

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 987

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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 economy. In the 2008 Informal Sector Survey (2008 ISS) of 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. Informal sector operators were defined as are either self-employed without any paid employee or employer in own-family operated farm or business the self-employed numbered about 9.1 million while the employer numbered at 1.3 million. In the Employment Situation (July 2015) report and released last March 2016 by the Philippine Statistics Authority, of the totally employed, 26.1 % were self-employed without any paid employee, 3.4 % were employers in own family-operated farm or business, while the unpaid family workers made up of 8.1%.

In the Philippines, workers in the informal economy are commonplace. These workers seek employment on a short-term basis or temporary employment to alleviate their economic situation. In many instances, they likewise create a form of employment for themselves in order to survive. These workers typically do not have the social benefits or legal protections despite the fact they are very vulnerable to health risks, injury and other occupational hazards.

It is of paramount importance that the rights of every worker in the informal economy to decent working conditions, access to social benefits and other humane working environments be recognized, promoted and protected.

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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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

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

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

- 4 (a) To promote the total well-being of all workers in the informal economy, provided, that
5 focus will be on the poorest and most vulnerable of these workers;
- 6 (b) To ensure their human dignity, economic advancement and access to justice by providing
7 timely services, including social, political, economic and legal;
- 8 (c) To recognize, promote, protect, fulfill and ensure the civic and constitutional rights of
9 workers in the informal economy, including the rights to self-organization, just and
10 humane working conditions, access to social protection, security of workplaces; peaceful
11 concerted activities; represent their organizations, and participate in policy and decision-
12 making processes affecting their rights and benefits and towards the provision of a
13 comprehensive package or reforms, interventions, and services in accordance with their
14 articulated needs and interests;
- 15 (d) To recognize the roles, give proper value to the contributions of workers in the informal
16 economy and make them visible in the national and local statistics;
- 17 (e) To provide venues for dialogue and consultation with informal economy workers so that
18 their concerns and needs are effectively addressed by lasting and workable reforms in
19 enforcement of labor standards, advancement of labor relations;
- 20 (f) To develop and enhance their technical, special, entrepreneurial and other skills and
21 capabilities necessary towards their empowerment and enjoyment of benefits and
22 entitlement associated with the formal economy, and becoming more productive and self-
23 reliant citizens, thereby ensuring participation in mainstream economic activities based on
24 their own pace and self-determination;
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- 33 (g) To progressively eliminate child labor through the creation of more quality jobs for
34 adults, effective enforcement of laws against child labor, elimination of gender-based
35 discrimination against girl child workers, improved access to universal education and
36 social protection, and elimination of cultural factors that directly or indirectly tolerate,
37 and even accept child labor;
- 38
- 39 (h) To promote gender equity and equality by protecting women workers in the informal
40 economy against gender-based discrimination, exploitation and abuse, advancing
41 women's social, economic, political, and reproductive rights, and improving their access
42 to social protection and participation in decision-making bodies and processes;
- 43
- 44 (i) To develop the local economy through maximization of the potential and contribution of
45 informal economy business activities and enterprises;
- 46
- 47 (j) To encourage and support workers in the informal economy to form self-help groups,
48 mutual benefit associations, unions, cooperatives, and other forms of self-organization for
49 their mutual aid, benefit, protection and for other legitimate purposes;
- 50
- 51 (k) To include the concerns of workers in the informal economy in the policies, plans,
52 programs, projects and activities of relevant national government agencies, government
53 financial institutions, and local government units;
- 54
- 55 (l) To advance the autonomy and empowerment of local government units and their
56 capability to be more responsive to the needs of the workers in informal economy among
57 their constituents;
- 58
- 59 (m) To protect vulnerable groups in the informal economy such as children, older persons,
60 differently-abled persons, indigenous peoples, and people living with HIV and AIDS
61 from discrimination, exploitation, abuse and harassment, as well as from performing work
62 hazardous to their occupational, physical, mental, emotional, reproductive and spiritual
63 health; and
- 64
- 65 (n) to integrate ethnicity as a factor in the formulation of programs and mechanisms to
66 promote and protect rights of workers in the informal economy.
- 67

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

80

- 81 (a) Policies and programs that will bring marginalized workers and economic units into
82 the economic and social mainstream; and spur entrepreneurial or growth-oriented

- 83 informal business to graduate to formal status based on their own pace and self-
84 determination thereby reducing their vulnerability and exclusion;
85
- 86 (b) Structural reforms in all relevant levels of government by creating committees, special
87 offices for development and protection of workers in the informal economy and
88 supporting their representational, entrepreneurial and other rights through their
89 organizations;
- 90
- 91 (c) Accessible and affordable social protection, including labor market interventions,
92 social insurance coverage, basic health care, occupational safety and health,
93 reproductive health services, social welfare programs and safety nets;
- 94
- 95 (d) Policies, programs and interventions that will ensure security of workplaces of
96 workers in the informal economy towards a work environment that protects their
97 rights and enables them to become more productive.
- 98
- 99 (e) Minimum and simplified regulations to encourage the development of ingenuity and
100 entrepreneurial spirit among workers in informal economy;
- 101
- 102 (f) Mechanisms for the growth and expansion of the various business activities or
103 enterprises in the informal economy preferably with the cooperation and support of
104 the private sector;
- 105
- 106 (g) Organization, establishment, strengthening and expansion of the various business
107 activities or enterprises in the informal economy at the barangay level, preferably to
108 be unified under municipality-, provincial-, regional- and national-level federations or
109 associations;
- 110
- 111 (h) Applicable labor standards;
- 112
- 113 (i) Recourse mechanisms to address violations of informal workers' rights;
- 114
- 115 (j) Mechanisms and processes that prioritize the provision of services to the poorest and
116 the most vulnerable workers; and
- 117
- 118 (k) Exacting responsibility on the part of the workers in the informal economy to comply
119 with their obligations, provided that the State shall put in place responsive, transparent
120 and accountable mechanisms and systems that ensure recognition, protection,
121 promotion and realization of their rights.

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

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

127

128 The Informal Economy includes a wide variety of activities, enterprises and workers.
129 Self-employment consists of employers of informal enterprises who hire other workers
130 and own-account workers. Wage-employment includes informal employees of both
131

133 formal and informal firms, subcontracted workers, wage workers for households or
134 domestic workers, and wage workers with no fixed employer or casual day workers. The
135 working conditions, opportunities and risks faced by these different categories of informal
136 workers are very diverse.

137
138 Informal workers often experience poor working conditions such as long working hours,
139 high level of health hazards, lack of social security, poor earnings, low productivity, and
140 lack of legal protection. To a large extent, women and disadvantaged groups such as
141 youth, persons living with HIV and AIDS, persons with disabilities, indigenous peoples
142 and migrant workers are overrepresented in the informal economy.
143

144 (b) **Informal Sector** as defined by the National Statistical Coordination Board (NSCB)
145 Resolution No. 15, series of 2002, refers to units engaged in the production of goods
146 and services with the primary objective of generating employment and incomes to the
147 persons concerned. It consists of households and unincorporated enterprises that are
148 market and nonmarket producers of goods, as well as market producers of services.
149

150 These enterprises are operated by own-account workers, which may employ unpaid
151 family workers as well as occasional, or seasonally-hired workers.
152

153 These enterprises may also be owned and operated by employers which may employ
154 less than ten (10) employees on a continuous basis.
155

156 (c) **Workers in the Informal Economy** - are hereinafter referred to as WIE include but
157 are not limited to the following:
158

- 159 1. small farmers owning land not more than three (3) hectares;
160
161 2. rural and agricultural workers who are tenants, sharecroppers, or laborers;
162
163 3. small fisherfolk/operators owning boats of three (3) gross tons or less and other
164 fishing equipment;
165
166 4. fisherfolk who are without fishing equipment and who market their catch;
167
168 5. on-call fish workers, porters and batillo;
169
170 6. home-based workers who are independent producers of goods or services;
171
172 7. industrial homeworkers are workers involved in a system of production under
173 which work is carried out at their homes and where materials mayor may not be
174 furnished by the employer or contractor;
175
176 8. self-employed who are engaged by other enterprises through subcontracting
177 arrangements;
178
179 9. ambulant vendors or peddlers refer to vendors who ply their trades in search of
180 buyers;
181

- 182 10. street vendors refer to vendors who sell their merchandise on streets and
183 sidewalks;
- 184
- 185 11. vendors with stalls in public and private markets and those engaged in sari-sari
186 stores with operating capitalization of not more than one million pesos
187 (P1,000,000.00) excluding land and building;
- 188
- 189 12. drivers and workers of modes of transportation on land and sea whether motorized
190 or not, including: two (2) wheels such as calesa; three (3) wheels such as pedicabs,
191 tricycles; four (4) wheels such as jeepneys and buses; and boats one (1) ton and below;
192 'barkers'; fare collectors; dispatchers; and other workers who share income with self-
193 employed or unincorporated operators;
- 194
- 195 13. operators of jeepneys, tricycles, pedicabs, taxi, and other vehicles or transportation
196 whose capitalization is not more than one million pesos (P1,000,000.00) excluding
197 land and building;
- 198
- 199 14. all unregistered and unprotected domestic workers who are generally not covered
200 by social protection such as maids, cooks, family drivers, gardeners and baby sitters.
- 201
- 202 15. non-corporate construction workers;
- 203
- 204 16. small scale miners doing their own product processing; including those involved in
205 small scale mining and quarrying with capitalization of below one million pesos
206 (P1,000,000.00);
- 207
- 208 17. workers of Barangay Micro Business Enterprises (BMBEs);
- 209
- 210 18. non-corporate cargo handlers and allied workers;
- 211
- 212 19. waste pickers and recyclers;
- 213
- 214 20. workers engaged in producing seasonal products;
- 215
- 216 21. own account workers including but not limited to those engaged in the
217 maintenance and repair of equipment and appliances, clothing and footwear, as well as
218 those providing services such as beauticians, barbers, masseuses;
- 219
- 220 22. "on-call" workers in the entertainment, movie, and media industries such as but
221 not limited to bit players, st1mtmen and women, crew, make-up artists, etc.;
- 222
- 223 23. volunteer workers in government and non-government entities who only receive
224 allowances or honoraria, including but not limited to: barangay health workers
225 (BHW), barangay tanod, barangay nutrition scholars (BNS), barangay daycare
226 workers, and volunteers in non-government or people's organizations;
- 227
- 228 24. unpaid family members, or workers receiving allowances and seasonally hired
229 workers who are engaged in micro-enterprises or assist unincorporated household
230 enterprises; and
- 231

- 232 25. other similar economic activities that are not illegal, criminal or life-threatening in
233 nature.
- 234
- 235 (d) **Worker** is a general term that refers to both self-employed and paid employee
236 covered under the provisions of this Act.
- 237
- 238 (e) **Self-employed Worker** - refers to any person who has no employer and who works
239 for himself/herself by producing goods or services for the market.
- 240
- 241 (f) **Worker of Minor Age** - refers to a child fifteen (15) to seventeen (17) years of age
242 who is engaged in productive employment under a valid contract of employment.
- 243
- 244 (g) **Employer** - refers to a natural person or group or partnership of people or a
245 corporation for whom a paid worker renders productive employment or service.
- 246
- 247 (h) **Security in the Workplace** - refers to the right of every worker to an enabling
248 environment that guarantees and protects the spaces for WIE to undertake their work,
249 including the right to feel safe in one's own work space, legal security of tenure and
250 freedom from discrimination, risk, danger, doubt, anxiety, or fear of being removed,
251 evicted or prevented to work. Towards this end, the State shall take measures that will
252 ensure legal security of tenure of workplaces, taking into account and including the
253 physical environment, services, processes and systems needed to enable workers to
254 productively and safely perform their work:
- 255
- 256 (i) **Hazardous Work Condition** - refers to any activity or circumstance where a worker
257 is exposed to any risk which constitutes imminent danger to his or her health or safety.
258 This includes potential risks of disability, injury, illness or death due to the presence
259 of biologic agents, radiation, chemicals, substances, hazardous materials; physical
260 hazards in the work environment; or the nature of work, processes performed, or
261 equipment used therein.
- 262
- 263 (j) **Working Hours** - refers to the period of time within which a worker is required to be
264 on call to perform any and all tasks that may be designated, regardless of whether
265 there are actual tasks being undertaken.
- 266
- 267 (k) **Daily Basis** - refers to the per day mode of paying a worker as bilaterally agreed upon
268 by the employer and worker.
- 269
- 270 (l) **Monthly Basis** - refers to the per month mode of paying a worker as bilaterally
271 agreed upon by the employer and worker
- 272
- 273 (m) **Pakyaw** - Basis refers to the pre-contracted wholesale mode of paying a worker as
274 bilaterally agreed upon by the employer and worker.
- 275
- 276 (n) **Social Protection** refers to policies, programs, and all other interventions that support
277 communities, households and individuals, both women and men, and aimed at:
278 reducing poverty through the promotion and sustenance of livelihood and
279 employment; preventing, managing and overcoming risks and vulnerabilities
280 throughout their life cycle like protection against hazards and sudden loss of income;
281 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, where by 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 by 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.

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

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

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

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

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

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

Chapter III

Rights and Benefits

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

- 379 (c) a living wage and equal remuneration for work of equal value without distinction of any
380 kind, in particular for women who shall be guaranteed equal wages for work similar or
381 equivalent to those done by men;
- 382 (d) equal opportunity for promotion, subject to no other considerations than seniority and
383 competence;
- 384 (e) safe and healthy working conditions safeguarding general, occupational and reproductive
385 health;
- 386 (f) access to basic services including but not limited to affordable medical care, reproductive
387 and other health services, low-cost housing, water, sanitation, electricity and transport;
- 388 (g) rest, leisure and reasonable limitation of working hours, and periodic holidays with pay, as
389 well as remuneration for public holidays whenever applicable;
- 390 (h) maternity and paternity benefits, as provided for by law;
- 391 (i) equal access to education, skills training, and economic resources to develop self-
392 reliance, especially of children and young persons, without any discrimination;
- 393 (j) self-organization to collectively negotiate with government and other entities in the
394 promotion of their welfare and advancement of their interests free from any political
395 interference;
- 396 (k) an adequate standard of living for workers and their families, sufficient food, clothing, and
397 shelter, and the continuous improvement of such standard;
- 398 (l) freedom from any form of discrimination, violence, exploitation including sexual
399 exploitation, harassment, abuse, and any form of inhumane treatment which debases,
400 degrades or demeans the intrinsic worth and dignity of the worker as a human being;
- 401 (m) accessible social protection, comprising mainly of, but not limited to labor market
402 programs, social security, health care and insurance, and social welfare interventions;
- 403 (n) equal treatment before the law;
- 404 (o) substantial participation in policy and decision-making processes, including access to
405 information and other resources relevant to the promotion and protection of their rights
406 and welfare through organizations that truly represent the sector;
- 407 (p) equal access to justice through appropriate mechanisms, including, but not limited to,
408 alternative dispute resolution processes.

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

- 427 (a) infrastructure support such as farm to market roads, common, affordable and secure
428 workplaces and facilities, merchandising centers, farmers' markets or a Bagsakan with
429 proper storage facilities, and inventory bulk -buying centers;
- 430 (b) policy support to promote and protect locally/domestically produced products;
- 431 (c) access to markets, including capacity building to access E-marketing facilities;
- 432 (d) access to affordable, appropriate and adequate financial services, including, among
433 others, collateral-free and gender-balanced credit at low interest;
- 434 (e) access to appropriate and adequate machinery, equipment, and other technologies, with
435 the end in view of increasing productivity and growth;
- 436 (f) protection from unjust dislocation from places where economic activities are conducted;
- 437 (g) measures against racketeering, extortion, and harassment, by both State and non-
438 State elements;
- 439 (h) fiscal relief, including among others exemption from taxes, fees and other assessments,
440 to be put into place by concerned national agencies and local government units 60 days
441 after the effectivity of this Act;
- 442 (i) common workplaces, adequate and affordable marketing facilities such as economic
443 freedom parks, merchandising centers, and inventory bulk-buying centers; and
- 444 (j) freedom from deprivation of property without valid cause and due process of law.

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

- 447 (a) freely function and act as the representatives of their members in policy and decision-
448 making processes, collective negotiations, and other similar bodies and processes;
- 449 (b) establish national federations or confederations and the right of the latter to form or join
450 international trade-union organizations;
- 451 (c) access information from concerned government institutions and other parties that are
452 pertinent to the protection and promotion of the rights and welfare of their members;
- 453 (d) own property, real or personal, for the use and benefit of their organizations and
454 members;
- 455 (e) sue and be sued under their registered names;
- 456 (f) undertake all other activities, not contrary to law, designed to benefit their organizations
457 and members; and
- 458 (g) be accorded preferential option in the awarding of contracts for the undertaking of
459 national and local projects funded by either the National or local government units including
460 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;

- 527 (b) any work or activity which exposes the worker to physical, emotional or sexual abuse, or
528 threats of such abuse;
- 529
- 530 (c) any work which involves manual handling or transport of heavy loads;
- 531
- 532 (d) any work in an unhealthy environment which exposes workers to hazardous substances,
533 agents or processes, or to temperature, noise levels, or vibrations damaging or potentially
534 damaging to their health;
- 535
- 536 (e) any work which requires workers to continuously render service during late nights;
- 537
- 538 (f) any and all forms of slavery or practices similar to slavery, such as the sale and trafficking
539 of persons, forced or compulsory labor, debt bondage and serfdom;
- 540
- 541 (g) any use, procuring or offering of the worker for prostitution or pornography;
- 542
- 543 (h) any use, procuring or offering of the worker for the commission of any offense or crime,
544 particularly for the production, trafficking, or sale of narcotic drugs and substances as
545 defined in the Dangerous Drugs Act;
- 546
- 547 (i) any other type of work or activity which, by its nature or the circumstances in which it is
548 carried out, is likely to jeopardize the health, safety, or morals of the workers; and
- 549
- 550 (j) any other type of work, activity, condition or undertaking that may be hereinafter be
551 defined as hazardous by the Department of Labor and Employment.

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

- 554 (a) preventing any worker from upholding or exercising his/her rights;
- 555
- 556 (b) preventing any worker from joining or assisting organizations for purposes not contrary to
557 law;
- 558
- 559 (c) preventing any worker from carrying out his/her duties or functions in an organization, or
560 to penalize the same for any lawful action performed in that capacity;
- 561
- 562 (d) harassing, threatening, coercing or intimidating any worker that result in preventing him
563 or her from performing his or her duties and functions;
- 564
- 565 (e) transferring, penalizing or terminating the services of a worker without valid or legal
566 ground; and
- 567
- 568 (f) other acts calculated to diminish the independence and freedom of workers' organization
569 to direct its own affairs.

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Chapter V
Social Protection

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578 Social protection as defined in Section 4 of this Act shall have the following components:
579

580 **SECTION 17. Labor Market Programs.** - The State shall provide adequate resources to
581 sustain labor market programs following decent work standards, including emergency and
582 guaranteed employment schemes, to ensure livelihood security and prevent or mitigate the effects
583 of sudden loss of income, in the context of sustainable development and developing local
584 economies in both rural and urban areas.
585

586 (a) The State shall ensure that these schemes shall be labor-intensive, developmental,
587 sustainable, and engaging both women and men, youth and older people in building
588 infrastructure, socialized housing, social forestry focusing on the planting of traditional trees,
589 organic farming, and food production programs.
590

591 (b) LGUs shall encourage and provide incentives to constituents who want to engage or are
592 engaged in sustainable and/or organic farming. All idle private or public lands within their
593 jurisdiction shall be cultivated or planted with organic food crops like corn, root crops or
594 vegetables. Relevant LOUs must allocate their local funds for mangrove reforestation and
595 prohibit conversion of any mangrove forest to residential, commercial or industrial use.
596

597 (c) In pursuit of decent work, the State in all its labor market programs shall adopt a
598 comprehensive framework and plan on occupational safety and health that covers all workers,
599 formal and informal, and implemented at both national and local levels.
600

601 (d) The State shall encourage entrepreneurship among the disadvantaged, especially women
602 and young people in informal employment, through simple and efficient procedures and the
603 provision of adequate and affordable marketing facilities such as those provided for by
604 Section 9 (i) of this Act.
605

606 (e) The State through LGUs shall promote community contracting to give preference to WIE
607 and their organizations in accessing employment opportunities and related benefits.
608

609 **SECTION 18. Social Security.** - In the spirit of promoting social justice, the State shall
610 endeavor to extend social security protection to all workers and their beneficiaries against the
611 hazards of disability, sickness, maternity, old age, death, unemployment, and other contingencies
612 resulting in loss of income or financial burden.
613

614 (a) The Social Security System (SSS) shall cover all workers, particularly the working poor
615 who mostly belong to the informal economy. The SSS, in consultation with informal workers'
616 organizations, shall customize products and services for them that are accessible and
617 affordable. In the interest of equity, the State shall cover what should have been the
618 employers' share for contributions of informal workers had they been formally employed.
619

620 (b) The SSS shall also develop schemes involving government subsidies and sponsorship
621 programs to enable those who cannot afford to enrol and sustain their membership.
622

623 (c) To achieve universal coverage, the SSS shall facilitate the accreditation of cooperatives,
624 women's and people's organizations, trade unions and WIE associations, microfinance and
625 micro-insurance institutions and similar groups as collecting agents of premiums and

626 facilitators of claims with the least burdensome conditions and with appropriate incentives. It
627 shall develop effective partnerships with these organizations.
628

629 (d) The SSS Commission, in the spirit of democracy, transparency, accountability and equity,
630 shall be required to conduct regular consultations with and provide information and reports to
631 its membership. Both formal and informal workers shall be represented in the SSS
632 Commission, where gender balance shall also be observed.
633

634 (e) The SSS in cooperation with other relevant national agencies and LGUs, shall support
635 indigenous and community-based social protection schemes such as damayan, tulungan,
636 saranay, small mutual benefit associations, and micro-finance organizations initiated or
637 participated in by WIE so that these can be sustained, systematized and upscaled.
638

639 (f) An enabling environment for such organizations and schemes shall be developed. Toward
640 this end, the Insurance Commission (IC) and other relevant regulatory agencies are hereby
641 mandated to review its policies and framework to make them more developmental and
642 supportive of the alternative schemes outlined above.
643

644 SECTION 19. Social Security for Volunteers of Government Instrumentalities. -

645 Volunteer workers of government instrumentalities as defined in Sec. 4 of this Act, shall be covered
646 by the Government Service Insurance System (GSIS) and be entitled to at least a minimum package
647 of customized products, services and benefits to be designed with their participation and with
648 adequate government subsidy.
649

650 SECTION 20. Health Care System and Financing. - The State shall establish a
651 comprehensive and integrated health care system that guarantees provision of service by duly
652 accredited and adequately furnished health facilities, and appropriately educated and rationally
653 compensated health personnel to underserved areas all the way down to the barangay level.
654

655 Provided that, such healthcare system shall include reproductive health services, and provided
656 finally, that priority in the delivery of such services shall be the poor and marginalized.
657

658 The State shall ensure adequate resources to finance health care for all, by, among others,
659 progressively increasing the budget for health care until it meets the World Health Organization
660 recommendation of at least four percent (4%) of the Gross Domestic Product.
661

662 SECTION 21. Universal Health Insurance. - All citizens of the Philippines shall be covered
663 by the National Health Insurance Program as provided for in RA 10606, The National Health
664 Insurance Act of 2013. To achieve this, PhilHealth with the participation of all stakeholders shall
665 critically review its current operations. It shall also ensure the provision of a minimum benefit
666 package which shall be periodically upgraded to meet the goal of universal coverage which is
667 affordable, accessible and appropriate to the needs of all.
668

669 (a) Government subsidies for PhilHealth sponsorship programs shall be expanded to cover
670 not only the ultra poor but also the working poor who mostly belong to the informal economy.
671 For the working poor, what should have been contributed by employers if they were enrolled
672 as formally employed shall be covered by government subsidies in the interest of equity.
673

674 PhilHealth programs for indigents and the working poor shall be expanded and improved in
675 order to develop effective partnerships with organized groups, especially those composed and

676 led by informal workers, women, senior citizens, persons with disabilities, persons with HIV
677 and AIDS and other marginalized sectors, to better serve increasing numbers of those in need.
678 Organized groups with at least 500 members shall be allowed to be collecting agents of
679 premiums with incentives.

680
681 (b) PhilHealth shall immediately extend its services to underserved areas by facilitating and
682 accelerating accreditation of hospitals and clinics, and by ensuring that these service providers
683 remain viable through immediate reimbursement.

684
685 (c) PhilHealth, in accordance with its guiding principles, shall promote maximum community
686 participation and shall recognize the roles and strengths of the public and private sectors in
687 healthcare, including people's organizations and community-based health organizations.
688 PhilHealth shall extend appropriate recognition, technical assistance, and other forms of
689 material and non-material support to mutual benefit associations, micro finance organizations,
690 community-based health insurance and other indigenous schemes initiated and participated in
691 by WIE.

692
693 (d) PhilHealth, with maximum participation of all stakeholders, shall review its benefit
694 package in order to cover WIE, senior citizens, indigenous peoples, persons with disabilities
695 persons with HIV and AIDS and other marginalized groups sustainably; emphasize
696 preventive measures such as annual physical and medical check-ups and other outpatient
697 services; coverage of workplace-related injuries and illnesses affecting both formal and
698 informal workers, treatment of chronic ailments such as hypertension and diabetes; and
699 inclusion of hospital-based reproductive health services, commodities and supplies.

700
701 **CHAPTER VI**
702 **Security in the Workplace of Workers in Informal Employment**
703

704 Security in the workplace as defined in Sec. 4 of this Act shall involve the following:
705

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

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

717
718 The LGUs, within 60 days from the effectivity of this Act, shall conduct a survey to identify
719 viable vacant areas suitable for routes, terminals, lanes, productivity and merchandising centers and
720 workplaces for use of WIE in their respective localities.

721
722 The LGUs shall, within 90 days after the survey and based on recommendations of WIELDO
723 and consultations with concerned WIE, affected inhabitants and relevant sectors, pass an ordinance
724 designating such workplaces.

726
727
728
729
730

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.

731

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.

739

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.

745

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.

749

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.

753

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.

756

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:

761

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

764

(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;

768

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

771

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

773

(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;

774

775

- 776
777 (f) no violence or unreasonable force shall be committed against women, children, senior
778 citizens, persons with disabilities and other identities similarly situated in the course of
779 eviction or demolition;
780
781 (g) non-use of heavy equipment for demolition except for structures that are permanent and of
782 concrete materials;
783
784 (h) proper uniforms for members of the Philippine National Police (PNP) who shall occupy
785 the first line of law enforcement and observe proper disturbance control procedures; and
786
787 (i) adequate relocation, whether temporary or permanent providing, however, that in cases of
788 eviction and demolition pursuant to a court order involving underprivileged and homeless
789 citizens, relocation shall be undertaken by the local government unit concerned and the
790 National Housing Authority (NHA) with the assistance of other government agencies within
791 forty-five (45) days from service of notice of final judgment by the court, after which period
792 the said order shall be executed; provided, further, that should relocation not be possible
793 within the said period, financial assistance in the amount equivalent to the prevailing
794 minimum daily wage multiplied by sixty (60) days shall be extended to the affected families
795 by the local government unit concerned.
796

797 **SECTION 26. Policy on Confiscation of Materials and Impounding of Vehicles.** - In
798 cases where demolition or eviction is warranted, the person who conducts the same shall issue an
799 itemized receipt of all products, goods, and other materials seized from the affected WIE.
800

801 Tricycles, pedicabs, and other modes of transportation shall not be impounded for violations
802 of license, registration, or traffic regulations unless the said vehicles were utilized in the conduct of
803 criminal activities. In cases of mere violation of traffic regulations, a traffic violation ticket shall be
804 issued to the erring driver without impounding his/her vehicle.
805

806 **SECTION 27. Policy on Relocation of Vending Sites.** - Before any public market is closed,
807 sold or demolished, all market vendors shall first be relocated by the LGU to a temporary or new
808 public market. Notice of the intention to close, sell, or demolish any public market shall be made to
809 all concerned vendors at least sixty (60) days before the actual transfer or relocation to another
810 market site. Within the sixty (60) day period after issuance of notice, the LGU shall conduct
811 consultations with affected vendors on the selection of the relocation site and implementation of the
812 relocation.
813

814 Pending the designation of viable vending areas, vendors occupying public places not
815 previously designated as vending sites shall be provided with viable temporary sites by the LGU.
816 Notice of temporary transfer shall be given to the vendors at least fifteen (15) days before the actual
817 transfer. This shall likewise apply to vendors granted with permits but whose workplaces are
818 withdrawn from the list of allowable vending sites. Any change in the list of allowable vending
819 sites shall only be done after consultations with affected vendors.
820

821 In the event that a new public market is constructed in place of an old one, market vendors
822 with stalls displaced from their workplaces shall be given priority in the assignment of stalls in the
823 new market.
824

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

875 or enterprises, including but not limited to: direct and indirect project lending, venture capital,
876 financial leasing, secondary mortgage and/or rediscounting of loan papers to such business
877 activities or enterprises, and crop production financing. Further, the Corporation shall
878 guarantee loans obtained by qualified worker or business activity or enterprise, under such
879 terms and conditions adopted by its Board.

880
881 (d) The Department of Trade and Industry (DTI) shall contribute to enable the development
882 of a business environment that shall include initiatives such as supply chain and market
883 outlets, and schemes to develop Special Credit Windows to upscale informal enterprises.

884
885 (e) The Department of Science and Technology (DOST) shall support technology- related
886 initiatives of workers and enterprises in the informal economy.

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

891
892 **SECTION 32. Inclusivity of Benefits.** - The exemptions and other benefits provided in this
893 Act shall apply for a period of not exceeding ten (10) years from the date of accreditation of such IE
894 worker, business activity, enterprise, or organization.

895
896
897 **Chapter VIII**
898 **Informal Economy Development COUNCIL (IEDC)**

899
900 **SECTION 33. Creation of the Informal Economy Development Council (IEDC).** - There
901 is hereby created an Informal Economy Development Council, hereinafter referred to as the IEDC,
902 which shall be an agency within the Department of Labor and Employment (DOLE). The DOLE
903 shall institute appropriate reforms within its structure, programming and other processes, including
904 adjusting its human resource capabilities to ensure that WIE-focused programs will be efficiently
905 and adequately implemented to address the needs of these workers.

906
907 The IEDC shall be constituted within thirty (30) days after the approval of the IRR of this
908 Act.

909
910 **SECTION 34. Mandate and Functions of IEDC.** -- The mandate and functions of IEDC
911 shall include the following:

912
913 (a) Develop and ensure implementation of a simple system of accreditation for the IE
914 workers, enterprises, and organizations in accordance with the standards and provisions of
915 this Act;

916
917 (b) Provide guidelines for the implementation by LGUs of a fair and credible system of
918 evaluation, accreditation, review and assessment, merit promotion, rendering of grant and
919 incentive awards and other policies relative to the effective and efficient implementation of
920 this Act;

921
922 (c) Develop and ensure implementation of annual, long-term and medium term plans for the
923 informal economy, the last of which should form part of the Philippine Development Plan

924 towards institutionalizing comprehensive, rights-based, gender-responsive and child-friendly
925 programs and policies for the IE;

926
927 (d) Develop and ensure effective implementation of labor standards covering WIE as
928 provided for by this Act;

929
930 (e) Develop and ensure implementation of gender-based monitoring and evaluation
931 mechanisms, efficient and effective programs and policies, and gender-responsiveness of
932 interventions toward harnessing the full potentials of women WIE;

933
934 (f) Coordinate with LGUs for the development and implementation of periodic evaluation of
935 all accredited IE members, enterprises and organizations - taking into account their
936 accomplishments, capabilities and potentials. The results of such evaluation shall be used as
937 basis for accreditation, the grant of awards and incentives, training and retraining;

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

942
943 (h) Ensure effective participation of WIE and their organizations through the establishment
944 of regular consultative mechanisms and processes. Annual national, regional and provincial
945 consultations among the organizations of WIE shall be conducted to determine specific issues
946 and problems affecting specific WIE sub-sectors, and monitor and evaluate implementation of
947 programs and policies.

948
949 (i) Establish and develop a centralized and sex-disaggregated database system to effectively
950 guide policy formulation and implementation relative to the WIE. The databank shall be
951 available for public use and shall include but not limited to the following:

952
953 i.1. Sex-disaggregated statistical profile of WIE based on age, location, type of work, average
954 monthly incomes, work hours, and other relevant statistical information;

955
956 i.2. Sex-disaggregated data on informal enterprises, including capitalization and sources of
957 capital, number and status of workers, average incomes;

958
959 i.3. List and contact information of government and non-government organizations (NGOs)
960 that provide educational, socio-economic, legal, and other services to WIE;

961
962 i.4. Inventory of resolved and pending cases involving activities of WIE;

963
964 i.5. Database on the needs and problems of women and children in the informal economy
965 nationwide aimed at strengthening policies and programs against child labor; and

966
967 i.6. Compilation of international instruments, existing laws and programs affecting the
968 interest and welfare of WIE and information 'on how these workers may use or' avail of such
969 instruments, laws and programs.

970
971 (j) Develop and ensure implementation of a communication plan including massive
972 information dissemination activities targeting WIE, their enterprises and organizations, in the

973 various regions towards a better understanding and appreciation of the benefits this Act may
974 bring them;

975
976 (k) Consistent with Section 2 (h) of this Act, to develop and ensure implementation of a
977 comprehensive plan to eliminate child labor;

978
979 (l) Monitor and coordinate implementation of policies and programs through the Regional
980 IEDC officers;

981
982 (m) Coordinate and harmonize all informal economy-related policies, programs, projects and
983 activities of various government agencies towards greater efficiency and effectiveness;

984
985 (n) Monitor the LGU-generated incomes from informal employment through the LGUs'
986 periodic report submitted to the Council;

987
988 (o) After consultations with WIE organizations, develop and ensure implementation of
989 policies and programs that will address specific needs and ensure rights of WIE subsectors;

990
991 (p) Develop and ensure implementation of accessible and just conflict resolution and
992 adjudication systems and mechanisms to promote dialogue, conciliation, mediation and
993 redress of grievances to protect the rights of WIE; and

994
995 (q) From time to time, call on the participation of any government agency or bureaucracy in
996 its deliberations especially when such agency is directly or indirectly concerned with or
997 affecting the growth and development of the IE.

998
999 **SECTION 35. Composition.** - The Chair of the IEDC shall be the Secretary of Department

1000 of Labor and Employment. IEDC members may elect from among themselves a Vice-Chair to
1001 preside over meetings in the absence of the Chair. The members shall be the following:

- 1002
1003 (a) Secretary of the Department of Trade and Industry (DTI)
1004 (b) Director General of the National Economic and Development Authority (NEDA);
1005 (c) Secretary of Department of Agriculture (DA);
1006 (d) Secretary of Department of Social Welfare and Development (DSWD);
1007 (e) Secretary of the Department of Interior and Local Government (DILG);
1008 (f) Chair of the Commission on Human Rights (CHR);
1009 (g) Lead Convenor of the National Anti-Poverty Commission (NAPC);
1010 (h) Secretary of Department of Transportation and Communication (DOTC);
1011 (i) Chair of the Social Security System (SSS);
1012 (j) Chair of the Philippine Health Insurance Corporation (PhilHealth);
1013 (k) Chair of the Philippine Commission on Women (PCW);
1014 (l) Secretary of the Department of Public Works and Highways (DPWH)
1015 (m) One (1) representative from the private sector at large, a Filipino citizen proven to
1016 have been active in assisting informal economy workers;
1017 (n) One (1) representative each from the League of Cities, League of Municipalities,
1018 League of Provinces and League of Councilors;
1019 (o) The incumbent NAPC Informal Sector Sectoral Representative;
1020 (p) At least 30% of total membership of IEDC shall come from organizations of workers
1021 in the informal economy, as well as People's Organizations (POs), NGOs, and
1022 women's organizations actively working with and for the rights of WIE, provided

1023 that regional and subsectoral representation shall be ensured. Provided further, that
1024 at least 40% of the 30% are women. Guidelines for the selection of non-government
1025 IEDC members, including processes and mechanics shall be determined by the IRR
1026 of this Act.

1027 Representatives from the private sector, NGOs and WIE organizations shall serve as IEDC
1028 members for a term of three (3) years without re-election and shall be subject to terms and
1029 conditions provided for in the IRR.

1030 The private sector, workers in informal economy and women's organizations' representatives
1031 to the IEDA shall be entitled to receive per diem of at least Two Thousand Five Hundred Pesos
1032 (P2, 500.00) per meeting.

1033 **SECTION 36. IEDC Meetings** - The IEDC shall meet once every two (2) months and may
1034 call for special meetings as the need arises; provided, that the frequency of such special meetings
1035 shall not exceed four (4) times annually.

1036 **SECTION 37. Initial IEDC Funds** - Ten million pesos (P10, 000,000.00) shall be allocated
1037 from the Presidential discretionary fund for the initial operating expenses of the IEDC.

1038 **SECTION 38. Executive Committee of the IEDC** - An Executive Committee of nine
1039 members shall be convened. Besides the Chair and Vice-Chair, the following shall be elected by the
1040 IEDA members from among themselves or their duly designated alternate representatives: four (4)
1041 representatives of WIE organizations, one (1) from the different leagues of local officials, one (1)
1042 from the private sector, and one (1) from a national government agency, provided, that at least three
1043 (3) members of the Executive Committee are women.

1044 The Executive Committee shall have the authority to act for and in behalf of IEDC during
1045 intervals of meetings, and only within the specific authority granted by the IEDC.

1046 **SECTION 39. IEDC Secretariat.** The following secretariat functions shall be integrated in
1047 the DOLE secretariat functions:

1048 (a) Prepare and recommend, III coordination with LGUs and other government agencies,
1049 annual, medium-term, and long-term Informal Economy Development Plans for approval of
1050 the IEDC;

1051 (b) Coordinate the preparation of position papers and background materials for discussion or
1052 approval during IEDC and its Executive Committee meetings;

1053 (c) Assist in coordinating and monitoring policies, programs and activities of all government
1054 agencies with respect to the implementation of this Act;

1055 (d) Prepare, collate, and integrate all inputs to the IEDC's yearly report on the status of WIE,
1056 business activities or enterprises in the country, or other matters as directed by IEDA;

1057 (e) Submit periodic reports to IEDC on the progress and accomplishments of its work
1058 programs; and

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1072 (f) Perform other secretariat and administrative functions as authorized by the IEDC or its
1073 Executive Committee.

1075 **SECTION 40. Regional and Provincial IEDC Officers** - The DOLE Regional and
1076 Provincial offices (NEDA Resolution) shall have Regional and Provincial IEDC Officers who shall
1077 be appointed by the IEDC and shall have functions that include: monitoring and coordinating of
1078 IEDC initiatives in the regions and Provinces; evaluation of policies programs for workers in
1079 informal economy; providing technical assistance in the development of local plans and programs;
1080 as well as other administrative functions necessary for the success of IEDC initiatives in their
1081 jurisdiction.

1082 IEDC Regional Officers shall have automatic seats in all Regional Development Councils (RDCs).

1085 **SECTION 41. Rationalization of Programs.** - IEDC shall conduct continuing review of
1086 government programs for the poorest of the poor and the WIE and submit to Congress and the
1087 President of the Philippines a report thereon together with its policy recommendations.

1090 Chapter IX

1091 Workers in Informal Employment Local Development Office (WIELDO)

1093 **SECTION 42. Workers in Informal Employment Local Development Office (WIELDO)**

1094 -The Workers in Informal Employment Local Development Office (WIELDO) shall be established
1095 in every city and municipality to perform functions that shall include but not limited to the
1096 following:

1097 (a) Prepare an overall development plan and work program that will address the needs of the
1098 WIE, prioritizing the poorest and most vulnerable, and incorporate them in their respective
1099 city, municipal, and barangay development plans;

1100 (b) In consultation with WIE organizations in the area, identify specific needs of various IE
1101 sub sectors and recommend appropriate measures to be taken;

1102 (c) Ensure accreditation of WIE, especially those with assets of P150,000 and below, to
1103 facilitate their immediate access to benefits and services;

1104 (d) Monitor, assess and evaluate implementation of the plans and programs as well as the
1105 performance of informal workers, their economic activities and their organizations in the
1106 areas;

1107 (e) Lead in the local implementation of Chapter VI (Security in the Workplace of WIE) of
1108 this Act;

1109 (f) Coordinate with other local offices, private sector and other organizations with existing
1110 programs for WIE towards integration and convergence;

1111 (g) Conduct education and training programs that will: raise their consciousness especially
1112 on but not limited to workers', women's and children's rights; provide new ideas especially to
1113 those with the least assets and formal education; and develop or upgrade technical,
1114 entrepreneurial and leadership skills WIE;

1122
1123 (h) Provide technical support and facilitate access to credit, market, technology, social
1124 protection schemes, and training for WIE;

1125
1126 (i) Train pools of community trainers in business counseling and awareness-raising on
1127 occupational safety and health hazards, risks and social protection;

1128
1129 (j) Support organizing activities among WIE;

1130
1131 (k) Establish sex-disaggregated databank on human resources and skills registry to be used
1132 as tools for LGU planning and budgeting;

1133
1134 (I) Provide offices and other necessary resources to support organizing, advocacy, training
1135 and other activities of local organizations of WIE;

1136
1137 (m) Conduct specialized training such as negotiation skills and conduct of time and motion
1138 studies to determine proper wages;

1139
1140 (n) Provide services, which shall include but not be limited to counseling, conciliation,
1141 mediation, and legal assistance for the furtherance of this Act, prioritizing those with the least
1142 access to justice; and

1143
1144 (o) Ensure that the LGU is capacitated to undertake and implement rights-based and gender-
1145 responsive programs for WIE.

1146
1147 In the performance of WIELDO's functions, the principle of preferential treatment to the
1148 poorest and most vulnerable shall be observed.

1149
1150 **SECTION 43. Composition.** - The Local Chief Executives (LCEs) shall be the primary
1151 overseers of WIELDO's operations. The IRR of this Act shall provide for WIELDO's composition
1152 provided that, informal workers' representatives shall form at least fifty percent (50%) of
1153 WIELDO's decision-making body; Provided further, that IE representatives shall not be less than
1154 five (5), and provided finally, that at least forty percent (40%) of the members of WIELDO's
1155 decision-making body are women. Other relevant guidelines on WIELDO's operations shall be
1156 included in the IRR of this Act.

1157
1158 **SECTION 44. Local Government Unit Informal Economy Development Fund**
1159 **(LGUIEDF)**

1160
1161 An Informal Economy Development Fund shall be established by every municipality and city.
1162 Such fund will be supervised and managed by the concerned LGU through the WIELDO but
1163 subject to audit by the Commission on Audit (COA).

1164
1165 For the establishment and initial operations of WIELDO, each LGU shall allocate at least
1166 three per cent (3%) of their twenty percent (20%) Development Fund from their IRA.

1167
1168 Thereafter, the LGU-IEDF shall be funded using:

1169

- 1170 (a) Accreditation and registration fees and annual dues paid by individual workers in the
1171 informal economy, their livelihood activities, and organizations and associations as provided
1172 for by Sections 6 and 7 of this Act;
- 1174 (b) Shares from the 70% of the at least 10% funds from the Annual General Appropriations
1175 Act as provided for by Chapter VII, Section 29 (a) and (b) of this Act; and
- 1177 (c) Annual allocations from LGUs Development Fund the percentage of which shall be
1178 determined by LOUs.

1180 Following the principle of merit and equity, LGUs that fulfill such allocations may receive
1181 additional assistance from the national government as recommended by IEDC; provided, that they
1182 have formulated their local development plan for WIE.

1184 **SECTION 45. Additional Sources of Funds** - The following may be tapped by LGUs as
1185 additional sources of funds for WIELDO initiatives;

- 1187 (a) at least fifty percent (50%) of fees and annual dues collected from small transport - for
1188 programs for workers in the small transport industry;
- 1190 (b) at least fifty percent (50%) of collected fees and annual dues from business
1191 establishments and entrepreneurs falling under the category of informal sector - for programs
1192 focusing on micro-entrepreneurs and their workers;
- 1194 (c) at least fifty percent (50%) of collected fees and annual dues from small vendors- for
1195 programs focusing on vendors;
- 1197 (d) at least fifty percent (50%) of fees and annual dues collected from marginalized
1198 fisherfolks - for programs focusing on fisherfolk;
- 1200 (e) at least fifty percent (50%) of funds from the Philippine Amusement and Gaming
1201 Corporation (PAGCOR) and Philippine Charity and Sweepstakes Office (PCSO).

1203 **TITLE II**
1204 **EMPLOYMENT OF WORKERS IN INFORMAL ECONOMY**

1206 **Chapter I**
1207 **Requisites for Employment Agreement**

1210 **SECTION 46. Minimum Standards.** - All working arrangements entered into by WIE shall
1211 be in accordance with the minimum applicable labor and social standards as contained in Title II of
1212 this Act.

1214 These standards shall be strictly enforced in informal economic enterprises supplying or
1215 doing outsourcing work for exporters, investors-locators in export processing zones or industrial
1216 parks licensed by the Export Processing Zone, and domestic formal sector manufacturers and
1217 retailers-distributors.

1219 For workers engaged by independent informal economic enterprises, DOLE, in coordination
1220 with IEDA shall audit the capacity of these enterprises to comply with these standards. Those
1221 incapable of meeting the standards shall be assisted to upgrade their capacity to improve their
1222 businesses, as well as the capacity comply with relevant labor and social standards.
1223

1224 **SECTION 47. Provisions of Employment Agreement.** - The employment contract shall be
1225 in written form. However, the absence of a written agreement does not mean the absence of an
1226 employment relationship. As a matter of right, WIE can insist on a written agreement based on
1227 minimum standards.
1228

1229 In cases wherein minors are contracted with, the said negotiated contract shall be signed on
1230 his/her behalf by either parent or legal guardian, with the expressed written consent of the said
1231 minor.
1232

1233 In cases wherein illiterate workers are contracted with, the said contract shall be explained to
1234 the worker concerned and attested to by a representative from the LGU or an elected Barangay
1235 official in the city or municipality where the worker is designated to work.
1236

1237 Each of the contracting parties shall be provided with a full set of the duly signed agreement
1238 which shall include the following basic provisions:
1239

- 1240 (a) working arrangement/mode;
- 1241 (b) period/duration of employment;
- 1242 (c) compensation, which shall not be below the minimum standard, and mode of payment;
- 1243 (d) computation of contributions for social security and medical insurance including or those
1244 who fall under DOLE Department Order No.5;
- 1245 (e) duties and responsibilities;
- 1246 (f) working hours and day-off schedules;
- 1247 (g) living quarters or sleeping arrangements (for live-in workers);
1248
- 1249 (h) the date, term and mode of delivery or date of completion;
1250
- 1251 (i) minimum of twenty percent (20%) down payment for labor cost and services and
1252 minimum of 50% for inventory of raw materials used in the production for homeworkers per
1253 DOLE Order No.5.

1254 Minimum standard compensation referred to above shall be determined by the Regional
1255 Wage Boards per subsector of WIE. In the case of piece rates, this shall be based on the conduct of
1256 time and motion studies facilitated by the DOLE Bureau of Working Conditions. While there are no
1257 standardized rates for workers in informal economy jobs, the basis of computation shall not be
1258 below the applicable minimum wage of the region where they are covered.
1259

1260 Enforcement of the standard compensation rates shall be in accordance with the capability to
1261 comply as explained in Section 40 of this Act.
1262

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

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

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

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,