

**JOSE MANAPAT, PETITIONER, VS. THE HONORABLE
WORKMEN'S COMPENSATION COMMISSION AND PAULINO
SYLIANGCO, DOING BUSINESS UNDER THE NAME OF PAVA DEEP SEA
FISHING ENTERPRISES, RESPONDE...**

G.R. No. L-30278. December 14, 1982

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

This is a petition for review on certiorari of the decision of the defunct Workmen's Compensation Commission which denied a claim for compensation of petitioner Jose Manapat on the ground that he was an independent contractor and not an employee of the private respondent.

Private respondent Paulino Syliangco owns the PAVA Deep Sea Fishing Enterprises, a firm engaged, as its name implies, in deep sea fishing. In the pursuit of his business, Mr. Syliangco owns launches and vessels and one of them, the M/V Don Paulino I was involved in this case.

Petitioner Jose Manapat is a master carpenter. The records show that he has worked in the repair and upkeep of the private respondent's many vessels from 1960 up to the incident on May 27, 1965, which led to the claim for workmen's compensation benefits. While working with other carpenters in the repair of the M/V Don Paulino I, the petitioner suffered a cerebro-vascular accident which caused his disability. A joint physical and medical examination performed on the petitioner on September 12, 1968 at the evaluation division of the respondent commission showed an official finding of temporary total disability for eight (8) months and permanent partial disability of 45% NSC (a.f.).

On January 19, 1967, the Department of Labor's Regional Office No. 4 awarded compensation to Mr. Manapat on the basis of a P10.00 daily wage. On appeal to the respondent commission, the decision of the regional office was affirmed with modification. The dispositive portion of the decision reads:

"WHEREFORE, the decision appealed from should be, as it is hereby, **AFFIRMED** with the foregoing modifications, and the respondent is ordered as follows:

"1. To pay to claimant, thru this Commission, the amount of **FOUR THOUSAND SIXTY EIGHT PESOS (P4,068.00)** as disability benefits under Sec. 14 of the Act, as amended, from May 27, 1965 up to this date, July 26, 1967, and weekly thereafter beginning July 27, 1967 at the rate of **P36.00** per week, until he is pronounced cured;

"2. To provide the claimant with such services, appliances and supplies as the nature of his disability and the process of his recovery may require, and that which will promote the early restoration to the maximum level of his physical capacity, pursuant to Sec. 13 of the sane Act;

"3. To reimburse the claimant of the sum of **P1,530.65** as medical expenses incurred by him;

“4. To pay claimant's counsel of record, the sum of P406.80 as attorney's fees; and

“5. To pay into the Women's Compensation Fund, the sum of SIXTY SIX PESOS (P66.00) as partial payment of administration costs, including the postponement fees in the regional level and costs of this review, in accordance with Sec. 55 of the Act, as amended.”

However, acting on a motion for reconsideration, the commission reversed itself and absolved the private respondent from any compensation responsibility in connection with the claimant's claim.

In arriving at its determination that the petitioner was an independent contractor, the respondent commission applied the elements of an employer-employee relationship enunciated in *Viaña v. Al Lagadan, et al* (99 Phil. 408) namely: (1) the selection and engagement of the employee; (2) the payment of wages; (3) the power of dismissal; and, most important, (4) the power to control the employee's conduct.

The petitioner had other carpenters and workers working under him. Among them were Fely, Ador, Lauro, Pedring, and a man whose name he forgot. Apart from the owner, the petitioner also had an "encargado" boss.

From the answers to the questions propounded to the petitioner, the respondent commission concluded that he was an independent contractor. When asked who hired the men helping repair the launch, Manapat stated that he hired them, contracting that some would be paid P7.00 a day and some P9.00 a day, but upon instructions of Mr. Syliangco. The petitioner stated that he would get money from respondent Paulino Syliangco and pay the workers their wages. However, there was a sheet of paper used as a payroll where the men signed. The payroll was then turned over to a "Mr. Eric" of the firm. If one worker was inefficient, Manapat would dismiss that worker and then tell Mr. Syliangco. After the dismissal, Manapat would tell Paulino Syliangco that he (the petitioner) would look for a substitute. The petitioner was given discretion in the repairs of the boats. He was not told to follow any plan or specification but an encargado named Mario would tell him to change his work if it was not satisfactory.

On the basis of the petitioner's answers, the respondent commission granted the motion for reconsideration and ruled that he used his own means, his own men, and his own methods in the performance of his job without the owner interfering and only when the repairs were completed would his work be checked. The commission declared Manapat an independent contractor.

A careful consideration of the same facts leads us to a different conclusion. Not every worker who is given a great amount of discretion including supervision over his fellow workers should be declared an independent contractor.

Petitioner Manapat was a daily wage worker earning ten pesos a day. By the very nature of his job, he had to be given discretion. A master carpenter hired to repair boats and launches in a deep sea fishing enterprise would not be guided every step of the way - on how he would drive a nail, cut a piece of lumber, apply melted pitch to form the caulking, and perform the many other unforeseen carpentry requirements of any major or even minor repair jobs. It is enough if a damaged launch or boat which requires carpentry work is shown to him and he is left to decide how best to repair it. The fact that the owner is interested only in the result, in the carpenter doing a good job, does not make the latter an independent contractor. The petitioner's work was continuing in nature, over many years and for different vessels. When there was no vessel calling for carpentry repairs, Manapat was put to work on the private respondent's trucks.

The fact that Mr. Syliangco left the selection and discipline of the other carpenters and helpers to petitioner Manapat is likewise not conclusive proof that the latter was an independent contractor. Mr. Manapat was the master carpenter, the foreman and supervisor of carpentry work. He knew better than the owner how many carpenters would be needed to complete the repairs on a boat in the time that it was laid up prior to going out to sea again. Knowing the extent and nature of needed repairs, he knew who among his helpers was working well

and who should be replaced.

More important is that the petitioner worked for Syliangco on daily wages from 1960 up to the time he suffered the disability in 1965. He had no office. Dependent as he was on his P10.00 daily wage, he had no independent funds to pay the carpenters under his supervision. He was a mere conduit of the employer, charged with handing out wages to workers at so many pesos a day according to their respective abilities. While the unpleasant job of dis-missing inefficient workers was left to him, he always had to tell Mr. Syliangco who was the real employer of everybody working in the PAVA Deep Sea Fishing Enterprise.

There was an overall encargado, Dominador Isla him-self an employee, to whom the petitioner gave reports on the progress of carpentry repair jobs and from whom he received instructions whenever Syliangco did not deal with him directly.

An employee who is given a more or less free hand in the technical details of one operation in an enter-prise or firm and who is made a supervisor over skilled workers hired as the need arises does not become an independent contractor simply because the employer dele-gates to that employee many functions and responsibilities which the employer himself may discharge. This is es-pecially true in family businesses, fishing and farming, and cottage industries where informal and unwritten relationships prevail and the clear cut distinctions governing labor-management relations may, at times be blurred.

The petitioner is an employee and must receive the compensation which the law provides.

Not only the statutory requirements found in the Workmen's Compensation Act but the mandate expressed in Section 5, Article II of the 1935 Constitution, that "the promotion of social justice to insure the well being and economic security of all the people should be the concern of the State" call for such a conclusion.

WHEREFORE, the resolution of the Workmen's Com-pensation Commission dated February 19, 1969 is hereby reversed and set aside. The private respondent is ordered:

1. To pay petitioner Jose Manapat, through the Ministry of Labor and Employment, the sum of SIX THOUSAND (P6,000.00) PESOS as compensation for disability benefits.
2. To provide the petitioner with such medical services and supplies as the nature of his illness may require as of the time this decision is executed;
3. To reimburse the petitioner of the sum of P1,530.65 as medical expenses incurred by him;
4. To pay attorney's fees for petitioner's counsel the sum of Six Hundred (P600.00) Pesos; and
5. To pay the successor of the defunct com-mission administrative fees.

SO ORDERED.

Teehankee, Acting C.J., Melencio-Herrera, Plana, Vasquez, and Relova, JJ., concur.

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