

**HYDRO RESOURCES CONTRACTORS CORPORATION, PETITIONER,
VS. THE NATIONAL LABOR RELATIONS COMMISSION, FRANCISCO
RIGUER, EDILBERTO BAGAY, ROBERTO CURITANA, PRUDENCIO GIL,
NAPOLEON MA...**

G.R. Nos. 80143-44. December 08, 1988

Ponente: GANCAYCO, J.

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GANCAYCO, J.:

The extent of the responsibility of a local labor contractor for overseas workers sent abroad in relation to its overseas principal is put in issue in this petition.

Private respondents entered into an agreement for overseas assignment-employment with petitioner which contracts were duly ascertained to be true by the Bureau of Employment Services of the Department of Labor and Employment. Specifically, the employment was to commence upon their departure from the Philippines and to expire after a period of two (2) years. The Agreement provides among others:

"The Employee agrees that the company may assign all rights and obligations of the Company hereunder to any parent, subsidiary, affiliate or joint venture of the Company or any other entity engaged in the same or similar work contemplated herein." (Page 39, Rollo)

Before private respondents left for their overseas assignment, petitioner appears to have assigned all its rights and obligations in the aforesaid Agreement in favor of Jamjoom Hydro Contracting Company, Ltd. (JADRO), a construction corporation organized and existing by virtue of the laws of the Kingdom of Saudi Arabia. Private respondents signed their conformity to the notices of such assignment. Private respondents were deployed to the project of JADRO in Saudi Arabia. Upon expiration of their contracts, private respondents entered into subsequent contracts with JADRO. When their subsequent contracts had likewise expired, and before their repatriation to the Philippines, private respondent signed a compromise agreement with JADRO stating that JADRO paid them 60% of their total money claim against the corporation subject to the condition that the remaining 40% shall be shouldered by the petitioner.[1]

In April 1966, private respondents filed separate complaints against the petitioner with the Philippine Overseas Employment Administration (POEA). After the parties submitted their respective position papers, the cases were submitted for resolution. Petitioner filed a supplement to the position paper alleging that private respondent Napoleon Mata was deployed to Saudi Arabia under the auspices of Multiline Placement Corporation. Mata amended his complaint by including Multiline Placement Corporation as party respondent.

On January 27, 1987, a decision was rendered by the POEA Administrator, the dispositive part of which reads as follows:

"WHEREFORE, responsive to the foregoing, respondents Hydro Resources Contractors Corporation and its foreign principal partner, Jamjoom Hydro Contracting Co., Ltd. are held liable to pay herein complainants the

following amounts or its peso equivalent at the rate of exchange prevailing at the time of payment representing unpaid wages/salaries, unremitted remittances and other benefits:

- Francisco Riguer – NINE THOUSAND SIX HUNDRED TWELVE & 02/100 SAUDI RIYALS (SR9,612.02);
- Edilberto Bagay - FIVE THOUSAND FOUR HUNDRED NINETY-THREE & 96/100 SAUDI RIYALS (SR5,493.96);
- Roberto Curitana - FOUR THOUSAND FOUR HUNDRED & 52/100 SAUDI RIYALS (SR4,400.52);
- Prudencio Gil - THREE THOUSAND EIGHT HUNDRED FIFTY-THREE & 23/100 SAUDI RIYALS (SR3,853.23);
- Napoleon Mata - SIX THOUSAND SIX HUNDRED THREE & 16/100 SAUDI RIYALS (SR6,603.16);
- Demetrio Fajardo, Jr. - SIX THOUSAND ONE HUNDRED FIFTY-SIX & 78/100 SAUDI RIYALS (SR6,156.78).

‘Respondents are further ordered to pay ten percent (10%) of the total award as and for attorney’s fees.

‘SO ORDERED.’ “[2]

Petitioner appealed the decision to the public respondent NLRC. On September 11, 1987, the NLRC promulgated its resolution affirming the appealed decision and dismissing the appeal.

Hence, the herein petition for certiorari wherein petitioner raises the following issues:

"I.

THE PUBLIC RESPONDENT HAS ACTED WITHOUT OR IN EXCESS OF ITS JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION IN NOT UPHOLDING THE VALIDITY OF THE ASSIGNMENT OF THE EMPLOYMENT CONTRACT IN FAVOR OF JADRO.

II.

THE PUBLIC RESPONDENT HAS ACTED WITHOUT OR IN EXCESS OF ITS JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION IN ADJUDGING PETITIONER LIABLE FOR THE MONETARY OBLIGATIONS OF JADRO.

III.

THE PUBLIC RESPONDENT HAS ACTED WITHOUT OR IN EXCESS OF ITS JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION IN DECLARING THAT IT POSSESSED JURISDICTION TO HEAR AND DECIDE THE CASE IN QUESTION.

IV.

THE PUBLIC RESPONDENT HAS ACTED WITHOUT OR IN EXCESS OF ITS JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION IN DISREGARDING THE EXISTENCE OF CONTRACTS EXECUTED BETWEEN JADRO AND PRIVATE RESPONDENTS AS WELL AS DOCUMENTS IN EVIDENCE OF THE FACT THAT HYDRO DID NOT DEPLOY PRIVATE RESPONDENTS TO SAUDI

ARABIA.

V.

THE PUBLIC RESPONDENT HAS ACTED WITHOUT OR IN EXCESS OF ITS JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION IN STATING THAT POLICY INSTRUCTIONS 22 AND 34 CONSIDER CONSTRUCTION CONTRACTORS AS THE DIRECT EMPLOYER OF THE WORKER DEPLOYED.”[3]

The resolution of the petition hinges on the issue of whether or not petitioner is relieved of any responsibility as labor contractor upon the assignment of the contract with private respondents in favor of JADRO.

The records show that the petitioner entered into a joint venture with Abdul Gafar Jamjoom by forming a limited company under the Saudi Arabia Laws called Jamjoom Hydro Contracting Company with petitioner owning 40% and Jam Joom 60%.

The defense of petitioner is that inasmuch as it had assigned the employment contracts of private respondents to JADRO, there is no employer-employee relationship between it and private respondents.

Policy Instruction No. 22 of the Department of Labor and Employment provides as follows:

"construction workers to be hired and employed by duly registered and authorized joint venture companies shall be deemed direct employees of such corporation."

Obviously, this policy instruction is designed to protect the well-being of Filipino workers overseas so that a labor contractor remains to be an employer of an employed even if there is an assignment of their contract of employment.

The adverted assignment of the employment contracts with the private respondents is obviously a scheme intended to relieve petitioner of any responsibility to the private respondents. This, the law cannot allow. We must enforce the general policy of the government to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.[4]

Indeed, in the very documents made and executed by JADRO attesting that private respondents were paid 60% of their claim, it is categorically stated that the remaining 40% should be shouldered by petitioner who is its partner in the joint venture.[5]

The next argument of the petitioner is that the public respondent POEA has no jurisdiction over the complaints of private respondents. Section 1, Rule 1, Book VI of the Rules and Regulations of the POEA provides as follows:

"Section 1. Jurisdiction. The Administration shall have original and exclusive jurisdiction to hear and decide all cases involving employer-employee relation arising out of or by virtue of any laws or contract involving Filipino workers for overseas employment, including seamen, such as but not limited to:

xxx xxx xxx

"c. Money claims of workers against their employers and/or their duly authorized agent in the Philippines or vice versa:"

Section 1 of Rule V of the Rules and Regulations also provides:

"Section 1. Jurisdiction. The National Labor Relations Commission shall have exclusive appellate jurisdiction over all cases decided by the Administration."

From the foregoing, there can be no question that the public respondent POEA has jurisdiction over the money claims of private respondents against the petitioner as their employer.

The argument of petitioner that there is no employer-employee relationship between it and private respondents has already been disposed of in the above discussion. Consequently, there can be no doubt that public respondent has jurisdiction over the complaints filed by private respondents.

WHEREFORE, the petition is DISMISSED for lack of merit, with costs against petitioner.

SO ORDERED.

Cruz, Griño-Aquino, and Medialdea, JJ., concur.

Narvasa, J., on leave.

[1] Annexes D to D-4, Petition.

[2] Pages 5-6, POEA decision; pages 81-82, Rollo.

[3] Pages 8-9, petition; pages 9-10, Rollo.

[4] Section 3, Art. III, 1987 Constitution.

[5] Annexes D to D-4, Petition.

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