

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. **2240**



Introduced by **Rep. LAWRENCE LEMUEL H. FORTUN**

EXPLANATORY NOTE

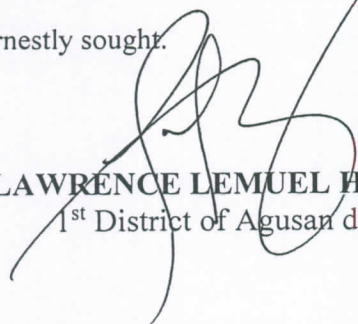
Article II, Section 9 of the 1987 Constitution declares that, "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all." Furthermore, Article II, Section 18 states that, "The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare."

This bill seeks the protection and empowerment of workers in the informal sector. As defined by the Philippine Statistics Authority (PSA), this sector refers to household unincorporated enterprises which consist of both informal own-account enterprises and enterprises of informal employers. In the Philippines, workers in the informal economy are commonplace. These are workers who seek employment on a short-term or temporary basis to alleviate their economic situation.

In the 2008 Informal Sector Survey (2008 ISS) in the Philippines conducted by the National Statistics Office with the assistance of the United Nations Economic and Social Commission for the Asia and the Pacific, there were about 10.5 million informal sector operators, or those who are either self-employed without any paid employee or employers in the so-called own family-operated farms or businesses. The self-employed numbered about 9.1 million while the employers over 1.3 million. In the more recent Labor Force Survey conducted in October 2018 and released in April 2019 by the PSA, it has been shown that out of the country's total labor force, 26.6 % are self-employed without any paid employee, 3.4 % are employers in own family-operated farm or business, and 8.1% are working without pay in own family-operated farm or business.

The foregoing figures are staggering. With over 38% of employment coming from the informal sector, it is but extremely urgent that the State come up with concrete policies that shall ensure social benefits and legal protection for workers from this sector. In many cases, these workers are even more vulnerable and exposed to serious health risks and other occupational hazards. Yet, to date, the Congress has yet to enact a law that ascertains that every worker in the informal economy is afforded decent working conditions, just and fair labor arrangements and social security benefits. It is hoped that this measure would address this dearth.

In view of the foregoing, passage of this bill is earnestly sought.


LAWRENCE LEMUEL H. FORTUN
1st District of Agusan del Norte

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House Bill No. _____

Introduced by **Rep. LAWRENCE LEMUEL H. FORTUN**

AN ACT
PROVIDING FOR A MAGNA CARTA OF WORKERS IN INFORMAL ECONOMY
INSTITUTIONALIZING MECHANISMS FOR IMPLEMENTATION THEREOF AND
FOR OTHER PURPOSES

TITLE I
GENERAL PROVISIONS

Chapter I
Framework and Principles

1 **SECTION. 1. Title.** - This Act shall be known as the "Magna Carta of Workers in the Informal
2 Economy."

3
4 **SECTION. 2. Declaration of Policy.** - It is hereby declared the policy of the State:

- 5
6 (a) To promote the total well-being of all workers in the informal economy, provided, that focus
7 will be on the poorest and most vulnerable of these workers;
8
9 (b) To ensure their human dignity, economic advancement and access to justice by providing
10 timely services, including social, political, economic and legal;
11
12 (c) To recognize, promote, protect, fulfill and ensure the civic and constitutional rights of workers
13 in the informal economy, including the rights to self-organization, just and humane working
14 conditions, access to social protection, security of workplaces; peaceful concerted activities;
15 represent their organizations, and participate in policy and decision-making processes affecting
16 their rights and benefits and towards the provision of a comprehensive package or reforms,
17 interventions, and services in accordance with their articulated needs and interests;
18
19 (d) To recognize the roles, give proper value to the contributions of workers in the informal
20 economy and make them visible in the national and local statistics;
21
22 (e) To provide venues for dialogue and consultation with informal economy workers so that their
23 concerns and needs are effectively addressed by lasting and workable reforms in enforcement
24 of labor standards and advancement of labor relations;
25
26 (f) To develop and enhance their technical, special, entrepreneurial and other skills and
27 capabilities necessary towards their empowerment and enjoyment of benefits and entitlement
28 associated with the formal economy, and becoming more productive and self-reliant citizens,
29 thereby ensuring participation in mainstream economic activities based on their own pace and
30 self-determination;
31
32 (g) To progressively eliminate child labor through the creation of more quality jobs for adults,
33 effective enforcement of laws against child labor, elimination of gender-based discrimination

34 against girl child workers, improved access to universal education and social protection, and
35 elimination of cultural factors that directly or indirectly tolerate, and even accept child labor;
36

- 37 (h) To promote gender equity and equality by protecting women workers in the informal economy
38 against gender-based discrimination, exploitation and abuse, advancing women's social,
39 economic, political, and reproductive rights, and improving their access to social protection
40 and participation in decision-making bodies and processes;
41
- 42 (i) To develop the local economy through maximization of the potential and contribution of
43 informal economy business activities and enterprises;
44
- 45 (j) To encourage and support workers in the informal economy to form self-help groups, mutual
46 benefit associations, unions, cooperatives, and other forms of self-organization for their mutual
47 aid, benefit, protection and for other legitimate purposes;
48
- 49 (k) To include the concerns of workers in the informal economy in the policies, plans, programs,
50 projects and activities of relevant national government agencies, government financial
51 institutions, and local government units;
52
- 53 (l) To advance the autonomy and empowerment of local government units and their capability to
54 be more responsive to the needs of the workers in the informal economy among their
55 constituents;
56
- 57 (m) To protect vulnerable groups in the informal economy such as children, older persons,
58 differently-abled persons, indigenous peoples, and people living with HIV and AIDS from
59 discrimination, exploitation, abuse and harassment, as well as from performing work
60 hazardous to their occupational, physical, mental, emotional, reproductive and spiritual health;
61 and
62
- 63 (n) to integrate ethnicity as a factor in the formulation of programs and mechanisms to promote
64 and protect rights of workers in the informal economy.
65

66 **SECTION. 3. Framework and Principles.** - Article II Section 9 of Philippine Constitution
67 declares that "The State shall promote a just and dynamic social order that will ensure the prosperity and
68 independence of the nation and free the people from poverty through policies that provide adequate social
69 services, promote full employment, a rising standard of living, and an improved quality of life for all."
70 Therefore, it is the State's responsibility to give the highest priority to the enactment of measures that
71 protect and enhance the rights of all people to human dignity; reduce social, economic and political
72 inequalities; lessen vulnerabilities to risks including those brought about by environmental degradation
73 and natural disasters, remove cultural inequalities by redistributing wealth and political power for the
74 common good; and to develop an enabling environment conducive to responsible citizenship. Towards
75 this end the government shall pursue and implement a comprehensive, rights-based, participatory,
76 sustainable and gender responsive framework for workers in the informal economy that includes but not
77 limited to:
78

- 79 (a) Policies and programs that will bring marginalized workers and economic units into the
80 economic and social mainstream; and spur entrepreneurial or growth-oriented informal
81 business to graduate to formal status based on their own pace and self-determination
82 thereby reducing their vulnerability and exclusion;
83
- 84 (b) Structural reforms in all relevant levels of government by creating committees, special
85 offices for development and protection of workers in the informal economy and supporting
86 their representational, entrepreneurial and other rights through their organizations;
87
- 88 (c) Accessible and affordable social protection, including labor market interventions, social
89 insurance coverage, basic health care, occupational safety and health, reproductive health
90 services, social welfare programs and safety nets;

- 91
- 92 (d) Policies, programs and interventions that will ensure security of workplaces of workers in
- 93 the informal economy towards a work environment that protects their rights and enables
- 94 them to become more productive.
- 95
- 96 (e) Minimum and simplified regulations to encourage the development of ingenuity and
- 97 entrepreneurial spirit among workers in informal economy;
- 98
- 99 (f) Mechanisms for the growth and expansion of the various business activities or enterprises
- 100 in the informal economy preferably with the cooperation and support of the private sector;
- 101
- 102 (g) Organization, establishment, strengthening and expansion of the various business activities
- 103 or enterprises in the informal economy at the barangay level, preferably to be unified under
- 104 municipality-, provincial-, regional- and national-level federations or associations;
- 105
- 106 (h) Applicable labor standards;
- 107
- 108 (i) Recourse mechanisms to address violations of informal workers' rights;
- 109
- 110 (j) Mechanisms and processes that prioritize the provision of services to the poorest and the
- 111 most vulnerable workers; and
- 112
- 113 (k) Exacting responsibility on the part of the workers in the informal economy to comply with
- 114 their obligations, provided that the State shall put in place responsive, transparent and
- 115 accountable mechanisms and systems that ensure recognition, protection, promotion and
- 116 realization of their rights.
- 117

118 **SECTION. 4. *Definition of Terms.*** - As used in this Act, the following terms shall mean:

119

120

- 121 (a) **Informal Economy** - Based on the International Labor Conference (ILC) 2002, this refers
- 122 to "all economic activities by workers and economic units that are - in law or in practice -
- 123 not covered or insufficiently covered by formal arrangements."
- 124

125 The Informal Economy includes a wide variety of activities, enterprises and workers. Self-

126 employment consists of employers of informal enterprises who hire other workers and own-

127 account workers. Wage-employment includes informal employees of both formal and informal

128 firms, subcontracted workers, wage workers for households or domestic workers, and wage

129 workers with no fixed employer or casual day workers. The working conditions, opportunities

130 and risks faced by these different categories of informal workers are very diverse.

131

132 Informal workers often experience poor working conditions such as long working hours, high

133 level of health hazards, lack of social security, poor earnings, low productivity, and lack of

134 legal protection. To a large extent, women and disadvantaged groups such as youth, persons

135 living with HIV and AIDS, persons with disabilities, indigenous peoples and migrant workers

136 are overrepresented in the informal economy.

137

- 138 (b) **Informal Sector** as defined by the National Statistical Coordination Board (NSCB)
- 139 Resolution No. 15, series of 2002, refers to units engaged in the production of goods and
- 140 services with the primary objective of generating employment and incomes to the persons
- 141 concerned. It consists of households and unincorporated enterprises that are market and
- 142 nonmarket producers of goods, as well as market producers of services.
- 143

144 These enterprises are operated by own-account workers, which may employ unpaid family

145 workers as well as occasional, or seasonally-hired workers.

146

147 These enterprises may also be owned and operated by employers which may employ less
148 than ten (10) employees on a continuous basis.

149
150 (c) **Workers in the Informal Economy** - are hereinafter referred to as WIE include but are
151 not limited to the following:

- 152 1. small farmers owning land not more than three (3) hectares;
 - 153 2. rural and agricultural workers who are tenants, sharecroppers, or laborers;
 - 154 3. small fisherfolks/operators owning boats of three (3) gross tons or less and other fishing
155 equipment;
 - 156 4. fisherfolks who are without fishing equipment and who market their catch;
 - 157 5. on-call fish workers, porters and batillo;
 - 158 6. home-based workers who are independent producers of goods or services;
 - 159 7. industrial homeworkers are workers involved in a system of production under which
160 work is carried out at their homes and where materials may or may not be furnished by the
161 employer or contractor;
 - 162 8. self-employed who are engaged by other enterprises through subcontracting
163 arrangements;
 - 164 9. ambulant vendors or peddlers or vendors who ply their trades in search of buyers;
 - 165 10. street vendors or vendors who sell their merchandise on streets and sidewalks;
 - 166 11. vendors with stalls in public and private markets and those engaged in sari-sari stores
167 with operating capitalization of not more than one million pesos (P1,000,000.00) excluding
168 land and building;
 - 169 12. drivers and workers of modes of transportation on land and sea whether motorized or
170 not, including: two (2) wheels such as calesa; three (3) wheels such as pedicabs, tricycles;
171 four (4) wheels such as jeepneys and buses; and boats one (1) ton and below; 'barkers'; fare
172 collectors; dispatchers; and other workers who share income with self-employed or
173 unincorporated operators;
 - 174 13. operators of jeepneys, tricycles, pedicabs, taxi, and other vehicles or transportation
175 whose capitalization is not more than one million pesos (P1,000,000.00) excluding land
176 and building;
 - 177 14. all unregistered and unprotected domestic workers who are generally not covered by
178 social protection such as maids, cooks, family drivers, gardeners and baby sitters.
 - 179 15. non-corporate construction workers;
 - 180 16. small scale miners doing their own product processing; including those involved in
181 small scale mining and quarrying with capitalization of below one million pesos
182 (P1,000,000.00);
 - 183 17. workers of Barangay Micro Business Enterprises (BMBEs);
 - 184 18. non-corporate cargo handlers and allied workers;
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204 19. waste pickers and recyclers;

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206 20. workers engaged in producing seasonal products;

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208 21. own account workers including but not limited to those engaged in the maintenance and
209 repair of equipment and appliances, clothing and footwear, as well as those providing
210 services such as beauticians, barbers, masseuses;

211
212 22. "on-call" workers in the entertainment, movie, and media industries such as but not
213 limited to bit players, stuntmen and women, crew, make-up artists, etc.;

214
215 23. volunteer workers in government and non-government entities who only receive
216 allowances or honoraria, including but not limited to: barangay health workers (BHW),
217 barangay tanod, barangay nutrition scholars (BNS), barangay daycare workers, and
218 volunteers in non-government or people's organizations;

219
220 24. unpaid family members, or workers receiving allowances and seasonally hired workers
221 who are engaged in micro-enterprises or assist unincorporated household enterprises; and

222
223 25. other similar economic activities that are not illegal, criminal or life-threatening in
224 nature.

225
226 (d) **Worker** is a general term that refers to both self-employed and paid employee covered
227 under the provisions of this Act.

228
229 (e) **Self-employed Worker** - refers to any person who has no employer and who works for
230 himself/herself by producing goods or services for the market.

231
232 (f) **Worker of Minor Age** - refers to a child fifteen (15) to seventeen (17) years of age who
233 is engaged in productive employment under a valid contract of employment.

234
235 (g) **Employer** - refers to a natural person or group or partnership of people or a corporation
236 for whom a paid worker renders productive employment or service.

237
238 (h) **Security in the Workplace** - refers to the right of every worker to an enabling environment
239 that guarantees and protects the spaces for WIE to undertake their work, including the right
240 to feel safe in one's own work space, legal security of tenure and freedom from
241 discrimination, risk, danger, doubt, anxiety, or fear of being removed, evicted or prevented
242 to work. Towards this end, the State shall take measures that will ensure legal security of
243 tenure of workplaces, taking into account and including the physical environment, services,
244 processes and systems needed to enable workers to productively and safely perform their
245 work:

246
247 (i) **Hazardous Work Condition** - refers to any activity or circumstance where a worker is
248 exposed to any risk which constitutes imminent danger to his or her health or safety. This
249 includes potential risks of disability, injury, illness or death due to the presence of biologic
250 agents, radiation, chemicals, substances, hazardous materials; physical hazards in the work
251 environment; or the nature of work, processes performed, or equipment used therein.

252
253 (j) **Working Hours** - refers to the period of time within which a worker is required to be on
254 call to perform any and all tasks that may be designated, regardless of whether there are
255 actual tasks being undertaken.

256
257 (k) **Daily Basis** - refers to the per day mode of paying a worker as bilaterally agreed upon by
258 the employer and worker.
259

- (l) **Monthly Basis** - refers to the per month mode of paying a worker as bilaterally agreed upon by the employer and worker
- (m) **Pakyaw** - Basis refers to the pre-contracted wholesale mode of paying a worker as bilaterally agreed upon by the employer and worker.
- (n) **Social Protection** refers to policies, programs, and all other interventions that support communities, households and individuals, both women and men, and aimed at: reducing poverty through the promotion and sustenance of livelihood and employment; preventing, managing and overcoming risks and vulnerabilities throughout their life cycle like protection against hazards and sudden loss of income; and realizing their rights as citizens through their full participation in decision-making affecting or may affect their access to and control over resources necessary to maintain and sustain a decent and secure life.
- (o) **Social protection schemes** shall include labor market interventions, social insurance, basic health care, social welfare and safety nets.
- (p) **Community Contracting** - refers to the process of concluding an agreement between a community and a contracting authority, whereby the community (or a section thereof) is responsible for the implementation of the work, and therefore, functions as contractor.
- (q) **Non-government Organization (NGO)** as defined in R.A. 8425, refers to a duly registered nonstock, nonprofit organization focusing on the upliftment of the basic or disadvantaged sectors of society among others, providing advocacy, training, community organizing, research, access to resources, and other similar activities.
- (r) **People's Organization (PO)** consistent with R.A. 8425 refers to a self-help group belonging to the basic sectors or disadvantaged groups composed of members having a common bond of interest who voluntarily join together to achieve lawful common goals.
- (s) **Informal Economy Workers' Organization** - refers to a group or groups of informal sector workers, whether formally constituted or otherwise, that are organized with the primary objective of promoting the welfare of workers in informal economy.

Chapter II

Coverage, Qualifications, and Accreditation

SECTION 5. Coverage. - This shall include individual WIE, as defined in Section 4 of this Act, IE businesses and enterprises, and organizations of workers in informal economy.

SECTION 6. Accreditation. There shall be a simple and standard system of accreditation in accordance with the framework and principles of this Act. A one time accreditation fee of not more than Fifty pesos (P50.00) per individual worker and not less than One Hundred pesos (P100.00) per IE business activity, enterprise, or organizations shall be paid to the municipality or city where they operate or intend to operate.

Any IE worker meeting the necessary accreditation requirements provided for in this Act shall be listed in the centralized database system, and shall be issued an identity card and a record book that shall list all services and benefits availed of by the WIE. These signify eligibility to avail of development programs, provided, that the poorest and the most vulnerable workers shall be given priority.

Qualified IE business activity or enterprise, or organization of WIE, shall be issued a certificate of accreditation, which shall be released within thirty-six (36) hours upon submission of complete requirements and payment of accreditation fees.

317 The concerned LGU shall review, revalidate and reassess such accreditation every two (2) years
318 from the date of last accreditation. Renewal of eligibility shall be in accordance with the merit and fitness
319 principle, and with the conditions that no child labor shall be used and no activities harmful to the
320 environment shall be implemented.

321
322 A comprehensive database of accredited IE business activities and enterprises shall be
323 developed and maintained. Such database shall take into account the different sub-classifications in terms
324 of geography, premises, sex, ethnicity, vulnerability, occupation, nature of employment, and roles and
325 functions. The database shall also indicate informal businesses which may be categorized as livelihood
326 enterprises, and entrepreneurial or growth oriented informal businesses. Further, the database shall
327 include information on payments collected from IE workers, business activities or enterprises and
328 organizations.

329
330 The aforesaid comprehensive database shall form part of the bases of assessment and monitoring
331 of the growth of informal economy.

332
333 All local government units shall formulate a uniform and simple checklist of requirements for
334 registration and establish an IE One-Stop Shop Center which shall handle all transactions and processing
335 of business permit applications within their respective jurisdiction. The Center shall ensure that
336 processing of the business permit of the informal sector business activities or enterprises shall be
337 expedited within one day.

338
339 **SECTION 7. Annual Dues.** - IE workers and organizations shall pay annual dues to be determined
340 by the Local Government Unit (LGU) concerned, in consultation with their respective Workers in the
341 Informal Economy Local Development Office (WIELDO) referred to in Title I, Chapter IX of this Act.
342 In no case shall the annual dues to be paid by IE workers be more than Two Hundred percent (200%) of
343 the prescribed daily minimum wage as determined by the Regional Tripartite Wages and Productivity
344 Board (RTWPB) in their respective regions or provinces.

345
346 These annual dues shall accrue to the respective LGU where they are accredited. The accumulated
347 funds from these dues shall be used for programs to benefit IE workers, business activities, enterprises
348 and organizations, as recommended by the WIELDO. Such programs and disbursement of funds shall
349 be approved by the concerned LGU Council.

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351
352 **Chapter III**
353 **Rights and Benefits**

354
355 **SECTION 8.** Workers in informal economy have the same basic rights accorded to all workers as
356 enshrined in the Philippine Constitution, the Labor Code as amended, and relevant international human
357 rights instruments and labor Conventions. These include, but are not limited to the rights to:

- 358
359 (a) work, which includes the right to: security at the workplace; make a living by work freely
360 chosen or accepted; and avail of technical and vocational guidance and training programs;
361
362 (b) the enjoyment of just and favorable conditions of work;
363
364 (c) a living wage and equal remuneration for work of equal value without distinction of any kind,
365 in particular for women who shall be guaranteed equal wages for work similar or equivalent to
366 those done by men;
367
368 (d) equal opportunity for promotion, subject to no other considerations than seniority and
369 competence;
370
371 (e) safe and healthy working conditions safeguarding general, occupational and reproductive
372 health;
373

- (f) access to basic services including but not limited to affordable medical care, reproductive and other health services, low-cost housing, water, sanitation, electricity and transport;
- (g) rest, leisure and reasonable limitation of working hours, and periodic holidays with pay, as well as remuneration for public holidays whenever applicable;
- (h) maternity and paternity benefits, as provided for by law;
- (i) equal access to education, skills training, and economic resources to develop self-reliance, especially of children and young persons, without any discrimination;
- (j) self-organization to collectively negotiate with government and other entities in the promotion of their welfare and advancement of their interests free from any political interference;
- (k) an adequate standard of living for workers and their families, sufficient food, clothing, and shelter, and the continuous improvement of such standard;
- (l) freedom from any form of discrimination, violence, exploitation including sexual exploitation, harassment, abuse, and any form of inhumane treatment which debases, degrades or demeans the intrinsic worth and dignity of the worker as a human being;
- (m) accessible social protection, comprising mainly of, but not limited to labor market programs, social security, health care and insurance, and social welfare interventions;
- (n) equal treatment before the law;
- (o) substantial participation in policy and decision-making processes, including access to information and other resources relevant to the promotion and protection of their rights and welfare through organizations that truly represent the sector;
- (p) equal access to justice through appropriate mechanisms, including, but not limited to, alternative dispute resolution processes.

SECTION 9. Own account workers as well as marginal economic enterprises in the informal economy, being the working poor's primary instruments to address and overcome poverty, shall be accorded by the State the following rights:

- (a) infrastructure support such as farm to market roads, common, affordable and secure workplaces and facilities, merchandising centers, farmers' markets or a Bagsakan with proper storage facilities, and inventory bulk -buying centers;
- (b) policy support to promote and protect locally/domestically produced products;
- (c) access to markets, including capacity building to access E-marketing facilities;
- (d) access to affordable, appropriate and adequate financial services, including, among others, collateral-free and gender-balanced credit at low interest;
- (e) access to appropriate and adequate machinery, equipment, and other technologies, with the end in view of increasing productivity and growth;
- (f) protection from unjust dislocation from places where economic activities are conducted;
- (g) measures against racketeering, extortion, and harassment, by both State and non-State elements;

(h) fiscal relief, including among others exemption from taxes, fees and other assessments, to be put into place by concerned national agencies and local government units 60 days after the effectivity of this Act;

(i) common workplaces, adequate and affordable marketing facilities such as economic freedom parks, merchandising centers, and inventory bulk-buying centers; and,

(j) freedom from deprivation of property without valid cause and due process of law.

SECTION 10. Organizations of workers in informal employment, including unions, cooperatives, mutual benefit associations, etc. shall have the right to:

(a) freely function and act as the representatives of their members in policy and decision-making processes, collective negotiations, and other similar bodies and processes;

(b) establish national federations or confederations and the right of the latter to form or join international trade-union organizations;

(c) access information from concerned government institutions and other parties that are pertinent to the protection and promotion of the rights and welfare of their members;

(d) own property, real or personal, for the use and benefit of their organizations and members;

(e) sue and be sued under their registered names;

(f) undertake all other activities, not contrary to law, designed to benefit their organizations and members; and

(g) be accorded preferential option in the awarding of contracts for the undertaking of national and local projects funded by either the National or local government units including foreign-assisted projects.

Guidelines for the implementation of this Act shall be provided for in the Implementing Rules and Regulations of this Act. Furthermore, notwithstanding any provision of a general or special law to the contrary, the income and properties of legitimate workers' organizations, including grants, endowments, gifts, donations and contributions they may receive from fraternal and similar organizations, local or foreign, which are actually, directly and exclusively used for their lawful purposes, shall be free from taxes, duties and other assessments. The exemptions provided herein may be withdrawn only by a special law expressly repealing this provision.

SECTION 11. Organizing Workers in Informal Economy. - WIE shall be encouraged to organize themselves for their mutual benefit and protection, and for other legitimate purposes. Toward this end, the government shall encourage and assist these workers in the formation of their self-help organizations, associations, federations and confederations.

Government shall encourage the formation of cooperatives among marginalized farmers, fisher folk, manufacturing, transport, retail, services, and home-based workers to enable members to: purchase inputs at lower cost, obtain fair prices for their produce, avail of credit assistance and skills training, and share from collective gains of the cooperatives.

Attention will be given to organizing women and other vulnerable WIE.

SECTION 12. Assistance to Organizations of Workers in the Informal Economy. - All concerned national government agencies, government financial institutions and local government units shall include in their plans, programs, projects and activities efforts that will support and address concerns of organizations of WIE.

SECTION 13. Monitoring of Growth. - The local government units (LGUs) which will supervise the Workers in Informal Economy Local Development Office (WIELDO) as created by Chapter IX of this Act, shall monitor the growth of informal employment business activities or enterprises three (3) years after the enactment of this Act and every three (3) years thereafter. The centralized database referred to in Section 6 shall be the basis of this monitoring.

Chapter IV

Prohibited Acts Concerning Engagement of Workers in the Informal Economy

SECTION 14. Prohibition Against Recruitment or Finders' Fees. - Regardless of whether the workers were sourced either through an employment agency or a third party, said workers shall neither be charged nor levied a recruitment fee or finders' fee by the aforementioned employment agency or third party;

SECTION 15. Prohibition Against Hazardous Work and Conditions. - Workers shall not be engaged to do any hazardous work, activity or undertaking, or be exposed to hazardous working conditions.

For purposes of this Section, hazardous work or conditions shall include, but shall not be limited to the following:

- (a) any work which requires workers to render services beyond eight (8) hours without commensurate compensation;
- (b) any work or activity which exposes the worker to physical, emotional or sexual abuse, or threats of such abuse;
- (c) any work which involves manual handling or transport of heavy loads;
- (d) any work in an unhealthy environment which exposes workers to hazardous substances, agents or processes, or to temperature, noise levels, or vibrations damaging or potentially damaging to their health;
- (e) any work which requires workers to continuously render service during late nights;
- (f) any and all forms of slavery or practices similar to slavery, such as the sale and trafficking of persons, forced or compulsory labor, debt bondage and serfdom;
- (g) any use, procuring or offering of the worker for prostitution or pornography;
- (h) any use, procuring or offering of the worker for the commission of any offense or crime, particularly for the production, trafficking, or sale of narcotic drugs and substances as defined in the Dangerous Drugs Act;
- (i) any other type of work or activity which, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of the workers; and,
- (j) any other type of work, activity, condition or undertaking that maybe hereinafter be defined as hazardous by the Department of Labor and Employment.

SECTION 16. Prohibition Against Interference and Coercion. - Any person is prohibited from committing any of the following acts of interference and coercion:

- (a) preventing any worker from upholding or exercising his/her rights;
- (b) preventing any worker from joining or assisting organizations for purposes not contrary to law;

- 545
546 (c) preventing any worker from carrying out his/her duties or functions in an organization, or
547 to penalize the same for any lawful action performed in that capacity;
548
549 (d) harassing, threatening, coercing or intimidating any worker that result in preventing him or her
550 from performing his or her duties and functions;
551
552 (e) transferring, penalizing or terminating the services of a worker without valid or legal
553 ground; and
554
555 (f) other acts calculated to diminish the independence and freedom of workers' organization
556 to direct its own affairs.
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558
559 **Chapter V**
560 **Social Protection**
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562 Social protection as defined in Section 4 of this Act shall have the following components:
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564 **SECTION 17. Labor Market Programs.** - The State shall provide adequate resources to sustain
565 labor market programs following decent work standards, including emergency and guaranteed
566 employment schemes, to ensure livelihood security and prevent or mitigate the effects of sudden loss of
567 income, in the context of sustainable development and developing local economies in both rural and
568 urban areas.
569

- 570 (a) The State shall ensure that these schemes shall be labor-intensive, developmental, sustainable,
571 and engaging both women and men, youth and older people in building infrastructure,
572 socialized housing, social forestry focusing on the planting of traditional trees, organic farming,
573 and food production programs.
574
575 (b) In pursuit of decent work, the State in all its labor market programs shall adopt a comprehensive
576 framework and plan on occupational safety and health that covers all workers, formal and
577 informal, and implemented at both national and local levels.
578
579 (c) The State shall encourage entrepreneurship among the disadvantaged, especially women and
580 young people in informal employment, through simple and efficient procedures and the
581 provision of adequate and affordable marketing facilities such as those provided for by Section
582 9 (i) of this Act.
583
584 (d) The State through LGUs shall promote community contracting to give preference to WIE and
585 their organizations in accessing employment opportunities and related benefits.
586

587 **SECTION 18. Social Security.** - In the spirit of promoting social justice, the State shall endeavor
588 to extend social security protection to all workers and their beneficiaries against the hazards of disability,
589 sickness, maternity, old age, death, unemployment, and other contingencies resulting in loss of income
590 or financial burden.
591

592 (a) The Social Security System (SSS) shall cover all workers, particularly the working poor who
593 mostly belong to the informal economy. The SSS, in consultation with informal workers'
594 organizations, shall customize products and services for them that are accessible and affordable. In
595 the interest of equity, the State shall cover what should have been the employers' share for
596 contributions of informal workers had they been formally employed .
597

598 (b) The SSS shall also develop schemes involving government subsidies and sponsorship programs
599 to enable those who cannot afford to enrol and sustain their membership.
600

(c) To achieve universal coverage, the SSS shall facilitate the accreditation of cooperatives, women's and people's organizations, trade unions and WIE associations, microfinance and micro-insurance institutions and similar groups as collecting agents of premiums and facilitators of claims with the least burdensome conditions and with appropriate incentives. It shall develop effective partnerships with these organizations.

(d) The SSS Commission, in the spirit of democracy, transparency, accountability and equity, shall be required to conduct regular consultations with and provide information and reports to its membership. Both formal and informal workers shall be represented in the SSS Commission, where gender balance shall also be observed.

(e) The SSS in cooperation with other relevant national agencies and LGUs, shall support indigenous and community-based social protection schemes such as damayan, tulungan, saranay, small mutual benefit associations, and micro-finance organizations initiated or participated in by WIE so that these can be sustained, systematized and upscaled.

(f) An enabling environment for such organizations and schemes shall be developed. Toward this end, the Insurance Commission (IC) and other relevant regulatory agencies are hereby mandated to review its policies and framework to make them more developmental and supportive of the alternative schemes outlined above.

SECTION 19. Social Security for Volunteers of Government Instrumentalities. - Volunteer workers of government instrumentalities as defined in Sec. 4 of this Act, shall be covered by the Government Service Insurance System (GSIS) and be entitled to at least a minimum package of customized products, services and benefits to be designed with their participation and with adequate government subsidy.

SECTION 20. Health Care System and Financing. - The State shall establish a comprehensive and integrated health care system that guarantees provision of service by duly accredited and adequately furnished health facilities, and appropriately educated and rationally compensated health personnel to underserved areas all the way down to the barangay level.

Provided that, such healthcare system shall include reproductive health services, and provided finally, that priority in the delivery of such services shall be the poor and marginalized.

The State shall ensure adequate resources to finance health care for all, by, among others, progressively increasing the budget for health care until it meets the World Health Organization recommendation of at least four percent (4%) of the Gross Domestic Product.

SECTION 21. Universal Health Insurance. - All citizens of the Philippines shall be covered by the National Health Insurance Program as provided for in RA 10606, The National Health Insurance Act of 2013. To achieve this, PhilHealth with the participation of all stakeholders shall critically review its current operations. It shall also ensure the provision of a minimum benefit package which shall be periodically upgraded to meet the goal of universal coverage which is affordable, accessible and appropriate to the needs of all.

(a) Government subsidies for PhilHealth sponsorship programs shall be expanded to cover not only the ultra poor but also the working poor who mostly belong to the informal economy. For the working poor, what should have been contributed by employers if they were enrolled as formally employed shall be covered by government subsidies in the interest of equity.

PhilHealth programs for indigents and the working poor shall be expanded and improved in order to develop effective partnerships with organized groups, especially those composed and led by informal workers, women, senior citizens, persons with disabilities, persons with HIV and AIDS and other marginalized sectors, to better serve increasing numbers of those in need. Organized groups with at least 500 members shall be allowed to be collecting agents of premiums with incentives.

(b) PhilHealth shall immediately extend its services to underserved areas by facilitating and accelerating accreditation of hospitals and clinics, and by ensuring that these service providers remain viable through immediate reimbursement.

(c) PhilHealth, in accordance with its guiding principles, shall promote maximum community participation and shall recognize the roles and strengths of the public and private sectors in healthcare, including people's organizations and community-based health organizations. PhilHealth shall extend appropriate recognition, technical assistance, and other forms of material and non-material support to mutual benefit associations, micro finance organizations, community-based health insurance and other indigenous schemes initiated and participated in by WIE.

(d) PhilHealth, with maximum participation of all stakeholders, shall review its benefit package in order to cover WIE, senior citizens, indigenous peoples, persons with disabilities persons with HIV and AIDS and other marginalized groups sustainably; emphasize preventive measures such as annual physical and medical check-ups and other outpatient services; coverage of workplace-related injuries and illnesses affecting both formal and informal workers, treatment of chronic ailments such as hypertension and diabetes; and inclusion of hospital-based reproductive health services, commodities and supplies.

CHAPTER VI

Security in the Workplace of Workers in Informal Employment

Security in the workplace as defined in Sec. 4 of this Act shall involve the following:

SECTION 22. Designation of Workplaces. - The concerned Local Government Unit (LGU), in coordination with their respective WIELDO, and after consultation with WIE, affected communities, and other relevant groups, shall identify and designate viable workplaces for informal workers; routes, terminals, and specific lanes for small transport workers; and design a system of assigning these to accredited informal workers, These may include markets and vacant areas near markets, vacant public spaces and other spaces which may be designated as allowable workplaces for informal workers.

In the event the concerned WIE prefer to conduct their economic activities within an identified private property, the LGU shall negotiate with the owner of the property for the possible use of such property as WIE's workplace. The LGU shall likewise encourage and assist the parties in forging a possible memorandum of agreement.

The LGUs, within 60 days from the effectivity of this Act, shall conduct a survey to identify viable vacant areas suitable for routes, terminals, lanes, productivity and merchandising centers and workplaces for use of WIE in their respective localities.

The LGUs shall, within 90 days after the survey and based on recommendations of WIELDO and consultations with concerned WIE, affected inhabitants and relevant sectors, pass an ordinance designating such workplaces.

SECTION 23. Protection of Agricultural Lands and their Occupants. - The LGUs, in coordination with the Department of Agrarian Reform (DAR) shall protect all agricultural lands from conversion or reclassification to non-agricultural uses. Special Economic Zones Sites, Tourist Sites or Socialized Housing Sites shall not be allowed in irrigated and irrigable lands.

The LGUs shall include in their Comprehensive Land Use Plan (CLUP) all the agricultural lands as protected zones. The LGUs shall make an inventory of all agricultural lands under leasehold and shall enforce the security of tenure of tenants, right of redemption and right of first refusal on the subject land. The LGUs shall provide assistance and protection to tenants in agricultural lands whose landowners violate the provisions of RA 3844 or the Agricultural Land Reform Code. Tenants shall not be evicted based on unilateral termination of the tenancy relationship by landowners.

SECTION 24. Use of Municipal Waters, Beach Fronts, and Foreshores. - Municipal waters shall be used exclusively for marginalized fisherfolk and allied workers. They shall be given priority in the granting of permits and licenses for the establishment of fish pens, fish corrals, fish traps, shellfish culture or similar structures for culture of marine products within the municipal waters.

Beach fronts and foreshores are public domain and may be used by any person especially marginalized fisherfolk. LGUs shall ensure that no beach within their jurisdiction is exclusive for the use of resort guests or private persons.

LGUs, in coordination with the National Housing Authority (NHA), shall establish and create fisherfolk settlement areas on private or public lands, specifically those near the fishing grounds, for municipal fisherfolk with security of tenure.

The consent of the affected fisherfolk shall be required before an area is declared marine protected area or a fish sanctuary by the national or local government unit.

SECTION 25. Policy on Eviction and Demolition. - WIE shall not be evicted from their homes and workplaces without legal ground as provided for in Republic Act 7279 or the Urban Development and Housing Act of 1992. In cases where eviction or demolition is warranted under Section 28 of RA 7279, the same shall be conducted upon compliance of the following:

(a) notice upon the affected persons or entities at least thirty (30) days prior to the date of eviction or demolition;

(b) adequate consultations on the matter of resettlement with the duly designated representatives of the families to be resettled and the affected communities in the areas where they are to be relocated;

(c) presence of local government officials or their representatives during eviction or demolition;

(d) proper identification of all persons taking part in the demolition;

(e) execution of eviction or demolition only during regular office hours from Mondays to Fridays and during good weather, unless the affected families consent otherwise;

(f) no violence or unreasonable force shall be committed against women, children, senior citizens, persons with disabilities and other identities similarly situated in the course of eviction or demolition;

(g) non-use of heavy equipment for demolition except for structures that are permanent and of concrete materials;

(h) proper uniforms for members of the Philippine National Police (PNP) who shall occupy the first line of law enforcement and observe proper disturbance control procedures; and

(i) adequate relocation, whether temporary or permanent providing, however, that in cases of eviction and demolition pursuant to a court order involving underprivileged and homeless citizens, relocation shall be undertaken by the local government unit concerned and the National Housing Authority (NHA) with the assistance of other government agencies within forty-five (45) days from service of notice of final judgment by the court, after which period the said order shall be executed; provided, further, that should relocation not be possible within the said period, financial assistance in the amount equivalent to the prevailing minimum daily wage multiplied by sixty (60) days shall be extended to the affected families by the local government unit concerned.

SECTION 26. Policy on Confiscation of Materials and Impounding of Vehicles. - In cases where demolition or eviction is warranted, the person who conducts the same shall issue an itemized receipt of all products, goods, and other materials seized from the affected WIE.

Tricycles, pedicabs, and other modes of transportation shall not be impounded for violations of license, registration, or traffic regulations unless the said vehicles were utilized in the conduct of criminal activities. In cases of mere violation of traffic regulations, a traffic violation ticket shall be issued to the erring driver without impounding his/her vehicle.

SECTION 27. Policy on Relocation of Vending Sites. - Before any public market is closed, sold or demolished, all market vendors shall first be relocated by the LGU to a temporary or new public market. Notice of the intention to close, sell, or demolish any public market shall be made to all concerned vendors at least sixty (60) days before the actual transfer or relocation to another market site. Within the sixty (60) day period after issuance of notice, the LGU shall conduct consultations with affected vendors on the selection of the relocation site and implementation of the relocation.

Pending the designation of viable vending areas, vendors occupying public places not previously designated as vending sites shall be provided with viable temporary sites by the LGU. Notice of temporary transfer shall be given to the vendors at least fifteen (15) days before the actual transfer. This shall likewise apply to vendors granted with permits but whose workplaces are withdrawn from the list of allowable vending sites. Any change in the list of allowable vending sites shall only be done after consultations with affected vendors.

In the event that a new public market is constructed in place of an old one, market vendors with stalls displaced from their workplaces shall be given priority in the assignment of stalls in the new market.

SECTION 28. Policy on Relocation of Terminals. - Designated terminals for tricycles and pedicabs shall not be arbitrarily relocated without prior notice and consultation with small transport groups, affected community and other relevant sectors. Provided, that relocation of terminals can only be effected through an Ordinance. Provided further, that after the enactment of such ordinance, notice of intention to relocate terminals shall be made to all small transport groups and affected community at least sixty (60) days before the actual relocation.

Chapter VII

Special Allocations of Development Initiatives

SECTION 29. Special Allocations for Development Initiatives. - The development initiatives for WIE shall form part of an integrated and convergent plan to address poverty and vulnerability. The national and local government units shall work together in support of such plan to maximize impact of meager resources.

(a) At least ten percent (10%) of the annual national budget shall be appropriated for programs and services for WIE. These programs shall be implemented based on the principles of merit and equity by the Department of Labor and Employment (DOLE) at the national level and the WIELDO at the local level.

(b) For purposes of program implementation, the DOLE shall manage 30%, and WIELDO, 70% of the funds from the annual General Appropriations Act (GAA) as provided for in the previous paragraph of this section.

(c) The Implementing Rules and Regulations (IRR) of this Act shall determine additional guidelines on, among others, the use of such finances to ensure that programs and services truly benefit WIE.

SECTION 30. Sourcing and Adopting Development Initiatives. - Other sources of funds to be used exclusively for initiatives addressing the needs and empowerment of WIE shall be identified in the IRR of this Act and may include the following:

(a) Government financial institutions and mechanisms such as the Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP), National Livelihood Support Fund (NLSF),

and Quedan Rural Credit and Guarantee Corporation shall set aside a specific percentage of their loan portfolio to informal economy enterprises and shall give priority to women-led informal economy enterprises by providing loans at an interest of not more than twelve percent (12%) per annum consistent with the spirit of R.A. 7882, An Act Providing Assistance to Women Engaging in Micro and Cottage Enterprises.

(b) The Department of Social Welfare and Development (DSWD) shall strengthen its Self-Employment Assistance Program (SEAK) to uplift and empower women in poverty, particularly those in the informal economy, by adopting an integrated, credit-plus approach to micro-finance.

(c) The Small Business Guarantee and Finance Corporation (SBGFC) created under Republic Act (R.A.) No. 8289 shall assist in the sourcing and adopting of development initiatives for competitive enterprises in terms of finance, technology, production, management and business linkages. It shall also provide and promote, develop and widen in both scope and service reach various alternative modes of financing for informal economy business activities or enterprises, including but not limited to: direct and indirect project lending, venture capital, financial leasing, secondary mortgage and/or rediscounting of loan papers to such business activities or enterprises, and crop production financing. Further, the Corporation shall guarantee loans obtained by qualified worker or business activity or enterprise, under such terms and conditions adopted by its Board.

(d) The Department of Trade and Industry (DTI) shall contribute to enable the development of a business environment that shall include initiatives such as supply chain and market outlets, and schemes to develop Special Credit Windows to upscale informal enterprises.

(e) The Department of Science and Technology (DOST) shall support technology-related initiatives of workers and enterprises in the informal economy.

SECTION 31. Exclusivity of Government Programs. - The government shall ensure that programs of financing, grants and other similar incentives meant to benefit WIE shall be exclusively extended to accredited workers, business activities, enterprises or organizations in the informal economy.

SECTION 32. Inclusivity of Benefits. - The exemptions and other benefits provided in this Act shall apply for a period of not exceeding ten (10) years from the date of accreditation of such IE worker, business activity, enterprise, or organization.

Chapter VIII

Informal Economy Development Council (IEDC)

SECTION 33. Creation of the Informal Economy Development Council (IEDC). - There is hereby created an Informal Economy Development Council, hereinafter referred to as the IEDC, which shall be an agency within the Department of Labor and Employment (DOLE). The DOLE shall institute appropriate reforms within its structure, programming and other processes, including adjusting its human resource capabilities to ensure that WIE-focused programs will be efficiently and adequately implemented to address the needs of these workers.

The IEDC shall be constituted within thirty (30) days after the approval of the IRR of this Act.

SECTION 34. Mandate and Functions of IEDC. -- The mandate and functions of IEDC shall include the following:

(a) Develop and ensure implementation of a simple system of accreditation for the IE workers, enterprises, and organizations in accordance with the standards and provisions of this Act;

(b) Provide guidelines for the implementation by LGUs of a fair and credible system of evaluation, accreditation, review and assessment, merit promotion, rendering of grant and incentive awards and other policies relative to the effective and efficient implementation of this Act;

(c) Develop and ensure implementation of annual, long-term and medium term plans for the informal economy, the last of which should form part of the Philippine Development Plan towards institutionalizing comprehensive, rights-based, gender-responsive and child-friendly programs and policies for the IE;

(d) Develop and ensure effective implementation of labor standards covering WIE as provided for by this Act;

(e) Develop and ensure implementation of gender-based monitoring and evaluation mechanisms, efficient and effective programs and policies, and gender-responsiveness of interventions toward harnessing the full potentials of women WIE;

(f) Coordinate with LGUs for the development and implementation of periodic evaluation of all accredited IE members, enterprises and organizations - taking into account their accomplishments, capabilities and potentials. The results of such evaluation shall be used as basis for accreditation, the grant of awards and incentives, training and retraining;

(g) Establish a performance appraisal system for all accredited workers, enterprise and organizations in the informal economy which shall be the basis for granting or renewal of incentives, rewards and recognition, training and development, including adequate mechanisms ensure their active participation and involvement;

(h) Ensure effective participation of WIE and their organizations through the establishment of regular consultative mechanisms and processes. Annual national, regional and provincial consultations among the organizations of WIE shall be conducted to determine specific issues and problems affecting specific WIE sub-sectors, and monitor and evaluate implementation of programs and policies.

(i) Establish and develop a centralized and sex-disaggregated database system to effectively guide policy formulation and implementation relative to the WIE. The databank shall be available for public use and shall include but not limited to the following:

i.1. Sex-disaggregated statistical profile of WIE based on age, location, type of work, average monthly incomes, work hours, and other relevant statistical information;

i.2. Sex-disaggregated data on informal enterprises, including capitalization and sources of capital, number and status of workers, average incomes;

i.3. List and contact information of government and non-government organizations (NGOs) that provide educational, socio-economic, legal, and other services to WIE;

i.4. Inventory of resolved and pending cases involving activities of WIE;

i.5. Database on the needs and problems of women and children in the informal economy nationwide aimed at strengthening policies and programs against child labor; and

i.6. Compilation of international instruments, existing laws and programs affecting the interest and welfare of WIE and information on how these workers may use or avail of such instruments, laws and programs.

(j) Develop and ensure implementation of a communication plan including massive information dissemination activities targeting WIE, their enterprises and organizations, in the various regions towards a better understanding and appreciation of the benefits this Act may bring them;

(k) Consistent with Section 2 (h) of this Act, to develop and ensure implementation of a comprehensive plan to eliminate child labor;

(l) Monitor and coordinate implementation of policies and programs through the Regional IEDC officers;

(m) Coordinate and harmonize all informal economy-related policies, programs, projects and activities of various government agencies towards greater efficiency and effectiveness;

(n) Monitor the LGU-generated incomes from informal employment through the LGUs' periodic report submitted to the Council;

(o) After consultations with WIE organizations, develop and ensure implementation of policies and programs that will address specific needs and ensure rights of WIE subsectors;

(p) Develop and ensure implementation of accessible and just conflict resolution and adjudication systems and mechanisms to promote dialogue, conciliation, mediation and redress of grievances to protect the rights of WIE; and

(q) From time to time, call on the participation of any government agency or bureaucracy in its deliberations especially when such agency is directly or indirectly concerned with or affecting the growth and development of the IE.

SECTION 35. Composition. - The Chair of the IEDC shall be the Secretary of the Department of Labor and Employment. IEDC members may elect from among themselves a Vice-Chair to preside over meetings in the absence of the Chair. The members shall be the following:

- (a) Secretary of the Department of Trade and Industry (DTI)
- (b) Director General of the National Economic and Development Authority (NEDA);
- (c) Secretary of the Department of Agriculture (DA);
- (d) Secretary of the Department of Social Welfare and Development (DSWD);
- (e) Secretary of the Department of Interior and Local Government (DILG);
- (f) Chair of the Commission on Human Rights (CHR);
- (g) Lead Convenor of the National Anti-Poverty Commission (NAPC);
- (h) Secretary of the Department of Transportation (DOTr);
- (i) Chair of the Social Security System (SSS);
- (j) Chair of the Philippine Health Insurance Corporation (PhilHealth);
- (k) Chair of the Philippine Commission on Women (PCW);
- (l) Secretary of the Department of Public Works and Highways (DPWH)
- (m) One (1) representative from the private sector at large, a Filipino citizen proven to have been active in assisting informal economy workers;
- (n) One (1) representative each from the League of Cities, League of Municipalities, League of Provinces and League of Councilors;
- (o) The incumbent NAPC Informal Sector Sectoral Representative;
- (p) At least 30% of total membership of IEDC shall come from organizations of workers in the informal economy, as well as People's Organizations (POs), NGOs, and women's organizations actively working with and for the rights of WIE, provided that regional and subsectoral representation shall be ensured. Provided further, that at least 40% of the 30% are women. Guidelines for the selection of non-government IEDC members, including processes and mechanics shall be determined by the IRR of this Act.

Representatives from the private sector, NGOs and WIE organizations shall serve as IEDC members for a term of three (3) years without re-election and shall be subject to terms and conditions provided for in the IRR.

The private sector, workers in informal economy and women's organizations' representatives to the IEDA shall be entitled to receive per diem of at least Two Thousand Five Hundred Pesos (P2, 500.00) per meeting.

SECTION 36. IEDC Meetings - The IEDC shall meet once every two (2) months and may call for special meetings as the need arises; provided, that the frequency of such special meetings shall not exceed four (4) times annually.

SECTION 37. Initial IEDC Funds - Ten million pesos (P10, 000,000.00) shall be allocated from the Presidential discretionary fund for the initial operating expenses of the IEDC.

SECTION 38. Executive Committee of the IEDC - An Executive Committee of nine members shall be convened. Besides the Chair and Vice-Chair, the following shall be elected by the IEDA members from among themselves or their duly designated alternate representatives: four (4) representatives of WIE organizations, one (1) from the different leagues of local officials, one (1) from the private sector, and one (1) from a national government agency, provided, that at least three (3) members of the Executive Committee are women.

The Executive Committee shall have the authority to act for and in behalf of IEDC during intervals of meetings, and only within the specific authority granted by the IEDC.

SECTION 39. IEDC Secretariat. The following secretariat functions shall be integrated in the DOLE secretariat functions:

(a) Prepare and recommend, in coordination with LGUs and other government agencies, annual, medium-term, and long-term Informal Economy Development Plans for approval of the IEDC;

(b) Coordinate the preparation of position papers and background materials for discussion or approval during IEDC and its Executive Committee meetings;

(c) Assist in coordinating and monitoring policies, programs and activities of all government agencies with respect to the implementation of this Act;

(d) Prepare, collate, and integrate all inputs to the IEDC's yearly report on the status of WIE, business activities or enterprises in the country, or other matters as directed by IEDA;

(e) Submit periodic reports to IEDC on the progress and accomplishments of its work programs; and

(f) Perform other secretariat and administrative functions as authorized by the IEDC or its Executive Committee.

SECTION 40. Regional and Provincial IEDC Officers - The DOLE Regional and Provincial offices (NEDA Resolution) shall have Regional and Provincial IEDC Officers who shall be appointed by the IEDC and shall have functions that include: monitoring and coordinating of IEDC initiatives in the regions and Provinces; evaluation of policies programs for workers in informal economy; providing technical assistance in the development of local plans and programs; as well as other administrative functions necessary for the success of IEDC initiatives in their jurisdiction.

IEDC Regional Officers shall have automatic seats in all Regional Development Councils (RDCs).

SECTION 41. Rationalization of Programs. - IEDC shall conduct continuing review of government programs for the poorest of the poor and the WIE and submit to Congress and the President of the Philippines a report thereon together with its policy recommendations.

Chapter IX

Workers in Informal Employment Local Development Office (WIELDO)

1054 **SECTION 42. Workers in Informal Employment Local Development Office (WIELDO)** -The
1055 Workers in Informal Employment Local Development Office (WIELDO) shall be established in every
1056 city and municipality to perform functions that shall include but not limited to the following:

1057
1058 (a) Prepare an overall development plan and work program that will address the needs of the
1059 WIE, prioritizing the poorest and most vulnerable, and incorporate them in their respective city,
1060 municipal, and barangay development plans;

1061
1062 (b) In consultation with WIE organizations in the area, identify specific needs of various IE sub
1063 sectors and recommend appropriate measures to be taken;

1064
1065 (c) Ensure accreditation of WIE, especially those with assets of P150,000 and below, to facilitate
1066 their immediate access to benefits and services;

1067
1068 (d) Monitor, assess and evaluate implementation of the plans and programs as well as the
1069 performance of informal workers, their economic activities and their organizations in the areas;

1070
1071 (e) Lead in the local implementation of Chapter VI (Security in the Workplace of WIE) of this
1072 Act;

1073
1074 (f) Coordinate with other local offices, private sector and other organizations with existing
1075 programs for WIE towards integration and convergence;

1076
1077 (g) Conduct education and training programs that will: raise their consciousness especially on but
1078 not limited to workers', women's and children's rights; provide new ideas especially to those with
1079 the least assets and formal education; and develop or upgrade technical, entrepreneurial and
1080 leadership skills WIE;

1081
1082 (h) Provide technical support and facilitate access to credit, market, technology, social protection
1083 schemes, and training for WIE;

1084
1085 (i) Train pools of community trainers in business counseling and awareness-raising on
1086 occupational safety and health hazards, risks and social protection;

1087
1088 (j) Support organizing activities among WIE;

1089
1090 (k) Establish sex-disaggregated databank on human resources and skills registry to be used as
1091 tools for LGU planning and budgeting;

1092
1093 (l) Provide offices and other necessary resources to support organizing, advocacy, training and
1094 other activities of local organizations of WIE;

1095
1096 (m) Conduct specialized training such as negotiation skills and conduct of time and motion
1097 studies to determine proper wages;

1098
1099 (n) Provide services, which shall include but not be limited to counseling, conciliation, mediation,
1100 and legal assistance for the furtherance of this Act, prioritizing those with the least access to justice;
1101 and

1102
1103 (o) Ensure that the LGU is capacitated to undertake and implement rights-based and gender-
1104 responsive programs for WIE.

1105
1106 In the performance of WIELDO' s functions, the principle of preferential treatment to the
1107 poorest and most vulnerable shall be observed.

1108
1109 **SECTION 43. Composition.** - The Local Chief Executives (LCEs) shall be the primary overseers
1110 of WIELDO's operations. The IRR of this Act shall provide for WIELDO's composition provided that,

1111 informal workers' representatives shall form at least fifty percent (50%) of WIELDO's decision-making
1112 body; Provided further, that IE representatives shall not be less than five (5), and provided finally, that
1113 at least forty percent (40%) of the members of WIELDO's decision-making body are women. Other
1114 relevant guidelines on WIELDO's operations shall be included in the IRR of this Act.
1115

1116 **SECTION 44. Local Government Unit Informal Economy Development Fund (LGUIEDF)**
1117

1118 An Informal Economy Development Fund shall be established by every municipality and city.
1119 Such fund will be supervised and managed by the concerned LGU through the WIELDO but subject to
1120 audit by the Commission on Audit (COA).
1121

1122 For the establishment and initial operations of WIELDO, each LGU shall allocate at least three
1123 per cent (3%) of their twenty percent (20%) Development Fund from their IRA.
1124

1125 Thereafter, the LGU-IEDF shall be funded using:
1126

1127 (a) Accreditation and registration fees and annual dues paid by individual workers in the informal
1128 economy, their livelihood activities, and organizations and associations as provided for by Sections
1129 6 and 7 of this Act;
1130

1131 (b) Shares from the 70% of the at least 10% funds from the Annual General Appropriations Act as
1132 provided for by Chapter VII, Section 29 (a) and (b) of this Act; and
1133

1134 (c) Annual allocations from LGUs Development Fund the percentage of which shall be determined
1135 by LOUs.
1136

1137 Following the principle of merit and equity, LGUs that fulfill such allocations may receive
1138 additional assistance from the national government as recommended by IEDC; provided, that they have
1139 formulated their local development plan for WIE.
1140

1141 **SECTION 45. Additional Sources of Funds** - The following may be tapped by LGUs as
1142 additional sources of funds for WIELDO initiatives;
1143

1144 (a) at least fifty percent (50%) of fees and annual dues collected from small transport - for
1145 programs for workers in the small transport industry;
1146

1147 (b) at least fifty percent (50%) of collected fees and annual dues from business establishments
1148 and entrepreneurs falling under the category of informal sector - for programs focusing on micro-
1149 entrepreneurs and their workers;
1150

1151 (c) at least fifty percent (50%) of collected fees and annual dues from small vendors- for programs
1152 focusing on vendors;
1153

1154 (d) at least fifty percent (50%) of fees and annual dues collected from marginalized fisherfolks -
1155 for programs focusing on fisherfolk;
1156

1157 (e) at least fifty percent (50%) of funds from the Philippine Amusement and Gaming Corporation
1158 (PAGCOR) and Philippine Charity and Sweepstakes Office (PCSO).
1159

1160 **TITLE II**
1161 **EMPLOYMENT OF WORKERS IN INFORMAL ECONOMY**
1162

1163 **Chapter I**
1164 **Requisites for Employment Agreement**
1165
1166

SECTION 46. Minimum Standards. - All working arrangements entered into by WIE shall be in accordance with the minimum applicable labor and social standards as contained in Title II of this Act.

These standards shall be strictly enforced in informal economic enterprises supplying or doing outsourcing work for exporters, investors-locators in export processing zones or industrial parks licensed by the Export Processing Zone, and domestic formal sector manufacturers and retailers-distributors.

For workers engaged by independent informal economic enterprises, DOLE, in coordination with IEDA shall audit the capacity of these enterprises to comply with these standards. Those incapable of meeting the standards shall be assisted to upgrade their capacity to improve their businesses, as well as the capacity to comply with relevant labor and social standards.

SECTION 47. Provisions of Employment Agreement. - The employment contract shall be in written form. However, the absence of a written agreement does not mean the absence of an employment relationship. As a matter of right, WIE can insist on a written agreement based on minimum standards.

In cases wherein minors are contracted with, the said negotiated contract shall be signed on his/her behalf by either parent or legal guardian, with the expressed written consent of the said minor.

In cases wherein illiterate workers are contracted with, the said contract shall be explained to the worker concerned and attested to by a representative from the LGU or an elected Barangay official in the city or municipality where the worker is designated to work.

Each of the contracting parties shall be provided with a full set of the duly signed agreement which shall include the following basic provisions:

- (a) working arrangement/mode;
- (b) period/duration of employment;
- (c) compensation, which shall not be below the minimum standard, and mode of payment;
- (d) computation of contributions for social security and medical insurance including or those who fall under DOLE Department Order No.5;
- (e) duties and responsibilities;
- (f) working hours and day-off schedules;
- (g) living quarters or sleeping arrangements (for live-in workers);
- (h) the date, term and mode of delivery or date of completion;
- (i) minimum of twenty percent (20%) down payment for labor cost and services and minimum of 50% for inventory of raw materials used in the production for homeworkers per DOLE Order No.5.

Minimum standard compensation referred to above shall be determined by the Regional Wage Boards per subsector of WIE. In the case of piece rates, this shall be based on the conduct of time and motion studies facilitated by the DOLE Bureau of Working Conditions. While there are no standardized rates for workers in informal economy jobs, the basis of computation shall not be below the applicable minimum wage of the region where they are covered.

Enforcement of the standard compensation rates shall be in accordance with the capability to comply as explained in Section 40 of this Act.

SECTION 48. Payment of Wages. - Payment derived from negotiated agreement shall be made directly to the workers. No deductions from such payments shall be made by the employer except those

1224 provided for by law. The expressed written consent of the worker shall be first secured before deductions
1225 are made.

1226
1227 No parent, guardian, relative or any other person shall be allowed to take a loan against the
1228 compensation of his or her relative-worker without the express written consent of the concerned worker.
1229 Neither shall a worker of minor age be mandated to work in payment of loan or liability incurred by a
1230 parent, guardian, relative, or any other person.

1231
1232 **Chapter II**
1233 **Workers of Minor Age**
1234

1235 **SECTION 49. Allowable Employment of Workers of Minor Age.** - Children fifteen (15) years
1236 up to seventeen (17) years of age may be employed; provided, that parental or legal guardian consent is
1237 presented and attested to by any representative of the LGU or duly elected Barangay official where the
1238 work is to be done. In no instance however, shall children below fifteen (15) years old be engaged in
1239 whatever form of productive services.

1240
1241 Further, workers of minor age shall not be allowed to render work for more than four (4) hours,
1242 five (5) days a week, exclusive of one (1) hour break for breakfast or lunch whichever is applicable.

1243
1244 **TITLE III**
1245 **FINAL PROVISIONS**
1246

1247 **SECTION 50. Penal Provisions -**
1248

1249 (a) Any person who shall willfully interfere with, restrain or coerce a worker in the exercise of
1250 his or her rights or shall in any manner commit any act in violation of any of the provisions of this
1251 Act shall, upon conviction, be punished by a fine of not less than Twenty Thousand Pesos
1252 (P20,000.00) or imprisonment of one (1) to six (6) years or both fine and imprisonment at the
1253 discretion of the Court.

1254
1255 (b) If the offender is a public official or employee, the Court, in addition to the penalties provided
1256 in the preceding paragraph, may impose the additional penalty of disqualification from public
1257 office.

1258
1259 (c) Any person who violates Section 26 of this Act (Policy on Confiscation of Materials and
1260 Impounding of Vehicles) shall be liable. Nothing herein shall prohibit the aggrieved WIE from
1261 initiating a criminal or civil action against the responsible person or officer applicability.

1262
1263 (d) Failure to implement Sections 27 and 28 of this Act (Policy on Relocation of Vending Sites
1264 and Policy on Relocation of Terminals) shall render the responsible official/s administratively
1265 liable pursuant to Republic Act 7160 and other pertinent laws and criminally liable whenever
1266 applicable.

1267
1268 (e) In the case of a private institution/company found to be violating any provision of this Act, it
1269 shall be subject to additional penalty ranging from suspension or revocation of business license at
1270 the discretion of the Court.

1271
1272 **SECTION 51. Implementing Rules and Regulations (IRR).** - The Implementing Rules and
1273 Regulations (IRR) of this Act shall be formulated by a drafting committee composed of representatives
1274 of offices that will be members of IEDC and WIE organizations provided that, at least 30% of the drafting
1275 committee members shall come from the latter and provided further that at least 30% of committee
1276 members are women. Said committee shall start work on the IRR within three (3) months after the
1277 effectivity of this Act and finish within six (6) months thereafter.

1278
1279 **SECTION 52. Separability Clause.** - If any provision of this Act is declared unconstitutional or
1280 invalid, the provisions not affected shall continue to be in full force and effect.

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SECTION 53. Repealing Clause. - All laws, decrees, orders, rules and regulations, or other issuances inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 54. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,