applicable appropriations, records, equipment and such personnel as may be necessary are transferred to the appropriate units as determined by the Minister.

Positions of Conciliators and Med-Arbiters which may be created under the new staffing patterns in the regional offices, as well as such positions in the Bureau of Labor Relations, shall have starting rates of compensation which shall be equivalent to two salary ranges below those of Arbiters in the National Labor Relations Commission. The Minister is authorized to effect from time to time such regional reassignment of Conciliators and Med-Arbiters as may be necessary in the interest of the service.

SECTION 12. The Ministry shall have such offices overseas as will enable it to carry out its responsibilities effectively, subject to prior approval by the President on the establishment of each such office abroad. The Labor Attaché or his equivalent shall have supervision over all other personnel of the Minister as may be assigned to an embassy or other foreign service post overseas, including those of the Philippine Overseas Employment Administration.

SECTION 13. The Minister shall have the authority to reorganize the internal structure of the various offices and units under the Ministry, as enumerated in Sections 6, 7, 8, 11, and 12 of this Executive Order.

SECTION 14. The Ministry is hereby authorized to issue such orders, rules and regulations as may be necessary to implement the approval of the Office of Budget and Management is obtained relative to the new staffing pattern including appropriate salary rates, the organizational structure at divisional and lower levels, and the realignment of existing appropriations. The Minister may appoint qualified personnel of the abolished in the new staffing pattern, and those not so appointed are deemed laid off.

SECTION 15. All Presidential appointees of the bureaus, offices, and other entities under the supervision and control of or under the administrative supervision of the Ministry are laid off, unless otherwise reappointed by the President; provided, that those who are Career Executive Service Officers may either be reappointed or reassigned by the President upon the recommendation of the

Minister to other appropriate positions in the Ministry, or assigned to the Career Executive Service Board which shall endeavor to find appropriate placement for them in other ministries or agencies; provided, further, that those Career Executive Service Officers who have been assigned to the Career Executive Service Board shall continue to receive their salaries from any available and applicable funds; and provided, finally, that those who are not placed in appropriate positions within six months after their assignment to the Career Executive Service Board shall be similarly laid off.

SECTION 16. All those who are laid off under the provisions of this Executive Order shall be entitled to all benefits and gratuities provided for under existing laws.

SECTION 17. Except as may otherwise be determined by the Minister, all present incumbents of positions in the reorganized units of the Ministry shall continue to exercise their usual functions, duties, and responsibilities, pending the issuance of the appropriate implementing orders.

SECTION 18. To carry out the provisions of this Executive Order such amount as may be necessary shall be made available to the Ministry from any applicable appropriation item, subject to the approval of the President upon recommendation of the Office of Budget and Management.

SECTION 19. All laws, decrees, orders, proclamations, rules, regulations, or parts thereof, which are inconsistent with any of the provisions of this Executive Order are hereby repealed or modified accordingly.

SECTION 20. Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying the other provisions thereof, provided that such remaining portions can still stand and be given effect in their entirety to accomplish the objectives of this Executive Order.

SECTION 21. This Executive Order shall take effect immediately.

***Done in the City of Manila, this first day of May, in the  
year of Our Lord, nineteen hundred and eighty-two.***

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