

EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*First Regular Session* )

Senate Bill No. 328  
Office of the Secretary

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SENATE  
S. B. No. 328

RECEIVED BY *J*

Introduced by Senator SONNY ANGARA

**AN ACT**

**PROVIDING FOR THE MAGNA CARTA OF WORKERS IN INFORMAL ECONOMY, INSTITUTIONALIZING MECHANISMS FOR IMPLEMENTATION THEREOF AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

This bill seeks to provide an integrated, holistic, comprehensive, rights-based, gender- responsive, culturally-sensitive, and democratically policy instrument to empower the poor, marginalized, unprotected and underrepresented workers in informal employment and bring them into the mainstream of the Philippine economy. It is the culmination of persistent advocacy efforts involving informal workers' associations, women's groups, human rights and other civil society organizations stretching for more than a decade.

The informal economy is comprised of a wide variety of activities, enterprises and workers, which include, among others, micro-entrepreneurs, home-based workers, vendors, small transport operators, small and landless farmers, artisanal fisherfolk, non-corporate construction workers, waste pickers and recyclers, petty retailers, barter traders, small-scale miners and quarry workers, entertainers, beauticians, laundry persons, hairdressers, on-call domestic helpers, barangay health workers and other volunteer workers, barkers and unorganized cargo handlers. Most of the working poor, or those who are working but cannot work their way out of poverty because of very low earnings and very high risks, are in the informal economy. Many such workers live in substandard conditions and do not have the means to meet their basic needs.

Moreover, majority of informal workers are not covered by the Labor Code and other legislation that could protect their rights, making them vulnerable to exploitation by unscrupulous employers who make them work long hours and at

very low wages, without benefits and under very poor working conditions. They have limited access to productive resources, justice, social protection, and preventive programs for work-related diseases and risks. These are further aggravated by their apparent underrepresentation in policy-making bodies relevant to their issues.

In view thereof, it is imperative to legislate a Magna Carta for informal workers that will recognize, defend, protect, promote and fulfill their rights through a continuous process of capacity-building and empowerment. This is in consonance with the Constitutional provision on social justice and with the country's adherence to the Universal Declaration of Human Rights (UDHR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the United Nations (UN) Convention on the Elimination of Discrimination of Women (CEDAW), and various International Labour Organization (ILO) conventions upholding core labor standards and decent work.

This Magna Carta shall provide informal workers access to social protection and justice; make them visible in statistics; simplify their accreditation; provide appropriate standards and regulations in their favor; develop and implement meaningful plans, policies and programs that will harness their full potential to become effective and productive economic actors. As embodied in the 2002 ILO document on the informal economy, government has the responsibility to bring informal workers into the economic and social mainstream, reduce their vulnerability and exclusion, ensure that they are covered by the legal and institutional framework, and support their representational rights through their legitimate, accessible, transparent and accountable membership-based organizations.

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



SONNY ANGARA

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PROVIDING FOR THE MAGNA CARTA OF WORKERS IN INFORMAL ECONOMY, INSTITUTIONALIZING MECHANISMS FOR IMPLEMENTATION THEREOF AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1                   **TITLE I**

2                   **GENERAL PROVISIONS**

3                   **Chapter I**

4                   **Framework and Principles**

5       Section. 1. *Short Title.* – This Act shall be known as the "Magna Carta of  
6       Workers in the Informal Economy."

7       Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to:

- 8       (a) Promote a just and dynamic social order that will ensure that the prosperity  
9       and independence of the nation and free the people from poverty through  
10      policies that provide adequate social services, promotes decent and full  
11      employment, a rising standard of living, and an improved quality of life for all;  
12      (b) Protect, promote and fulfil the rights of every worker including the right to  
13      self-organization, just and humane conditions of work, access to social  
14      protection, access to justice, security of/in the workplaces, and the right to  
15      represent their organizations in a continuing process of consultation, in the  
16      context of quadpartism towards maximizing the provision of a comprehensive

- 1 package of reforms, interventions, and services in accordance with their  
2 articulated needs and interests;
- 3 (c) Recognize the role and give proper value to the contributions of workers in  
4 the informal economy and informal economic units, and make them visible in  
5 all relevant national and local statistics;
- 6 (d) Promote gender equity and equality by protecting women workers in the  
7 informal economy against gender-based discrimination, exploitation and  
8 abuse, advancing women's social, economic, political, and reproductive rights,  
9 and improving their access to social protection and  
10 participation/representation in decision-making bodies and processes;
- 11 (e) Establish an integrated and coherent policy at all levels of government of  
12 formalization, inclusive development, and greater responsiveness to the  
13 needs of the workers and enterprises in the informal economy;
- 14 (f) Protect vulnerable workers from among the "Basic Sectors," as defined under  
15 Republic Act No. 8425, and people living with HIV and AIDS, from  
16 discrimination, exploitation, abuse and harassment, as well as from  
17 performing work hazardous to their occupational, physical, mental, emotional,  
18 reproductive and spiritual health;
- 19 (g) Take measures that will ensure legal security of tenure of workers and the  
20 safety and security of their workplaces, taking into account and including the  
21 physical environment, services, processes and systems needed to enable  
22 workers to productively and safely perform their work; and
- 23 (h) Update labor, employment and establishment statistics and align the  
24 segmentation of assets by further segmenting the micro-enterprises to give  
25 preferential treatment to total asset and capital of P150,000.00 pesos and  
26 below as defined under the Social Reform Agenda of 1997 (RA 8425) and  
27 conduct periodic review of them.

28 Sec. 3. *Framework and Principles.* – Article II, Section 9 of the 1987  
29 Constitution declares, "The State shall promote a just and dynamic social order that  
30 will ensure the prosperity and independence of the nation and free the people from  
31 poverty through policies that provide adequate social services, promote full  
32 employment, a rising standard of living, and an improved quality of life for all." It

1 shall give the highest priority to the enactment of measures that protect and  
2 enhance the rights of all people to human dignity; reduce social, economic and  
3 political inequalities; lessen vulnerabilities to risks including those brought about by  
4 environmental degradation and natural disasters, remove cultural inequities by  
5 redistributing wealth and political power for the common good; and to develop an  
6 enabling environment conducive to responsible citizenship. Towards this end, in the  
7 context of social dialogue, the government at all levels shall formulate and  
8 implement coherent and integrated strategies that are rights-based, participatory,  
9 gender-responsive and sustainable. These strategies shall also be in accordance with  
10 the most relevant and empowering provisions of International Labour Organization  
11 (ILO) Recommendation No. 204 concerning the Transition from the Informal to the  
12 Formal:

- 13 (a) Coherence of policies and programs established for the purpose of bringing  
14 vulnerable workers and economic units into the economic and social  
15 mainstream, and spur entrepreneurial or growth-oriented informal businesses  
16 to graduate to formal status;
- 17 (b) Coordination across a broad range of policy areas in facilitating the transition  
18 to the formal economy including pre-employment macro-economic policies  
19 and labor market policies to help low-income households, unemployed  
20 persons and other disadvantaged persons escape poverty and access  
21 employment;
- 22 (c) Structural reforms in all relevant levels of government by creating committees  
23 and special offices for the development and protection of workers in the  
24 informal economy and supporting their representational, entrepreneurial, and  
25 other rights, through their organizations, without being limited to tripartite  
26 structures and particular strategies;
- 27 (d) Accessible, affordable and effective promotion of social security, including  
28 labor market interventions, occupational safety and health, and the extension  
29 of maternity protection to women in the informal economy, social welfare  
30 programs and safety nets, disaster risk reduction and management  
31 mechanisms, and adaptive measures to respond to climate change;

32

- 1       (e) Regulated access for use of public spaces and regulated access to public  
2           natural resources for subsistence livelihoods through policies, programs and  
3           interventions that will ensure the security of workplaces of workers in the  
4           informal economic units, including, among others, the "relocation before  
5           demolition" of vendors and small transport terminals, towards a work  
6           environment that protects their rights and enables them to achieve greater  
7           productivity.
- 8       (f) Minimum and simplified regulations to encourage the development of  
9           ingenuity and entrepreneurial spirit among workers in the informal economy  
10           including property rights;
- 11      (g) Preservation and expansion, during the transition to the formal economy, of  
12           the entrepreneurial potential, dynamism, skills and innovative capacities of  
13           workers and economic units in the informal economy;
- 14      (h) A balanced approach combining incentives with compliance;
- 15      (i) The need to prevent deliberate avoidance of, or exit from, the formal  
16           economy for the purpose of evading taxation or the application of social and  
17           labor laws and regulations;
- 18      (j) Tax reforms based on net income for informal economic units and application  
19           of tax laws or incentives for the informal economy workers currently enjoyed  
20           by the formal labor;
- 21      (k) Social Dialogue mechanisms whereby informal workers' organizations will  
22           participate and be in tripartite consultation in designing, evaluating, and  
23           implementing policies and programs of relevance to the informal economy;
- 24      (l) Support system to expand market for products, access loans for additional  
25           capital requirement and simplify bureaucratic systems and procedures for the  
26           Micro, Small and Medium Enterprises (MSMEs);
- 27      (m) Relaxation of the procurement procedures for the contracting micro-  
28           entrepreneurs of the government;
- 29      (n) Review, amendment and efficient implementation of policies on sub-  
30           contracting such as DOLE Department Order No. 5 on Industrial Homework  
31           and other relevant policies; and
- 32

- 1       (o) A road map of development for both informal economy workers and economic  
2              units shall guide the government in all levels in the context of social dialogue.  
3       (p) After formalization, all laws applicable to formal labor and economic units  
4              shall apply.

5           Sec. 4. *Scope*. – This Act shall apply to all workers and economic units –  
6              including enterprises, entrepreneurs and households – in the informal economy, in  
7              particular:

- 8       (a) those in the informal economy who own and operate economic units,  
9              including:  
10                  – own-account workers;  
11                  – employers; and  
12                  – members of cooperatives and of social and solidarity economy  
13              units;  
14       (b) contributing family workers, irrespective of whether they work in  
15              economic units in the formal or informal economy;  
16       (c) employees holding informal jobs in or for formal enterprises, or in or  
17              for economic units in the informal economy, including but not limited  
18              to those in subcontracting and in supply chains, or as paid domestic  
19              workers employed by households; and  
20       (d) workers in unrecognized or unregulated employment relationships.

21           Sec. 5. *Definition of Terms*. – As used in this Act, the following terms shall  
22              mean:

- 23       (a) *Basic sectors* refer to the disadvantaged sectors of Philippine society, namely:  
24              farmer-peasant, artisanal fisher folk, workers in the formal sector and migrant  
25              workers, workers in the informal sector, indigenous peoples and cultural  
26              communities, women, differently-abled persons, senior citizens, victims of  
27              calamities and disasters, youth and students, children, and urban poor;  
28       (b) *Community Contracting* refers to the process of concluding an agreement  
29              between a *community* and a contracting authority, whereby the community  
30              (or a section thereof) is responsible for the implementation of the work, and  
31              therefore, functions as a contractor;

- 1       (c) *Daily Basis* refers to the per day mode of paying a worker, as bilaterally  
2       agreed upon by the employer and worker;
- 3       (d) *Hazardous Work Conditions* refer to any activity or circumstance where a  
4       worker is *exposed to* any risk which constitutes imminent danger to his or her  
5       health or safety. This includes potential risks of disability, injury, illness or  
6       death due to the presence of biologic agents, radiation, chemicals,  
7       substances, hazardous materials; physical hazards in the work environment;  
8       or the nature of work, processes performed, or equipment used therein;
- 9       (e) *Informal Economy* - based on the ILO Recommendation No. 204 concerning  
10      the Transition from the Informal to the Formal, adopted during the 104<sup>th</sup>  
11      International Labour Conference (ILC) in June, 2015 this refers to "all  
12      economic activities by workers and economic units that are – in law or in  
13      practice – not covered or insufficiently covered by formal arrangements";  
14      (e-1) *Economic Units* in the informal economy include:  
15            – units that employ hired labour;  
16            – units that are owned by individuals working on their own account,  
17            either alone or with the help of contributing family workers; and,  
18            – cooperatives and social and solidarity economy units;  
19            – informal work that may be found across all sectors of the economy,  
20            in both public and private spaces.
- 21       (f) *Informal Economy Workers' Organization* refers to a group or groups of  
22      informal sector workers, whether formally constituted or otherwise, that are  
23      organized with the primary objective of promoting the welfare of workers in  
24      informal economy;
- 25       (g) *Monthly Basis* refers to the per month mode of paying a worker as bilaterally  
26      agreed upon by the employer and worker;
- 27       (h) *Pakyaw Basis* refers to the pre-contracted wholesale mode of paying a worker  
28      as bilaterally agreed upon by the employer and worker;
- 29       (i) *Piece rate* refers to payment of products or services by piece of work or by  
30      service rendered;
- 31       (j) *Security of/in the Workplace* refers to the right of every worker and informal  
32      economic units to an enabling environment that guarantees and protects the

spaces to undertake their work, including the right to feel safe in one's own work space, legal security of tenure and freedom from discrimination, risk, danger, doubt, anxiety, or fear of being removed, evicted or prevented from working;

- (k) *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.

Social protection schemes shall include labor market interventions, social insurance, social welfare, safety nets, disaster risk reduction and management mechanisms, adaptive measures in the context of climate change, affordable housing and other provisions necessary for vulnerable groups to adequately address and manage risks.

- (l) *Working Hours* refer to the period of time within which a worker is required to be on call to perform any and all tasks that may be designated, regardless of whether there are actual tasks being undertaken; and
  - (m) *Volunteer workers of government instrumentalities* refer to workers in government instrumentalities receive allowances or honoraria. These include but are not limited to: barangay health workers (BHW), barangay tanod, barangay nutrition scholars (BNS), barangay daycare workers, enumerators, and among others.

Chapter II

### **Coverage, Registration and Annual Dues**

29 Sec. 6. *Coverage.* – This shall include all those defined in Section 4 of this  
30 Act, Informal Economy (IE) businesses and enterprises, and organizations of  
31 workers in informal economy.

1           Sec. 7. *Registration.* –

2       (a) *Workers.* – There shall be a simple and standard system of registration in  
3     accordance with the framework and principles of this Act. A one-time registration fee  
4     of not more than Fifty pesos (P50.00) per individual worker, shall be paid to the  
5     municipality or city where they reside.

6           Any IE worker registered in the local government provided for in this Act shall  
7     be listed in the centralized database system, and shall be issued an identity card and  
8     a record book that shall list all services and benefits availed of. These signify  
9     eligibility to avail of development programs, provided, that the poorest and the most  
10   vulnerable workers shall be given priority.

11          The concerned LGU shall review, revalidate and reassess such database as a  
12     tool for local planning and for other purpose every two (2) years from the date of  
13     last registration. Renewal of eligibility shall be in accordance with the merit and  
14     fitness principle, and with the conditions that no child labor shall be used and no  
15     activities harmful to the environment shall be implemented.

16       (b) *Informal Economic Unit.* – A comprehensive database of all economic units  
17     shall be *developed* and maintained. Such database shall take into account the  
18     different sub-classifications in terms of asset size, number of workers, social  
19     insurance provided, statutory benefits and wages, industry, geography, premises,  
20     sex, ethnicity, vulnerability, and roles and functions. The database shall also indicate  
21     informal economic units which may be categorized as livelihood enterprises and  
22     entrepreneurial or growth oriented informal businesses. Further, the database shall  
23     include information on payments collected from IE workers, Workers in the Informal  
24     Economy (WIE) organizations and economic units. The Barangay Micro Business  
25     Enterprise (BMBE) Registry, in general, shall include these informal economic units.

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

28          All local government units shall formulate a uniform and simple checklist of  
29     requirements for registration, and establish an IE One-Stop Shop Center which shall  
30     handle all transactions and processing of business permit applications within their  
31     respective jurisdiction and worker's registration. The Center shall ensure that  
32     processing of the business permit of the informal economic units shall be expedited

1 within one day. The P150,000.00 asset size shall be given an affordable business  
2 registration (Mayor's Permit) of P500.00 renewable annually until two (3) years of  
3 operation after which, shall be subject to the regular business permit requirements  
4 of the local government. The BIR shall also exempt from sales tax for the same  
5 period of three (3) years the said asset size of economic unit renewable annually.

6 (c) *Informal Economy Organizations/Associations.* – IEO/A shall register or  
7 accredit with the Department of Labor and Employment (DOLE).

Sec. 8. *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 30% of the prescribed daily minimum wage as determined by the Regional Tripartite Wages and Productivity Board (RTWPB) in their respective regions or provinces.

15 These annual dues shall accrue to the respective LGU where they are  
16 accredited. The accumulated funds from these dues shall be used for programs to  
17 benefit IE workers and organizations/associations, business activities, enterprises  
18 and organizations, as recommended by the WIELDO. Such programs and  
19 disbursement of funds shall be approved by the concerned LGU Council in  
20 consultation with the local informal economy constituents.

Chapter III

## **RIGHTS AND BENEFITS**

23 Sec. 9. Workers in the informal economy shall have the same basic rights  
24 accorded to all workers, as enshrined in the Philippine Constitution, the Labor Code,  
25 as amended, and relevant international human rights instruments and labor  
26 Conventions. These include, but are not limited to the rights to:

- 27 (a) Work, which includes the rights to: security of/in the workplace; make a living  
28 by work freely chosen or accepted; and avail of technical and vocational  
29 guidance and training programs;

30 (b) Enjoyment of just and favorable conditions of work;

- (c) A living wage and equal remuneration for work of equal value without distinction of any kind, in particular for women who shall be guaranteed equal wages for work similar or equivalent to those done by men;
  - (d) Equal opportunity for promotion, subject to no other considerations than seniority and competence;
  - (e) Safe and healthy working conditions safeguarding general, occupational and reproductive health;
  - (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, adequate 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

1 protection of their rights and welfare through organizations that truly  
2 represent the sector;

- 3 (p) Equal access to justice though appropriate mechanisms, including, but not  
4 limited to, alternative dispute resolution processes; and  
5 (q) Access to public procurement including advice and reserving quotas for  
6 informal economic units.

7 Sec. 10. Own-account workers as well as informal economic units, being the  
8 working poor's primary instruments to address and overcome poverty, shall be  
9 accorded the following preferential rights by the State:

- 10 (a) Infrastructure support such as farm to market roads, common, affordable and  
11 secure workplaces and facilities, merchandising centers, farmers' markets or  
12 a *Bagsakan* with proper storage facilities, and inventory bulk-buying centers;  
13 (b) Policy support to promote and protect local and domestically-produced  
14 products and services;  
15 (c) Access to markets, including capacity-building to access E-marketing facilities;  
16 (d) Access to affordable, appropriate and adequate financial services, including,  
17 among others, collateral-free and gender-balanced credit at low interest;  
18 (e) Access to appropriate and adequate machinery, equipment, and other  
19 technologies, with the end in view of increasing productivity and growth;  
20 (f) Protection from unjust dislocation from places where economic activities  
21 are conducted with the "provision of relocation before demolition policies".  
22 (g) Measures against racketeering, extortion, and harassment, by both State and  
23 non-State elements;  
24 (h) Fiscal relief, including among others exemption from taxes, fees and other  
25 assessments, to be put into place by concerned national agencies and local  
26 government units sixty (60) days after the effectivity of this Act;  
27 (i) Common workplaces, common technology facilities, adequate and affordable  
28 marketing facilities such as economic freedom parks, merchandising centers,  
29 and inventory bulk-buying centers;  
30 (j) Freedom from deprivation of property without valid cause and due process of  
31 law; and,  
32 (k) Affordable and customized social security and insurance programs.

1           Sec. 11. Organizations of workers in informal employment, including unions,  
2 cooperatives, social and solidarity economic units/organizations and mutual benefit  
3 associations, shall have the right to:

- 4           (a) Freely function and act as the representatives of their members in policy and  
5 decision-making processes, collective negotiations, and other similar bodies  
6 and processes in the context of tripartism and multi-sector;
- 7           (b) Establish national federations or confederations and to protect the right of the  
8 latter to form or join local unions and international trade-union organizations;
- 9           (c) Access information from concerned government institutions and other parties  
10 that are pertinent to the protection and promotion of the rights and welfare of  
11 their members;
- 12          (d) Own property, real or personal, for the use and benefit of their organizations  
13 and members;
- 14          (e) Sue and be sued under their registered names;
- 15          (f) Undertake all other activities, not contrary to law, designed to benefit their  
16 organizations and members; and
- 17          (g) Be accorded preferential option in the awarding of contracts for the  
18 undertaking of national and local projects funded by either the National or  
19 local government units including foreign-assisted projects. Guidelines for this  
20 shall be included in the Implementing Rules and Regulations of this Act.

21           Notwithstanding any provision of a general or special law to the contrary, the  
22 income and properties of legitimate workers' organizations, including grants,  
23 endowments, gifts, donations and contributions they may receive from fraternal and  
24 similar organizations, local or foreign, which are actually, directly and exclusively  
25 used for their lawful purposes, shall be free from taxes, duties and other  
26 assessments. The exemptions provided herein may be withdrawn only by a special  
27 law expressly repealing this provision.

28           Sec. 12. *Organizing Workers in Informal Economy.* – WIE shall be encouraged  
29 to organize themselves for their mutual benefit and protection, and for other  
30 legitimate purposes. Toward this end, the State shall encourage and assist these  
31 workers in the formation of their self-help organizations, associations, federations,  
32 and confederations.

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

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

7 Sec. 13. Assistance to Organizations of Workers in the Informal Economy. –  
8 All concerned national government agencies, government financial institutions and  
9 local government units shall include in their plans, programs, projects and activities  
10 efforts that will support and address concerns of organizations of WIE.

11 Sec. 14. *Monitoring of Growth.* – The local government units (LGUs) shall  
12 supervise the Workers in Informal Economy Local Development Office (WIELDO) as  
13 created by Chapter IX of this Act, and monitor the growth of informal employment  
14 business activities or enterprises, three (3) years after the enactment of this Act,  
15 and every three (3) years thereafter. The centralized database referred to in Section  
16 7 shall be the basis of this monitoring.

Chapter IV

## **Prohibited Acts Concerning Engagement of Workers in the Informal Economy**

20 Sec. 15. *Prohibition Against Recruitment or Finders' Fees.* – Regardless of  
21 whether the worker was sourced either through an employment agency or a third  
22 party, WIE shall neither be charged nor levied a recruitment fee or finders' fee by  
23 the aforementioned employment agency or third party.

24 Sec. 16. *Prohibition Against Hazardous Work and Conditions.* – Workers shall  
25 not be engaged to do hazardous work, activity or undertaking, or be exposed to  
26 hazardous working conditions.

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

- 29 (a) Any work which requires workers to render services beyond eight (8) hours  
30 without commensurate compensation;

- 1       (b) Any work or activity which exposes the worker to physical, emotional or  
2           sexual abuse or threat of such abuse;
- 3       (c) Any work which involves manual handling or transport of heavy loads;
- 4       (d) Any work in an unhealthy environment which exposes workers to hazardous  
5           substances, agents or processes, or to temperature, noise levels, or vibrations  
6           damaging or potentially damaging to their health;
- 7       (e) Any work which requires workers to continuously render service during late  
8           nights;
- 9       (f) Any and all forms of slavery or practices similar to slavery, such as the sale  
10           and trafficking of persons, forced or compulsory labor, debt bondage and  
11           serfdom;
- 12       (g) Any use, procuring or offering of the worker for prostitution or pornography;
- 13       (h) Any use, procuring or offering of the worker for the commission of any  
14           offense or crime, particularly for the production, trafficking, or sale of narcotic  
15           drugs and substances as defined in the Dangerous Drugs Act;
- 16       (i) Any other type of work or activity which, by its nature or the circumstances in  
17           which it is carried out, is likely to jeopardize the health, safety, or morals of  
18           the workers; and
- 19       (j) Any other type of work, activity, condition or undertaking that maybe  
20           hereinafter be defined as hazardous by the Department of Labor and  
21           Employment.

22           *Sec. 17. Prohibition Against Interference and Coercion.* – Any person is  
23           prohibited from committing any of the following acts of interference and coercion:

- 24       (a) Preventing any worker from upholding or exercising his/her rights;
- 25       (b) Preventing any worker from joining or assisting organizations for purposes  
26           not contrary to law;
- 27       (c) Preventing any worker from carrying out his/her duties or functions in an  
28           organization, or to penalize the same for any lawful action performed in that  
29           capacity;
- 30       (d) Harassing, threatening, coercing or intimidating any worker that result in  
31           preventing him or her from performing his or her duties and functions;

32

- 1       (e) Transferring, penalizing or terminating the services of a worker without valid  
2                  or legal ground; and
  - 3       (f) Other acts calculated to diminish the independence and freedom of workers'  
4                  organization to direct its own affairs.

Chapter V

## SOCIAL PROTECTION

7 Social protection as defined in Section 5 of this Act shall have the components  
8 enumerated and discussed in this chapter.

9            Sec. 18. *Labor Market Programs.* – The State shall provide adequate  
10 resources to sustain labor market programs following decent work standards,  
11 including emergency and guaranteed employment schemes, to ensure livelihood  
12 security and prevent or mitigate the effects of sudden loss of income in the context  
13 of sustainable development and developing local economies in both rural and urban  
14 areas.

15 The State shall ensure that these schemes are labor-intensive,  
16 developmental, sustainable, and engage women, men, the youth, and older people  
17 in building infrastructure, socialized housing, social forestry focusing on the planting  
18 of traditional trees, organic farming, and food production programs.

19       LGUs shall encourage and provide incentives to constituents who want to  
20 engage or are engaged in sustainable and/or organic farming. All idle private or  
21 public lands within their jurisdiction shall be cultivated or planted with organic food  
22 crops like corn, root crops or vegetables. If applicable, LGUs must allocate a portion  
23 of their local funds for mangrove reforestation and prohibit conversion of any  
24 mangrove forest to residential, commercial or industrial use.

25 In pursuit of decent work, the State in all its labor market programs, shall  
26 adopt a comprehensive framework and plan on occupational safety and health that  
27 covers all workers, formal and informal, and implemented at both national and local  
28 levels.

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

1       The State through LGUs shall promote community contracting to give  
2 preference to WIE and their organizations in accessing employment opportunities  
3 and related benefits.

4           Sec. 19. *Social Security*. – In the interest of equity, the State shall endeavor  
5 to extend social security protection to all workers and their beneficiaries against the  
6 hazards of disability, sickness, maternity, old age, death, unemployment, and other  
7 contingencies resulting in loss of income or financial burdens. The State also,  
8 recognizing the intermittent nature of job and income in the informal economy, shall  
9 subsidize the contributions of the workers in the informal economy.

10          The Social Security System (SSS) shall ensure coverage for all workers,  
11 particularly the working poor belonging to the informal economy. The SSS, in  
12 consultation with informal workers' organizations, shall customize products and  
13 services for them that are accessible and affordable. In the interest of equity, the  
14 State shall cover what should have been the employers' share for contributions of  
15 informal workers, had they been formally employed.

16          The SSS shall develop schemes involving government subsidies and  
17 sponsorship programs to assist those who cannot afford to enroll and sustain their  
18 membership.

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

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

30          The SSS in cooperation with other relevant national agencies and LGUs, shall  
31 support indigenous and community-based social protection schemes which  
32 complements other needs in times of risks such as *damayan, tulungan, saranay,*

1 small mutual benefit associations, and micro-finance organizations initiated or  
2 participated in by WIE so that these can be sustained, systematized and up-scaled.

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

8 Sec. 20. *Social Security for Volunteers of Government Instrumentalities.* –  
9 Volunteer workers of government instrumentalities as defined in Sec. 5 of this Act,  
10 shall be covered by the Government Service Insurance System (GSIS) and be  
11 entitled to at least a minimum package of customized products, services and  
12 benefits to be designed with their participation and with adequate government  
13 subsidy.

14 Sec. 21. *Universal Health Care.* –The Philippine Health Insurance Corporation  
15 (PhilHealth) shall ensure and substantiate universal, actual, active, and up to date  
16 coverage of workers in the informal economy, through the effective implementation  
17 of Republic Act No. 11223, or the Universal Healthcare Law, which mandates the  
18 coverage of every Filipino citizen to the National Health Insurance Program (NHIP).

19 In compliance with Republic Act No. 11223, PhilHealth shall ensure the  
20 provision of a minimum benefit package which shall be periodically upgraded to  
21 meet the goal of universal coverage which is affordable, accessible and appropriate  
22 to the needs of all.

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

26 These shall include the provision of service by duly-accredited and  
27 adequately-furnished health facilities, with appropriately-educated and rationally-  
28 compensated health personnel, to underserved areas up to the barangay level.

29 Sec. 22. The State shall encourage provision of and access to affordable  
30 quality childcare and other care services in order to promote gender equality in  
31 entrepreneurship and employment opportunities and to enable the transition to  
32 formal economy.

1 Sec. 23. The State shall sustain, enhance, and institutionalize the Social  
2 Protection Floor initiative through convergence of the resources of various agencies  
3 so that it can provide continuous social security and health insurance subsidies to  
4 vulnerable and other informal workers as well as initiate programs for the  
5 unemployed, children, and older persons based on applicable and ever improving  
6 standards.

CHAPTER VI

## **Security in the Workplace of Workers in Informal Employment**

9 Security in the workplace as defined in Section 5 of this Act shall involve the  
10 following:

Sec. 24. *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.

Should 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.

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

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

30 Sec. 25. *Protection of Agricultural Lands and their Occupants.* – The LGUs, in  
31 coordination with the Department of Agrarian Reform (DAR) shall protect all  
32 agricultural lands from conversion or reclassification to non-agricultural uses. Special

1 Economic Zones Sites, Tourist Sites or Socialized Housing Sites shall not be allowed  
2 in irrigated and irrigable lands.

3 The LGUs shall include in their Comprehensive Land Use Plan (CLUP) all the  
4 agricultural lands as protected zones.

5 The LGUs shall make an inventory of all agricultural lands under leasehold  
6 and shall enforce the security of tenure of tenants, right of redemption and right of  
7 first refusal on the subject land. The LGUs shall provide assistance and protection to  
8 tenants in agricultural lands whose landowners violate the provisions of R.A. No.  
9 3844 or the Agricultural Land Reform Code. Tenants shall not be evicted based on  
10 unilateral termination of the tenancy relationship by landowners.

11 Sec. 26. *Use of Municipal Waters, Beach Fronts, and Foreshore Areas.* –  
12 Municipal waters shall be used exclusively by marginalized fisher-folk and allied  
13 workers. They shall be given priority in the granting of permits and licenses for the  
14 establishment of fish pens, fish corrals, fish traps, shellfish culture or similar  
15 structures for culture of marine products within the municipal waters.

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

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

23 The consent of the affected fisher-folk shall be required before an area is  
24 declared a marine protected area or a fish sanctuary by the national or local  
25 government unit.

26 Sec. 27. *Policy on Eviction and Demolition.* – WIE shall not be evicted from  
27 their homes and workplaces without legal ground as provided for R.A. No. 7279,  
28 otherwise known as the "Urban Development and Housing Act of 1992". In cases  
29 where eviction or demolition is warranted under Section 28 of R.A. No. 7279, the  
30 same shall be conducted upon compliance of the following:

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

- 1       (b) Adequate consultations on the matter of resettlement with the duly  
2              designated representatives of the families to be resettled and the affected  
3              communities in the areas where they are to be relocated;
- 4       (c) Presence of local government officials or their representatives during eviction  
5              or demolition;
- 6       (d) Proper identification of all persons taking part in the demolition;
- 7       (e) Execution of eviction or demolition only during regular office hours from  
8              Mondays to Fridays and during good weather, unless the affected families  
9              consent otherwise;
- 10      (f) No violence or unreasonable force shall be committed against women,  
11              children, senior citizens, persons with disabilities and other identities similarly  
12              situated in the course of eviction or demolition.
- 13      (g) Non-use of heavy equipment for demolition except for structures that are  
14              permanent and of concrete materials;
- 15      (h) Proper uniforms for members of the Philippine National Police (PNP) who shall  
16              occupy the first line of law enforcement and observe proper disturbance  
17              control procedures; and
- 18      (i) Adequate relocation, whether temporary or permanent; provided, however,  
19              that in cases of eviction and demolition pursuant to a court order involving  
20              underprivileged and homeless citizens, relocation shall be undertaken by the  
21              local government unit concerned and the National Housing Authority (NHA)  
22              with the assistance of other government agencies within forty-five (45) days  
23              from service of notice of final judgment by the court, after which period the  
24              said order shall be executed; provided, further, that should relocation not be  
25              possible within the said period, financial assistance in the amount equivalent  
26              to the prevailing minimum daily wage multiplied by sixty (60) days shall be  
27              extended to the affected families by the local government unit concerned.

28      *Sec. 28. Policy on Confiscation of Materials and Impounding of Vehicles.* – In  
29      cases where demolition or eviction is warranted, the person who conducts the same  
30      shall issue an itemized receipt of all products, goods, and other materials seized  
31      from the affected WIE.

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

6            Sec. 29. *Policy on Relocation of Vending Sites.* – Before any public market is  
7 closed, sold or demolished, all market vendors shall first be relocated by the LGU to  
8 a temporary or new public market. Notice of the intention to close, sell, or demolish  
9 any public market shall be made to all concerned vendors at least sixty (60) days  
10 before the actual transfer or relocation to another market site. Within the sixty (60)-  
11 day period after issuance of notice, the LGU shall conduct consultations with  
12 affected vendors on the selection of the relocation site and implementation of the  
13 relocation.

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

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

24           Sec. 30. *Policy on Relocation of Terminals.* – Designated terminals for  
25 tricycles and *pedicabs* shall not be arbitrarily relocated without prior notice and  
26 consultation with small transport groups, affected community and other relevant  
27 sectors. Provided, that relocation of terminals can only be effected through an  
28 Ordinance. Provided further, that after the enactment of such ordinance, notice of  
29 intention to relocate terminals shall be made to all small transport groups and  
30 affected community at least sixty (60) days before the actual relocation.

31

## Chapter VII

### **Special Allocations of Development Initiatives**

Sec. 31. *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.

Sec. 32. *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. No. 7882;
- (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; and

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

*Sec. 33. 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.

*Sec. 34. 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)

*Sec. 35. 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

1 capabilities to ensure that WIE-focused programs are efficiently and adequately  
2 implemented to address the needs of these workers. Likewise, an inter-agency  
3 committee shall be formed to coordinate policies and programs of various  
4 government agencies towards the transition of informal economic units to formal.

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

7 Sec. 36. *Mandate and Functions of IEDC.* – The mandate and functions of  
8 IEDC shall include the following:

- 9 (a) Develop and ensure implementation of a simple system of registration  
10 accreditation for the IE workers, enterprises, and organizations in accordance  
11 with the standards and provisions of this Act;
- 12 (b) Provide guidelines for the implementation by LGUs of a fair and credible  
13 system of evaluation, accreditation, review and assessment, merit promotion,  
14 rendering of grant and incentive awards and other policies relative to the  
15 effective and efficient implementation of this Act;
- 16 (c) Develop and ensure implementation of annual, long-term and medium term  
17 plans for the informal economy, the last of which should form part of the  
18 Medium Term Philippine Development Plans (MTPDP) towards  
19 institutionalizing comprehensive, rights-based, gender-responsive and child-  
20 friendly programs and policies for the IE;
- 21 (d) Develop and ensure effective implementation of labor standards covering WIE  
22 as provided for by this Act;
- 23 (e) Develop and ensure implementation of gender-based monitoring and  
24 evaluation mechanisms, efficient and effective programs and policies, and  
25 gender-responsiveness of interventions toward harnessing the full potentials  
26 of women WIE;
- 27 (f) Coordinate with LGUs for the development and implementation of periodic  
28 evaluation of all accredited IE members, enterprises and organizations –  
29 taking into account their accomplishments, capabilities and potentials. The  
30 results of such evaluation shall be used as bases for accreditation, the grant  
31 of awards and incentives, training and retraining;

- 1       (g) Establish a performance appraisal system for all accredited workers,  
2           enterprises and organizations in the informal economy which shall be the  
3           basis for granting or renewal of incentives, rewards and recognition, training  
4           and development, including adequate mechanisms to ensure their active  
5           participation and involvement;
- 6       (h) Ensure effective participation of WIE and their organizations through the  
7           establishment of regular consultative mechanisms and processes. Annual  
8           national, regional and provincial consultations among the organizations of  
9           WIE shall be conducted to determine specific issues and problems affecting  
10          specific WIE sub-sectors, and monitor and evaluate implementation of  
11          programs and policies;
- 12      (i) Establish and develop a centralized and sex-disaggregated database system  
13           to effectively guide policy formulation and implementation relative to the WIE.  
14           The databank shall be available for public use and shall include but not  
15           limited to the following: statistical profile of WIE based on age, location, type  
16           of work, average monthly incomes, work hours, and other relevant statistical  
17           information; data on informal enterprises, including capitalization and sources  
18           of capital, number and status of workers, average incomes; List and contact  
19           information of government and non-government organizations (NGOs) that  
20           provide educational, socio-economic, legal, and other services to WIE;  
21           Inventory of resolved and pending cases involving activities of WIE; Database  
22           on the needs and problems of women and children in the informal economy  
23           nationwide aimed at strengthening policies and programs against child labor;  
24           and Compilation of international instruments, existing laws and programs  
25           affecting the interest and welfare of WIE and information on how these  
26           workers may use or avail of such instruments, laws and programs;
- 27      (j) Develop and ensure implementation of a communication plan including  
28           massive information dissemination activities targeting WIE, their enterprises  
29           and organizations, in the various regions towards a better understanding and  
30           appreciation of the benefits this Act may bring them;
- 31

- 1       (k) Consistent with Section 2 (h) of this Act, to develop and ensure  
2              implementation of a comprehensive plan to eliminate child labor;
- 3       (l) Monitor and coordinate implementation of policies and programs through the  
4              Regional IEDC officers;
- 5       (m) Coordinate and harmonize all informal economy-related policies, programs,  
6              projects and activities of various government agencies towards greater  
7              efficiency and effectiveness;
- 8       (n) Monitor the LGU-generated incomes from informal employment through the  
9              LGUs' periodic report submitted to the Council;
- 10      (o) After consultations with WIE organizations, develop and ensure  
11              implementation of policies and programs that will address specific needs and  
12              ensure rights of WIE subsectors;
- 13      (p) Develop and ensure implementation of accessible and just conflict resolution  
14              and adjudication systems and mechanisms to promote dialogue, conciliation,  
15              mediation and redress of grievances to protect the rights of WIE; and
- 16      (q) From time to time, call on the participation of any government agency or  
17              bureaucracy in its deliberations especially when such agency is directly or  
18              indirectly concerned with or affecting the growth and development of the IE.

19              Sec. 37. *Composition.* – The Chair of the IEDC shall be the Secretary of  
20              Department of Labor and Employment. IEDC members may elect from among  
21              themselves a Vice-Chair to preside over meetings in the absence of the Chair. The  
22              members shall be the following:

- 23      (a) Secretary of the Department of Trade and Industry (DTI)
- 24      (b) Director General of the National Economic and Development Authority  
25              (NEDA);
- 26      (c) Secretary of the Department of Agriculture (DA);
- 27      (d) Secretary of the Department of Social Welfare and Development (DSWD);
- 28      (e) Secretary of the Department of Interior and Local Government (DILG);
- 29      (f) Chairperson of the Commission on Human Rights (CHR);
- 30      (g) Lead Convener of the National Anti-Poverty Commission (NAPC);
- 31      (h) Secretary of the Department of Transportation (DOTr);
- 32      (i) Chairperson of the Social Security System (SSS);

- 1       (j) Chairperson of Philippine Health Insurance Corporation (PhilHealth);  
2       (k) Chairperson of the Philippine Commission on Women (PCW);  
3       (l) Secretary of the Department of Public Works and Highways (DPWH);  
4       (m) One (1) representative from the private sector;  
5       (n) One (1) representative each from the League of Cities, League of  
6                   Municipalities, League of Provinces and League of Councilors;  
7       (o) The incumbent NAPC Informal Sector Sectoral Representative;  
8       (p) At least 30% of total membership of IEDC shall come from organizations of  
9                   workers in the informal economy accredited with DOLE and DA. Guidelines for  
10                  the selection of non-government IEDC members, including processes and  
11                  mechanics shall be determined by the IRR of this Act. *Provided, further,* That  
12                  at least 40 percent of the 30 percent are women.

13                  Representatives from the Social Partners, private sector, NGOS and WIE  
14                  organizations shall serve as IEDC members for a term of three (3) years without re-  
15                  election and shall be subject to terms and conditions provided for by the IRR.

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

19                  Sec. 38. *IEDC Meetings.* – The IEDC shall meet once every two (2) months  
20                  and may call for special meetings as the need arises; provided, that the frequency of  
21                  such special meetings shall not exceed four (4) times annually.

22                  Sec. 39. *Initial IEDC Funds.* – Ten million pesos (P10, 000,000.00) shall be  
23                  allocated from the Presidential discretionary fund for the initial operating expenses  
24                  of the IEDC.

25                  Sec. 40. *Executive Committee of the IEDC.* – An Executive Committee of nine  
26                  (9) members shall be convened. Besides the Chair and Vice-Chair, the following shall  
27                  be elected by the IEDA members from among themselves or their duly designated  
28                  alternate representatives: four (4) representatives of WIE organizations, one (1)  
29                  from the different leagues of local officials, one (1) from the private sector, and one  
30                  (1) from a national government agency, provided, that at least three (3) members of  
31                  the Executive Committee are women.

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

4           Sec. 41. *IEDC Secretariat.* – The following secretariat functions shall be  
5 integrated in the DOLE secretariat functions:

- 6           (a) Prepare and recommend, in coordination with LGUs and other government  
7           agencies, annual, medium-term, and long-term Informal Economy  
8           Development Plans for approval of the IEDC;
- 9           (b) Coordinate the preparation of position papers and background materials for  
10           discussion or approval during IEDC and its Executive Committee meetings;
- 11           (c) Assist in coordinating and monitoring policies, programs and activities of all  
12           government agencies with respect to the implementation of this Act;
- 13           (d) Prepare, collate, and integrate all inputs to the IEDC's yearly report on the  
14           status of WIE, business activities or enterprises in the country, or other  
15           matters as directed by IEDA;
- 16           (e) Submit periodic reports to IEDC on the progress and accomplishments of its  
17           work programs; and
- 18           (f) Perform other secretariat and administrative functions as authorized by the  
19           IEDC or its Executive Committee.

20           Sec. 42. *Regional and Provincial IEDC Officers.* – The DOLE Regional and  
21           Provincial offices (NEDA Resolution) shall have Regional and Provincial IEDC Officers  
22           who shall be appointed by the IEDC and shall have functions that include:  
23           monitoring and coordinating of IEDC initiatives in the regions and Provinces;  
24           evaluation of policies programs for workers in informal economy; providing technical  
25           assistance in the development of local plans and programs; as well as other  
26           administrative functions necessary for the success of IEDC initiatives in their  
27           jurisdiction.

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

30           Sec. 43. *Rationalization of Programs.* – IEDC shall conduct continuing review  
31           of government programs for the poorest of the poor and the WIE and submit to

1 Congress and the President of the Philippines a report thereon together with its  
2 policy recommendations.

### 3                   **Chapter IX**

#### 4                   **Workers in Informal Employment Local Development Office (WIELDO)**

5                   *Sec. 44. Workers in Informal Employment Local Development Office.* – The  
6 Workers in Informal Employment Local Development Office (WIELDO) shall be  
7 established in every city and municipality to perform functions that shall include but  
8 not limited to the following:

- 9                   (a) Prepare an overall development plan and work program that will address the  
10                 needs of the WIE, prioritizing the poorest and most vulnerable, and  
11                 incorporate them in their respective city, municipal, and barangay  
12                 development plans;
- 13                   (b) In consultation with WIE organizations in the area, identify specific needs of  
14                 various IE subsectors and recommend appropriate measures to be taken;
- 15                   (c) Ensure accreditation and registration of WIE, especially those with assets of  
16                 P150,000 and below, to facilitate their immediate access to benefits and  
17                 services;
- 18                   (d) Monitor, assess and evaluate implementation of the plans and programs as  
19                 well as the performance of informal workers, their economic activities and  
20                 their organizations in the areas;
- 21                   (e) Lead in the local implementation of Chapter VI (Security in the Workplace of  
22                 WIE) of this Act;
- 23                   (f) Coordinate with other local offices, private sector and other organizations with  
24                 existing programs for WIE towards integration and convergence;
- 25                   (g) Conduct education and training programs that will: raise their consciousness  
26                 especially on but not limited to workers', women's and children's rights;  
27                 provide new ideas especially to those with the least assets and formal  
28                 education; and develop or upgrade technical, entrepreneurial and leadership  
29                 skills WIE;
- 30                   (h) Provide technical support and facilitate access to credit, market, technology,  
31                 social protection schemes, and training for WIE;

- 1       (i) Train pools of community trainers in business counseling and awareness-
- 2                  raising on occupational safety and health hazards, risks and social protection;
- 3       (j) Support organizing activities among WIE;
- 4       (k) Establish sex-disaggregated databank on human resources and skills registry
- 5                  to be used as tools for LGU planning and budgeting;
- 6       (l) Provide offices and other necessary resources to support organizing,
- 7                  advocacy, training and other activities of local organizations of WIE;
- 8       (m) Conduct specialized training such as negotiation skills and conduct of time
- 9                  and motion studies to determine proper wages;
- 10      (n) Provide services, which shall include but not be limited to counseling,
- 11                  conciliation, mediation, and legal assistance for the furtherance of this Act,
- 12                  prioritizing those with the least access to justice; and
- 13      (o) Ensure that the LGU is capacitated to undertake and implement rights-based
- 14                  and gender-responsive programs for WIE.

15                  The local government shall encourage organization of economic units and set  
16                  respective rules and regulations towards smooth interventions to support MSME  
17                  informal enterprise development towards transitioning to formality.

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

20                  Sec. 45. *Composition.* – The Local Chief Executives (LCEs) shall be the  
21                  primary overseers of WIELDO's operations. The IRR of this Act shall provide for  
22                  WIELDO's composition provided that, informal workers' representatives shall form at  
23                  least fifty percent (50%) of WIELDO's membership. Provided further, that IE  
24                  representatives shall not be less than five (5), and provided finally, that at least forty  
25                  percent (40%) of all WIELDO's members are women. Other relevant guidelines on  
26                  WIELDO's operations shall be included in the IRR of this Act.

27                  Sec. 46. *Local Government Unit Informal Economy Development Fund (LGU-*  
28                  *IEDF).* – An Informal Economy Development Fund shall be established by every  
29                  municipality and city. Such fund will be supervised and managed by the concerned  
30                  LGU through the WIELDO but subject to audit by the Commission on Audit (COA).

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

4           Thereafter, the LGU-IEDF shall be funded using:

- 5       (a) Registration fees and annual dues paid by individual workers in the informal  
6           economy, their livelihood activities, and organizations and associations as  
7           provided for by Sections 6 and 7 of this Act;
- 8       (b) Shares from the 70% of the at least 10% funds from the Annual General  
9           Appropriations Act as provided for by Chapter VII, Section 32 (a) and (b) of  
10          this Act; and
- 11      (c) Annual allocations from LGUs Development Fund the percentage of which  
12          shall be determined by LGUs.

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

16           *Sec. 47. Additional Sources of Funds.* – The following may tapped by LGUs as  
17          additional sources of funds for WIELDO initiatives:

- 18       (a) at least fifty percent (50%) of fees and annual dues collected from small  
19           transport – for programs for workers in the small transport industry;
- 20       (b) at least fifty percent (50%) of collected fees and annual dues from business  
21           establishments and entrepreneurs falling under the category of informal  
22           sector – for programs focusing on micro-entrepreneurs and their workers;
- 23       (c) at least fifty percent (50%) of collected fees and annual dues from small  
24           vendors – for programs focusing on vendors;
- 25       (d) at least fifty percent (50%) of fees and annual dues collected from  
26           marginalized fisherfolks – for programs focusing on fisherfolk; and
- 27       (e) at least ten percent (10%) of funds from the Philippine Amusement and  
28           Gaming Corporation (PAGCOR) and Philippine Charity and Sweepstakes Office  
29           (PCS)

**TITLE II**  
**EMPLOYMENT OF WORKERS IN INFORMAL ECONOMY**  
**Chapter I**  
**Requisites for Employment Agreement**

## **Requisites for Employment Agreement**

5 Sec. 48. *Minimum Standards.* – All working arrangements entered into by WIE  
6 shall be in accordance with the minimum applicable labor and social standards as  
7 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.

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

17        Sec. 49. *Provisions of Employment Agreement.* – The employment contract  
18 shall be in written form. However, the absence of a written agreement does not  
19 mean the absence of an employment relationship. As a matter of right, WIE can  
20 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.

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

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

- 30 (a) working arrangement/mode;  
31 (b) period/duration of employment;

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

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

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

20           Sec. 50. *Payment of Wages.* – Payment derived from negotiated agreement  
21           shall be made directly to the workers. No deductions from such payments shall be  
22           made by the employer except those provided for by law. The expressed written  
23           consent of the worker shall be first secured before deductions are made.

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

IE Workers of Minor Age

3            Sec. 51. *Allowable Employment of Workers of Minor Age.* – Children fifteen  
4        (15) years but below eighteen (18) years of age may be employed; provided, that  
5        parental or legal guardian consent is presented and attested to by any  
6        representative of the LGU or duly elected Barangay official where the work is to be  
7        done. In no instance however, shall children below fifteen (15) years old be engaged  
8        in whatever form of productive services.

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

### **TITLE III**

## **FINAL PROVISIONS**

14 Sec. 52. *Penal Provision.* —

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

20 (b) If the offender is a public official or, the Court, in addition to the penalties  
21 provided in the preceding paragraph, may impose the additional penalty of  
22 disqualification from public office.

23 (c) Any person who violates Section 28 of this Act (Policy on Confiscation of  
24 Materials and Impounding of Vehicles) shall be liable. Nothing herein shall prohibit  
25 the aggrieved WIE from initiating a criminal or civil action against the responsible  
26 person or officer applicability.

27 (d) Failure to implement Sections 30 and 31 of this Act (Policy on Relocation of  
28 Vending Sites and Policy on Relocation of Terminals) shall render the responsible  
29 official/s administratively liable pursuant to Republic Act No. 7160 and other  
30 pertinent laws and criminally liable whenever applicable.

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

4           Sec. 53. *Implementing Rules and Regulations.* – The Implementing Rules and  
5 Regulations (IRR) of this Act shall be formulated by a drafting committee composed  
6 of representatives of offices that will be members of IEDA and WIE organizations  
7 provided that, at least 30% of the drafting committee members shall come from the  
8 latter and provided further that at least 30% of committee members are women.  
9 Said committee will start work on the IRR within three (3) months after the  
10 effectivity of this Act and finish within six (6) months thereafter.

11          Sec. 54. *Separability Clause.* – If any provision of this Act is declared  
12 unconstitutional or invalid, the provisions not affected shall continue to be in full  
13 force and effect.

14          Sec. 55. *Repealing Clause.* – All laws, decrees, orders, rules and regulations  
15 or other issuances inconsistent with the provisions of this Act are hereby repealed,  
16 amended or modified accordingly.

17          Sec. 56. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
18 publication in the *Official Gazette* or in any two (2) newspapers of general circulation  
19 in the Philippines.

Approved,