

# [ **PRESIDENTIAL DECREE NO. 173, April 12, 1973** ]

## **AMENDING FURTHER REPUBLIC ACT NUMBERED ONE THOUSAND EIGHT HUNDRED TWENTY-SIX, AS AMENDED, OTHERWISE KNOWN AS THE "NATIONAL APPRENTICESHIP ACT OF 1957"**

**WHEREAS**, a need exists for the optimum exploitation of employment generating measures currently available to the Government so that their potentials for contributing to the solution of the country's unemployment problem may be fully realized;

**WHEREAS**, the economic growth of this country also depends to a large extent upon the availability of a labor force that is both well-trained and adequate in number to meet the manpower requirements of the various levels of employment;

**WHEREAS**, apprenticeship, being both a training and employment generating device, is among the existing measures which could contribute to the attainment of the foregoing objectives if the law on apprenticeship could be liberalized and freed from its traditionalist and restrictive provisions; and

**WHEREAS**, it is accordingly in the national interest, pursuant to Section 9, Article II of the New Constitution, to align apprenticeship as an instrument of employment generation and manpower development to the overall manpower policy of the New Society as well as the reforms introduced by the Integrated Reorganization Plan as adopted by and under Presidential Decree No. 1;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, and in order to effect the desired changes and reforms in the economic and social structures of our society, do hereby order and decree the further amendment of Republic Act No. 1826, as amended, as follows:

**SECTION 1.** Section one of Republic Act Numbered One Thousand Eight Hundred and Twenty-Six is hereby amended to read as follows:

**"SECTION 1.** This Act shall be known as the 'National Apprenticeship Act.'

**SEC. 2.** Section two of the same Act is hereby amended to read as follows;

**"SEC. 2.** In order to assist in meeting the progressively increasing demand for trained labor necessary for the economic and social development of the Philippines and to increase productivity, it is hereby declared to be the policy of the Government, (1) to establish a national apprenticeship system through the participation of employers and workers and interested governmental and non-governmental agencies; (2) to provide for the establishment and furtherance of apprenticeship standards to safeguard and promote the welfare of apprentices; and (3) to extend apprenticeship to and make it available for the training of needed manpower in the widest possible range of trades, occupations as

well as levels of employment, subject to the criteria prescribed under this Act for apprenticeable trades and occupations."

**SEC. 3.** Section two-A of the same Act is hereby repealed.

**SEC. 4.** Section three of the same Act is hereby repealed and in lieu thereof the following provision shall be substituted:

"**SEC. 3.** Pursuant to the integrated reorganization plan and such implementing orders as may be promulgated thereunder, there is hereby created in the Department of Labor a 'Bureau of Apprenticeship,' hereinafter referred to as the Bureau, under a Director, who at the time of his appointment by the President should have had specialized training in apprenticeship administration, planning, programming and adequate experience in apprenticeship legislation for not less than five years.

"The Secretary of Labor shall appoint such clerical, technical and professional assistants as may be necessary to the proper operation of this Bureau, and no person shall be appointed technical or professional assistant unless he has had adequate training for the performance of his duties."

**SEC. 5.** Section three-A of the same Act is hereby repealed.

**SEC. 6.** Section four of the same Act is hereby amended to read as follows:

"**SEC. 4.** The Bureau of Apprenticeship shall perform the following duties and functions, subject to the Integrated Reorganization Plan, aside from such other responsibilities as are assigned to it under this Act:

"(a) Evaluate trades, occupations and jobs under the following general categories: (1) crafts, (2) operative activities, (3) technical, (4) nautical, (5) commercial, (6) clerical, administrative and other semi-professional work, (7) technological, (8) supervisory, and (9) managerial, to determine their apprentice-ability and issue from time to time an updated list of those activities that meet the criteria prescribed in this Act: *Provided*, That such lists shall be submitted to the Secretary of Labor for approval before release;

"(b) Implement and supervise duly approved apprenticeship standards and carry out the apprenticeship methods envisioned by this Act. The Bureau shall in this connection formulate model training standards for all trades, occupations and jobs that are accorded recognition as apprenticeable to serve as guides in the organization of appropriate apprenticeship programs. The Bureau may require any industry, firm, trade or professional association, or other entities public or private to extend technical assistance, cooperation and advice in the preparation of such standards;

"(c) Develop and formulate apprenticeship policies, rules, regulations and plans;

"(d) Promote the purposes of this Act by bringing employers and workers together and assisting them in working out

appropriate apprenticeship programs;

"(e) Conduct research and evaluate statistics on matters affecting apprenticeship and compile and disseminate such research currently; "(f) Provide technical and advisory services to apprenticeship committees, employers, associations of employers, employees, associations of employees, and other interested parties, in the development, maintenance and operation of apprenticeship programs;

"(g) Provide services for the review and appraisal of proposed apprenticeship programs and apprenticeship agreements;

"(h) Maintain a register of apprentices, apprenticeship agreements, and apprenticeship programs;

"(i) Maintain currently a record of all apprenticeship committees and training committees and all employers operating under approved apprenticeship programs;

"(j) Approve, disapprove, suspend, revoke or terminate plant apprenticeship programs and apprenticeship agreements, and issue certificates of completion of apprenticeship;

"(k) Act as a clearinghouse for the operation of apprenticeship programs in different areas, industries and occupations;

"(l) Disseminate such information regarding apprenticeship as may be necessary to bring about a better understanding of the purposes of this Act and to arouse public interest in apprentice training; and

"(m) Protect and promote the welfare of apprentices.

**SEC. 7.** Section four-A of the same Act is hereby amended to read as follows:

**"SEC. 4-A.** It shall be unlawful for an employer to enter into an apprenticeship agreement or otherwise employ at subminimum wages a worker as an apprentice unless he has an apprenticeship program approved by, and registered with, the Bureau, as evidenced by a certificate of registration.

"Any violation of the provisions of this Section shall be punished by a fine of not less than three hundred pesos nor more than two thousand pesos, or by imprisonment of not less than thirty days nor more than one year, or both such fine and imprisonment, in the discretion of the court.

"If the violation is committed by a firm, association, or corporation, the penalty shall be imposed on the officer or officers thereof who are responsible for the violation."

**SEC. 8.** The same Act is hereby amended by adding the following sections immediately after Section four-A thereof, which read as follows:

**"SEC. 4-B.** Any firm, employer group or association, industry organization, or civic group wishing to organize an apprenticeship program may choose from any of the following apprenticeship schemes as the training venue for its apprentices:

"(a) Apprenticeship conducted entirely by and within the sponsoring firm, establishment or entity;

"(b) Apprenticeship entirely within a Department of Labor

Training Center or other public training institution duly approved by the Bureau; or

"(c) Initial broad training in trade fundamentals in a training center or other institution with subsequent actual work participation within the sponsoring firm or entity during the final stage of training.

**"SEC. 4-C.** Any of the apprenticeship schemes recognized in Section 4-B hereof may be undertaken or sponsored by a single employer or firm or by a group or association thereof, or by a civic organization. Actual training of apprentices may be undertaken:

"(a) In the premises of the sponsoring employer in the case of individual apprenticeship programs;

"(b) In the premises of one or several designated firms in the case of programs sponsored by a group or association of employers or by a civic organization; or

"(c) In a Department of Labor Training Center or other public training institutions duly approved by the Bureau.

"The employer concerned shall not be responsible for injury or illness sustained by the apprentice when training is conducted outside his premises; he shall however share in the enforcement of discipline and proper attendance of the apprentice regardless of the actual situs of training."

**SEC. 9.** Section five of the same Act is hereby amended to read as follows:

**"SEC. 5.** Any employer or other entity with an approved apprenticeship program may enter into an apprenticeship agreement with a qualified apprentice-applicant. An apprenticeship agreement shall contain:

"(a) The full names of the contracting parties;

"(b) The date of birth of the apprentice;

"(c) A statement of the trade, occupation or job in which apprenticeship will be undertaken, and the dates on which apprenticeship will begin and end, respectively;

"(d) A statement showing the approximate number of hours to be spent by the apprentice in work and the number of hours to be spent in supplementary theoretical instruction: *Provided*, That the hours of work of the apprentice shall not exceed the maximum number of hours of work prescribed by law for a worker of the age and sex of the apprentice: *Provided*, further. That overtime work for apprentice may be permitted by the Bureau if hours thus spent shall be credited towards earlier completion of training;

"(e) A schedule of the work processes of the trade or occupation in which the apprentice shall be trained and the approximate time to be spent on the job in each process;

"(f) A graduated scale of wages to be paid the apprentice, subject to the provisions of Section 6-A hereof, and a statement of whether or not the required school time shall be compensated;