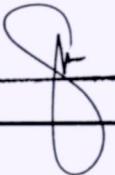


EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*First Regular Session*)



19 DEC -9 P 4:21

SENATE  
S. No. 1221

RECEIVED BY: 

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INTRODUCED BY SENATOR RISA HONTVEROS

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**AN ACT PROVIDING FOR A MAGNA CARTA FOR WORKERS, ENTERPRISES AND ORGANIZATIONS IN THE INFORMAL ECONOMY AND INSTITUTIONALIZING MECHANISMS FOR RECOGNITION, INTEGRATION, AND TRANSITION TO THE FORMAL ECONOMY, FOR IMPLEMENTATION THEREOF AND FOR OTHER PURPOSES**

In 2018, available data from the Labor Force Survey showed that workers in the informal sector are at 15.6 million or 38% of the country's total working population.<sup>1</sup> The informal economy hums with the activities of millions of Filipinos who work tirelessly on sometimes thankless jobs where they are not regulated or protected by the State. However, policy makers and legislators should understand that the informal economy is still a relatively underdeveloped and unexplored avenue for reducing poverty, inequality, and unemployment.

It is then in the interest of everybody that workers in the informal economy are protected. In relation to this, the Magna Carta of Workers in the Informal Economy (MACWIE) is written with the end in view of establishing the formal rights of informal economy workers like the right to security in the workplace and the right to a living wage and equal remuneration. Their right to organization is also secured and workers in the formal economy are encouraged to organize themselves for their mutual benefit and cooperation.

The importance of social protection is also highlighted in the bill. As such, government agencies and local government units are encouraged to provide social safety nets like conditional cash transfers, cash-for-work, emergency employment schemes, and fee waivers, among others. Social insurance also takes prime importance: there is a focus on making social insurance universally available to workers in the informal sector. Social Security, Pag-Ibig, and PhilHealth shall be made accessible and affordable to them and the State is enlisted to subsidize the corresponding contribution of employers' had the informal economy workers have been in formal employment.

Perhaps more importantly, the bill also seeks to protect the dignity of the informal economy sectors by securing their workplaces and prohibiting demeaning acts against them. For instance, the bill states that the workers in the informal economy sector shall not be evicted from their homes and workplaces without the proper legal grounds. Confiscation of materials and impounding of their vehicles like tricycles and pedicabs are also not allowed unless these have been used for criminal activities.

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

  
**RISA HONTIVEROS**  
Senator

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<sup>1</sup> <https://www.rappler.com/newsbreak/iq/201448-facts-labor-sector-philippines>

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**AN ACT PROVIDING FOR A MAGNA CARTA FOR WORKERS, ENTERPRISES  
AND ORGANIZATIONS IN THE INFORMAL ECONOMY AND  
INSTITUTIONALIZING MECHANISMS FOR RECOGNITION, INTEGRATION,  
AND TRANSITION TO THE FORMAL ECONOMY, FOR IMPLEMENTATION  
THEREOF AND FOR OTHER PURPOSES**

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

1                   **TITLE I**  
2                   **GENERAL PROVISIONS**  
3

4                   **Chapter I**  
5                   **GENERAL PRINCIPLES**  
6

7                   **SEC. 1. Short Title.**- This Act shall be known as the "Magna Carta of Workers in the  
8                   Informal Economy" or MACWIE

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

- 10                  (a) Promote a just and dynamic social order that shall ensure the prosperity and  
11                  independence of the nation and free the people from poverty through policies that  
12                  provide adequate social services; promote decent, environmentally sound and full  
13                  employment; a rising standard of living; and an improved quality of life for all;  
14  
15                  (b) Protect, promote, and fulfill the rights of every worker including gender equity, non-  
16                  discrimination, the right to self-organization, just and humane conditions of work,  
17                  access to social protection programs and services, access to justice, security of and  
18                  in the workplaces, and the right to represent their organizations in a continuing  
19                  process of consultation and social dialogue, with equitable membership in relevant  
20                  tripartite bodies; and  
21  
22                  (c) Establish and fully implement an integrated and coherent policy, at all levels of  
23                  government, of formalization of informal economic units and informal economy  
24                  workers and make them visible in all relevant national and local statistics.

1  
2   **SEC. 3. *Coverage.*** - This Act shall apply to all workers and economic units – including  
3 enterprises, entrepreneurs and households – in the informal economy, in particular:

4  
5   (a) Those who own and operate economic units including:  
6       - self-employed workers;  
7       - self-employed own-account workers;  
8       - employers;  
9       - members of cooperatives; and  
10      - members of other social and solidarity economy units;

11  
12   (b) Home-based workers or contributing family workers, irrespective of whether they  
13      work in economic units in the formal or informal economy;

14  
15   (c) Employees holding informal jobs in or for formal enterprises, or for economic units  
16      in the informal economy, including but not limited to those in contract  
17      arrangement and/or in supply chains, or as non-regular paid domestic workers  
18      employed by households;

19  
20   (d) Workers in unrecognized or unregulated employment relationships provided that  
21      the work performed is not illegal;

22  
23   (e) Volunteer, contractual, job orders, and other vulnerable workers in government  
24      instrumentalities; and

25  
26   (f) Agricultural workers or fisherfolk in unrecognized or unregulated agricultural or  
27      farming endeavors and fishing activities.

28  
29   **SEC. 4. *Definition of Terms.***- As used in this Act, the following terms shall mean:

30  
31   (a) "*Informal Economy*" refers to "all economic activities by workers and economic  
32      units that are, in law or in practice, not covered or insufficiently covered by formal  
33      arrangements."

34  
35   (b) "*Economic Units*" in the informal economy include but are not limited to:  
36      - units that employ hired labor;  
37      - units that are owned by individuals working on their own account, either alone or  
38      with the help or contributing family workers;  
39      - cooperatives and other social and solidarity economy units; and  
40      - informal work that may be found across all sectors of the economy, in households,  
41      as well as public and private spaces including government instrumentalities and  
42      Government Owned and Controlled Corporations (GOCCs).

43  
44   (c) "*Informal Economy Workers' Organization*" – Refers to a group or groups of  
45      informal workers, whether formally constituted or otherwise, that are organized  
46      with the primary objective of promoting the rights and welfare of workers in  
47      informal economy,

1  
2 (d) "*Informal employment*" – Refers to an employment arrangement in the formal or  
3 informal sectors or in households that exist based mostly on casual employment,  
4 kinship or personal and social relations with no formal guarantees on legal and  
5 social protection and employment benefits, and prevalent in economic units that  
6 are unregistered, unlicensed and unregulated.

7  
8 (e) "*Security of and in the Workplace*" - refers to the right of every worker and informal  
9 economic unit to an enabling environment that guarantees and protects the spaces,  
10 facilities, and structures to undertake their work, including the right to feel safe in  
11 one's own work space, legal security of tenure and freedom from discrimination,  
12 risk, danger, doubt, anxiety, or fear of being removed, evicted or prevented from  
13 working.

14  
15 (f) "*Social Protection*" – Refers to policies and programs that seek to reduce poverty  
16 and vulnerability to risks and enhance the social status of the marginalized by  
17 promoting and protecting livelihood and employment, protecting against hazards  
18 and sudden loss of income, and improving people's capacity to manage risk, as well  
19 as all other interventions that support communities, households, and individuals,  
20 both women and men, and realizing their rights as citizens through their full  
21 participation in decision-making affecting or may affect their access to and control  
22 over resources necessary to maintain and sustain a decent and secure life.

23  
24 Social protection schemes shall include labor market interventions, social insurance,  
25 social welfare, safety nets, disaster risk reduction and management mechanisms,  
26 adaptive measures in the context of climate change, affordable housing, and other  
27 provisions necessary for vulnerable groups to adequately address and manage  
28 risks, vulnerabilities, and threats to workers' livelihood activities and overall quality  
29 of life.

30  
31 (g) "*Social and Solidarity Economy Units*" - Refers to enterprises and organizations  
32 including cooperatives as defined under Republic Act No. 9520, mutual benefit  
33 societies, associations, foundations and social enterprises which produce goods,  
34 services and knowledge that meet the needs of the community they serve, through  
35 the pursuit of specific social and environmental objectives and the fostering of  
36 solidarity.

37  
38 (h) "*Volunteer, contractual, job orders, and other vulnerable workers in government  
39 instrumentalities*" – Refers to workers in government instrumentalities who do not  
40 occupy plantilla positions; and/or who receive allowances or honoraria. These  
41 include but are not limited to: project staff, barangay health workers, barangay  
42 tanod, barangay nutrition scholars, barangay daycare workers, barangay volunteers  
43 and other vulnerable workers in government instrumentalities for disasters,  
44 enumerators, among others.

45  
46 (i) *Social Protection Floor* – Refers to a set of guarantees ensuring access to essential  
47 health services, income support for children for education, health, and nutrition,

1 income assistance for economically active groups who do not have sufficient  
2 earnings in case of emergencies , and financial support for elderly population.  
3  
4  
5

6 **Chapter II**

7 **RIGHTS AND BENEFITS**

8  
9 **SEC. 5.** Workers in the informal economy shall have the same basic rights accorded to  
10 all workers, as enshrined in the Philippine Constitution, the Labor Code as amended,  
11 and relevant international human rights instruments and international labor standards.  
12 Accordingly, the state shall guarantee all workers in the informal economy the following  
13 rights:

14  
15 (a) Security of and in the workplace;

16  
17 (b) Make a living through work freely chosen or accepted; and avail of technical and  
18 vocational guidance and training programs;

19  
20 (c) Just and favorable conditions of work, including provision for work-life balance such  
21 as child care and other facilities to reduce and redistribute family and domestic  
22 responsibilities;

23  
24 (d) A living wage and equal remuneration for work of equal value without distinction of  
25 any kind, in particular for women who shall be guaranteed equal wages for work  
26 similar or equivalent to those done by men;

27  
28 (e) Equal opportunity for promotion, subject to no other considerations than seniority  
29 and competence;

30  
31 (f) Safe and healthy working conditions safeguarding general, occupational and  
32 reproductive health;

33  
34 (g) Basic services including but not limited to affordable medical care, reproductive and  
35 other health services including modern family planning, low-cost housing, water,  
36 sanitation, electricity and transport;

37  
38 (h) Rest, leisure and reasonable limitation of working hours and periodic holidays with  
39 pay, as well as remuneration for public holidays whenever applicable;

40  
41 (i) Maternity and paternity benefits, as provided for by law;

42  
43 (j) Equal access to education, skills training, and economic resources to develop self-  
44 reliance, especially of children and young persons, without any discrimination;

- 1       (k) Self-organization to collectively negotiate with government and other entities in the  
2                  promotion of their welfare and advancement of their interests, free from any  
3                  political interference;
- 4
- 5       (l) An adequate standard of living for workers and their families, adequate food,  
6                  clothing, and shelter, and the continuous improvement of such standard;
- 7
- 8       (m) Freedom from any form of discrimination, violence, exploitation including sexual  
9                  exploitation, harassment, abuse and any form of inhumane treatment which  
10                 debases, degrades or demeans the intrinsic worth and dignity of the worker as a  
11                 human being;
- 12
- 13      (n) Accessible, affordable, and appropriate social protection as defined in Section 4, (f)  
14                 of this Act;
- 15
- 16      (o) Equal treatment before the law;
- 17
- 18      (p) Substantial participation in policy and decision-making processes through their  
19                 organizations and the use of social dialogue, including access to information and  
20                 other resources relevant to the promotion and protection of their rights and  
21                 welfare;
- 22
- 23      (q) Equal access to justice though appropriate mechanisms, including, but not limited  
24                 to, alternative dispute resolution processes; and
- 25
- 26      (r) Access to public procurement including advice and reserving quotas for informal  
27                 economic units.

29      **SEC. 6.** Own-account workers as well as informal economic units, being the working  
30                 poor's primary instruments to address and overcome poverty, shall be accorded the  
31                 following preferential rights by the State:

- 33      (a) Infrastructure support such as farm to market roads, common, affordable and  
34                 secure workplaces and facilities, merchandising centers, farmers' markets or  
35                 *Bagsakan* with proper storage facilities, and inventory bulk-buying centers;
- 36
- 37      (b) Policy support to promote and protect local and domestically-produced products  
38                 and services, and support in enhancing their participation in the value chain  
39                 process;
- 40
- 41      (c) Ease and facilitation of access to markets, including capacity-building to access and  
42                 maximize e-marketing facilities;
- 43
- 44      (d) Access to affordable, appropriate and adequate financial services, including, among  
45                 others, collateral-free and gender-responsive credit at low interest;
- 46

- 1       (e) Access to appropriate and adequate machinery, equipment, and other technologies,  
2           with the end in view of increasing productivity, enhancing quality of products and  
3           services, and growth;
- 4
- 5       (f) Protection from unjust dislocation from places where economic activities are  
6           conducted with the "provision of relocation before demolition";
- 7
- 8       (g) Measures against racketeering, extortion, and harassment, by both State and non-  
9           State elements;
- 10
- 11      (h) Freedom from deprivation of property without valid cause and due process of law;  
12           and,
- 13
- 14      (i) Affordable and customized social security and insurance programs.

15

16      **SEC. 7.** Rights of Legitimate Organizations of Workers in the Informal Economy (WIE),  
17      Organizations of workers in informal employment, including unions, cooperatives, social  
18      and solidarity economic units/organizations and mutual benefit associations, shall have  
19      the right to:

- 20
- 21      (a) Freely function and act as the representatives of their members in policy and  
22           decision-making processes, collective negotiations, and other similar bodies and  
23           processes in the context of tripartism and multi-sector;
- 24
- 25      (b) Establish, join or affiliate with local unions, national federations or confederations ,  
26           and international trade union organizations, a right which shall be duly recognized,  
27           protected and supported by the national government;
- 28
- 29      (c) Access information from concerned government institutions and other parties that  
30           are pertinent to the protection and promotion of the rights and welfare of their members;
- 31
- 32
- 33      (d) Own property, real or personal, for the use and benefit of their organizations and  
34           members;
- 35
- 36      (e) Sue and be sued under their registered names; and
- 37
- 38      (f) Undertake all other activities, not contrary to law, designed to benefit their  
39           organizations and members.

40

41      **SEC. 8. *Organizing Workers in Informal Economy.*** Workers in informal economy  
42      [WIE] shall be encouraged to organize themselves into self-help organizations,  
43      associations, federations, and confederations for their mutual benefit and protection,  
44      and for other legitimate purposes. Special attention shall be given to organizing women  
45      and other vulnerable workers in informal economy.

**1 SEC. 9. Assistance to Organizations of Workers in the Informal Economy.** All  
2 concerned national government agencies, government financial institutions and local  
3 government units shall include in their annual plans and budgets, programs and  
4 projects that support and address concerns of organizations of WIE and their members.

### **Chapter III**

## **SECURITY IN THE WORKPLACE OF WORKERS IN INFORMAL ECONOMY**

**SEC. 10. *Designation of Workplaces.*** Local Government Units (LGU), in coordination with organizations of WIE within their jurisdiction, affected communities, and other relevant groups, shall endeavor to identify, designate, and design a system of assignment on the following:

- 14 (a) Productivity and merchandizing centers as viable workplaces for informal workers;  
15 which may include markets and vacant areas near markets, vacant public spaces  
16 and spaces which may be a private property that the LGU may acquire, lease or  
17 negotiate with legitimate organizations of workers in the informal economy for  
18 lease under a memorandum of agreement, and  
19

20 (b) routes, terminals, and specific lanes for small transport workers;

22 The process of identifying and designation of such workplaces shall be determined in  
23 the Implementing Rules and Regulations (IRR) of this Act, provided, that such process  
24 shall have the substantial participation of relevant WIE organizations and stakeholders.

**SEC. 11. Policy on Eviction and Demolition.** Workers in the informal economy or employment shall not be evicted from their homes and workplaces without legal ground as provided for by R.A. 7279, otherwise known as the "Urban Development and Housing Act of 1992", and provision of livelihood opportunities, adequate water and electricity availability, as well as decent conditions of living in accordance with law. Logistical viability for the displaced shall be given priority in determining resettlement areas, provided that, there shall be no demolition without ensuring appropriate resettlement.

**SEC. 12. Policy on Confiscation of Materials and Impounding of Vehicles.** In cases where demolition or eviction is warranted, the person, government agencies or their agents who conduct the same shall issue a duly signed itemized receipt of all products, goods, and other materials seized from vendors and other affected WIE.

39 Tricycles, *pedicabs*, and other modes of transportation shall not be impounded for  
40 violations of license, registration, or traffic regulations unless the said vehicles were  
41 utilized in the conduct of criminal activities. In cases of violation of traffic regulations,  
42 the issuance of a traffic violation ticket shall suffice.

**SEC. 13. Policy on Relocation of Vending Sites.** Before any public market is closed, sold or demolished, all market vendors shall first be relocated by the LGU to a temporary or new public market. Notice of the intention to close, sell, or demolish any

1 public market shall be made to all concerned vendors at least sixty (60) days before the  
2 actual transfer or relocation to another market site. Within the sixty (60)-day period  
3 after issuance of notice, the LGU shall conduct consultations with affected vendors on  
4 the selection of the relocation site and implementation of the relocation.

5  
6 Vendors, ambulant or otherwise, occupying public places not previously designated as  
7 vending sites shall be provided with viable temporary sites by the LGU. Notice of  
8 temporary transfer shall be given to the vendors at least fifteen (15) days before the  
9 actual transfer. This shall likewise apply to vendors granted with permits but whose  
10 workplaces are withdrawn from the list of allowable vending sites. Any change in the list  
11 of allowable vending sites shall only be done after consultations with affected vendors.

12  
13 In the event that a new public market is constructed in place of an old one, market  
14 vendors with stalls displaced from their workplaces shall be assured of stall assignment  
15 in the new market. Displaced ambulant vendors, shall, as much as practicable also be  
16 given appropriate selling sites.

17  
18 **SEC. 14. *Policy on Relocation of Terminals.*** Designated terminals for tricycles,  
19 *pedicabs* and other similar modes of transportation shall not be arbitrarily relocated  
20 without prior notice and consultation with small transport groups, legitimate  
21 organizations of workers in the informal economy, affected community and other  
22 relevant sectors. Relocation of terminals can only be effected through an Ordinance.  
23 Provided further, that after the enactment of such ordinance, notice of intention to  
24 relocate terminals shall be made to affected transport groups and community at least  
25 sixty (60) days before the actual relocation.

## 26 27 Chapter IV

### 28 SOCIAL PROTECTION FOR WORKERS IN THE INFORMAL ECONOMY

29  
30 Social protection as defined in Section 4(f) of this Act shall have the following  
31 components:

32  
33 **SEC. 15. *Institutionalization of Social Protection Floor for the Workers in the***  
***Informal Economy.*** The State shall support, sustain, enhance, and institutionalize  
34 social protection initiatives for WIE through the convergence of resources of various  
35 agencies to provide continuous social security and health insurance subsidies to WIE.  
36 Such resources shall also be used for programs for the unemployed, children, women in  
37 difficult and vulnerable circumstances, and older persons based on applicable and ever  
38 improving standards.

39  
40  
41 **SEC. 16. *Social Welfare Efforts.*** The Department of Social Welfare and Development  
42 (DSWD) shall consolidate its strategic social welfare efforts to address the needs of the  
43 workers in the informal economy, including but not limited to direct assistance, policy  
44 development and community engagement for the workers.

**SEC. 17. Role of the Department of Labor and Employment.** The DOLE shall engage in labor market interventions that shall provide adequate protection for the WIE. The DOLE shall likewise ensure timely and immediate action for labor concerns, security of tenure, job generation and other pertinent concerns. It shall, in collaboration with other livelihood and enterprise development implementing agencies, Department of Local Government (DILG) and Department of Finance (DOF), develop a typology of formalization of informal economic units in terms of, among others, registration and standardized, affordable business permit cost , increased compliance, and extension of labor and social security program.

**SEC. 18. *Social Safety Nets.*** The State shall ensure that the social safety nets provided by the DOLE, DSWD, Department of Agriculture (DA) and other government agencies shall be easily accessible to the WIE and their organizations. These shall include but not be limited to conditional cash transfers, unconditional cash transfers, school feeding programs, unconditional in-kind transfers, public works, cash-for-work, emergency employment schemes, and fee waivers.

**SEC. 19. Women, Family and Child Care Program** - The DOLE, Department of Health (DOH), Philippine Health Insurance Corporation (PhilHealth), and DSWD shall ensure that maternity protection is extended to informal economy workers in accordance with Sections 9 and 10 of R.A. 11210, the Expanded Maternity Leave Law. Programs on maternal and child health and nutrition; child feeding; modern family planning; and other health-related services shall be strengthened and target women WIF.

26 The State shall encourage the provision of and access to affordable quality childcare  
27 and other care services to promote gender equality in entrepreneurship, employment  
28 opportunities, and to enable the transition to formal economy.

**SEC. 20. Social Insurance.** As specified in the IRR of this Act, the government shall ensure that all social insurance programs including but not limited to Social Security, Pag-ibig (Home Development Mutual Fund) and PhilHealth shall be fully available, accessible and affordable to WIE, and that the government agencies governing them shall formulate policies and mechanisms for their full utilization and benefit, in consultation with the representatives of WIE. In the interest of equity, the State shall subsidize the corresponding employers' contribution, had they been in formal employment.

**SEC. 21. Disaster Risk Reduction and Management (DRRM) and Climate Change.** The state, particularly at the community level, shall engage WIE and their organizations in DRRM efforts from preparedness, to response, rehabilitation and recovery. Responding to climate change in terms of minimizing contributions to greenhouse gas emissions and adapting to its long-term impact through resiliency-building programs shall also involve WIE and their organizations.

## **Chapter V**

### **LABOR STANDARDS AND ENFORCEMENT OF LABOR LAWS FOR WORKERS IN THE INFORMAL ECONOMY**

1  
2     **SEC. 22. Applicability of the Provisions of the Labor Code.** The provisions of the  
3     Labor Code governing the employer-employee relationship particularly on general labor  
4     standards and occupational safety and health standards shall apply to all forms of work  
5     arrangements in the informal economy.

6  
7     The state shall adopt a developmental perspective in dealing with informal economic  
8     units. The DOLE, in coordination with the IEDC, shall assess the capacity of these  
9     enterprises to comply with general labor standards. Those incapable of meeting the  
10    standards shall be assisted to upgrade their capacity to improve their businesses, as  
11    well as the capacity to comply with relevant labor and social standards.

12  
13    **SEC. 23. Prioritization for Education and Training.** The State shall implement  
14    adequate training and information campaigns to provide WIE and their employers the  
15    full knowledge on applicable labor and occupational safety and health standards for  
16    their subsequent compliance.

17  
18    **SEC. 24. Prohibited Acts Specific to Workers in the Informal Economy.** The  
19    following are deemed prohibited:

20  
21    (1) Non-compliance with minimum labor standards and occupational health and safety  
22        standards. - The employment contract shall be in writing specifying the terms and  
23        condition of engagement which must not be lower than the minimum standards  
24        provided by law. However, the absence of a written agreement does not mean the  
25        absence of an employment relationship.

26  
27        The contract shall be explained to the worker and attested to by an elected  
28        Barangay official in the barangay where the worker is designated to work.

29  
30    (2) Recruitment or Finders' Fees. - Regardless of whether the worker was sourced  
31        either through an employment agency or a third party, WIE shall neither be  
32        charged nor levied a recruitment fee or finders' fee.

33  
34    (3) Hazardous Work and Conditions in Formal Workplaces. - Workers shall not be  
35        engaged to do hazardous work, activity or undertaking, or be exposed to hazardous  
36        working conditions in accordance with existing laws and the IRR of this Act.

37  
38    (4) Interference and Coercion. - Any person is prohibited from committing any of the  
39        following acts of interference or coercion:

40  
41        (a) Preventing any worker from upholding or exercising his/her rights;

42  
43        (b) Preventing any worker from joining or assisting organization for purposes not  
44        contrary to law;

- (c) Preventing any worker from carrying out his/her duties or functions in an organization, or to penalize the same for any lawful action performed in that capacity;
  - (d) Harassing, threatening, coercing or intimidating any worker that result in preventing him or her from performing his or her duties and functions;
  - (e) Transferring, penalizing or terminating the services of a worker without valid or legal ground; and
  - (f) Other acts that or threaten to diminish the independence and freedom of a workers' organization to direct its own affairs.

Non-compliance with Republic Act No. 7610, as amended by Republic Act No. 9231 in the employment of minors. - In cases where minors are contracted or hired to render work or services, the age should be at least fifteen (15) years old and there is parental or legal guardian consent in the employment contract, which is presented and attested to by any representative of the LGU or duly elected Barangay official where the work is to be done, and that the employers of these children should provide them with access to at least elementary or secondary education, either through traditional schooling or alternative learning systems.

**SEC. 25. VISITORIAL AND ENFORCEMENT POWER OF THE SECRETARY OF LABOR AND EMPLOYMENT.** Employment contracts and/or engagements in the Informal Economy shall be subject to the visitorial and enforcement power of the Secretary of Labor and Employment pursuant to Article 128 of the Labor Code of the Philippines.

**TITLE II**  
**Chapter I**  
**INFORMAL ECONOMY DEVELOPMENT COUNCIL (IEDC)**

**SEC. 26. *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 attached agency of the National Economic and Development Authority (NEDA). The IEDC shall institute appropriate reforms within its structure, programming and other processes, including adjusting its human resource capabilities to ensure that WIE-focused programs are efficiently and adequately implemented to address the needs of these workers. An inter-agency committee shall be formed to coordinate policies and programs of various government agencies towards the transition of informal economic units to formal.

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

**SEC. 27. *Mandate and Functions of IEDC.*** - The mandate and functions of IEDC shall include the following:

- 1       (a) Develop and ensure implementation of annual, long-term and medium-term plans  
2           for the informal economy. The last of which should form part of the Medium Term  
3           Philippine Development Plans (MTPDP) towards institutionalizing comprehensive,  
4           needs and rights-based, gender-responsive and child-friendly programs and policies  
5           for the IE;
- 6
- 7       (b) Develop policies to transition WIE and informal economic units to formal economy  
8           and according to standards provided for in this Act and related laws, treaties or  
9           statutes;
- 10
- 11      (c) Develop and implement training programs, and certify workers for jobs in industries  
12           that produce goods and render services for the benefit of the WIE;
- 13
- 14      (d) Develop and ensure implementation of gender-based monitoring and evaluation  
15           mechanisms, efficient and effective programs and policies, and gender-responsive  
16           interventions toward harnessing the full potentials of women WIE;
- 17
- 18      (e) Ensure that concerned government agencies shall allocate in their respective  
19           Special Allocation for Development Initiatives adequate resources for programs that  
20           will benefit WIE;
- 21
- 22      (f) Develop and ensure implementation of a simple system of registration of WIE, and  
23           accreditation of informal livelihood activities enterprises, and organizations in  
24           accordance with the standards and provisions of this Act;
- 25
- 26      (g) Provide guidelines for the implementation by LGUs of a fair and credible system of  
27           evaluation, accreditation, review and assessment, merit promotion, rendering of  
28           grant and incentive awards and other policies relative to the effective and efficient  
29           implementation of this Act;
- 30
- 31      (h) Ensure the effective implementation of labor standards covering WIE as provided  
32           for by this Act and corresponding IRR;
- 33
- 34      (i) Coordinate with LGUs for the development and implementation of periodic  
35           evaluation of all accredited IE members, enterprises and organizations for use as  
36           bases for accreditation, the grant of awards and incentives, training and retraining;
- 37
- 38      (j) Ensure effective participation of WIE and their organizations through the  
39           establishment of regular consultative mechanisms and processes.
- 40
- 41
- 42      (k) Establish and develop a centralized and sex-disaggregated database system to  
43           effectively guide policy formulation and implementation relative to the WIE. The  
44           databank shall be available for public use while strictly complying with laws on  
45           privacy and confidentiality. The database [and] shall include pertinent information  
46           as specified in the IRR of this Act.
- 47

- 1        (l) Develop and implement a communication plan and campaign targeting WIE, their  
2        enterprises and organizations, towards a better understanding and appreciation of  
3        the benefits of this Act;
- 4
- 5        (m) Consistent with Section 2 (h) of this Act, to develop and ensure implementation of  
6        a comprehensive plan to eliminate child labor;
- 7
- 8        (n) Assess all means to ensure the transition of informal economic units and the WIE  
9        from their position in the informal economy to formal economy as contained in the  
10       IRR of this Act;
- 11
- 12        (o) Coordinate and harmonize all informal economy-related policies, programs,  
13        projects and activities of various government agencies including the Regional IEDC  
14       Officers towards greater efficiency and effectiveness;
- 15
- 16        (p) Monitor the LGU-generated incomes from informal employment;
- 17
- 18        (q) conduct annual reviews of government programs for the WIE and submit to  
19        Congress and the President of the Philippines corresponding reports thereon  
20       together with policy and other recommendations;
- 21
- 22        (r) Develop and ensure implementation of accessible just conflict resolution and  
23        adjudication systems and mechanisms to promote dialogue, conciliation, mediation  
24       and redress of grievances to protect the rights of WIE; and
- 25
- 26        (s) From time to time, call on the participation of relevant government agencies in its  
27        deliberations as necessary.

28

29        **SEC. 28. *Composition.*** - The IEDC shall be co-chaired by the Director General of  
30        NEDA and the Secretary of Department of Labor and Employment. IEDC members may  
31        elect from among themselves a Vice-Chair to preside over meetings in the absence of  
32        the Chair. The members shall be the relevant government instrumentalities as  
33        determined by the IRR of this Act provided that, at least 30% of total membership of  
34        IEDC shall come from organizations of WIE accredited with the SEC, DOLE or DA.  
35        *Provided, further,* that at least 40 percent of the 30 percent are women.

36

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

40

41        **SEC. 29. *Initial IEDC Funds.*** - P100 million pesos (P100,000,000.00) shall be  
42        allocated from the Presidential discretionary fund for the initial operating expenses of  
43        the IEDC, which shall include the initial allocation of funds for the operations of the  
44        WIELDU at the LGU level.

45

**1 SEC. 30. IEDC Secretariat.** - The IEDC Secretariat shall be jointly organized by the  
2 NEDA and the DOLE with functions that shall be determined by the IRR of this Act and  
3 integrated in the DOLE secretariat functions.

**SEC. 31. *Regional and Provincial IEDC Officers.*** - There shall be Regional and Provincial IEDC Officers who shall be appointed by the IEDC and shall have functions that include: monitoring and coordinating of IEDC initiatives in the regions and Provinces; evaluation of policies programs for WIE; providing technical assistance in the development of local plans and programs; as well as other administrative functions necessary for the success of IEDC initiatives in their jurisdiction.

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

Chapter II

## **WORKERS IN INFORMAL ECONOMY LOCAL DEVELOPMENT UNIT (WIELDU)**

**SEC. 32. *Workers in Informal Economy Local Development Unit (WIELDU)*.** - The Workers in Informal Economy Local Development Unit (WIELDU) shall be established in every city and municipality to perform the following functions among others in consultation with the WIE and their organizations:

- (a) prepare an overall development plan and work program that will address the needs of the WIE. The barangay development plans shall be incorporated in this overall development plan;
  - (b) encourage the organizing of informal economic units and WIE;
  - (c) develop and maintain a comprehensive, age, and sex-disaggregated database of all WIE and economic units within the jurisdiction of the LGU that shall include all relevant information as contained in the IRR of this Act. Provided that, laws on privacy and confidentiality shall be fully complied with. Provided further, that the database shall include information on payments collected from WIE, organizations and economic units;
  - (d) establish an IE One-Stop Shop Center which shall handle all transactions and processing of business permit applications within their respective jurisdiction and worker's registration; and,
  - (e) support MSME informal enterprise development towards transitioning to formality.

42 In addition, the WIELDU may also perform other similar functions and undertakings  
43 pursuant to the provisions of this Act. In the performance of WIELDU's functions, the  
44 principle of preferential treatment to the poorest and most vulnerable shall be  
45 observed.

1   **SEC. 33. Composition.** - The Local Chief Executives (LCEs) shall be the primary  
2   overseers of WIELDU's operations. The IRR of this Act shall provide for WIELDU's  
3   composition provided that, informal workers' representatives shall form at least fifty  
4   percent (50%) of WIELDU's membership. Provided further, that IE representatives shall  
5   not be less than five (5), and provided finally, that at least forty percent (40%) of all  
6   WIELDO's members are women. Other relevant guidelines on WIELDU's operations shall  
7   be included in the IRR of this Act.

8  
9   **SEC. 34. Local Government Unit Informal Economy Development Fund (LGU-  
10   IEDF).** - An Informal Economy Development Fund shall be established by every  
11   municipality and city. Such fund will be supervised and managed by the concerned LGU  
12   through the WIELDU and subject to audit by the Commission on Audit (COA).

13  
14   For the initial operations of WIELDU, each LGU shall allocate a portion from their  
15   Internal Revenue Allotment or IRA.

16  
17   Thereafter, the LGU-IEDF shall be funded using:

18  
19   (a) Registration fees and annual dues paid by individual workers in the informal  
20   economy; and accreditation fees of their livelihood activities, organizations, and  
21   enterprises; and

22  
23   (b) Annual allocations from LGUs' Development Fund the percentage of which shall be  
24   determined by LGUs.

25  
26   Following the principle of merit and equity, LGUs that fulfill such allocations may receive  
27   additional assistance from the national government as recommended by IEDC;  
28   provided, that the LGUs have sufficiently complied with all requirements by the IEDC.

29  
30   **SEC. 35. Registration of Informal Economy Workers, and Accreditation of  
31   Economic Units and Organizations** - Pursuant to its functions under the Local  
32   Government Code, the Local Development Council in coordination with the WIELDU,  
33   shall establish a standard system of registration of WIE, and accreditation of informal  
34   livelihood activities, organizations, and economic units provided that the system shall be  
35   simple, efficient, affordable, uniform, and accessible to all.

36  
37   Such registration or accreditation shall signify eligibility of the WIE, their livelihood  
38   activities, organizations, or enterprises to avail of development programs, provided that,  
39   the poorest and most vulnerable shall be given priority. The registration or accreditation  
40   may be renewed subject to requirements set forth by the LDC in coordination with the  
41   WIELDU.

42  
43   **SEC. 36. Annual Dues.** - WIE and their organizations shall pay annual dues to be  
44   determined by the concerned LGU in consultation with their WIELDU). Said annual  
45   dues shall be no more than 30% of the legally prescribed daily minimum wage in their  
46   respective regions or provinces.

1 These annual dues shall accrue to the concerned LGU and shall be used for programs to  
2 benefit WIE, their organizations, business activities, and enterprises based on  
3 recommendations by the WIELDU and the local informal economy constituents.

**SEC. 37. Registration and Non-Registration.** - In no case shall registration be construed as a basis for rights and entitlements under this Act. Non-registration should not deprive WIE of their rights stated in the Act. Registration as a WIE in the LGU is voluntary and shall not be made as a prerequisite to work by any private enterprise or government unit. However, registration shall guarantee prioritization and immediate recognition of the rights and benefits due to the workers in the informal economy.

## **TITLE III FINAL PROVISIONS**

**15 SEC. 38. *Penal Provisions.*** — The following are the penal provisions of this Act.

- 17 (a) Any person who shall willfully interfere with, restrain or coerce a worker in the  
18 exercise of his or her rights or shall in any manner commit any act in violation of  
19 any of the provisions of this Act shall, upon conviction, be punished by a fine of  
20 not less than Twenty Thousand Pesos (P20,000.00) or imprisonment of one (1) to  
21 six (6) years or both fine and imprisonment at the discretion of the Court.  
22

23 (b) If the offender is a public official or an official of a GOCC, the Court, in addition to  
24 the penalties provided in the preceding paragraph, may impose the additional  
25 penalty or disqualification from public office.  
26

27 (c) Any person who violates the provision of this Act on Policy on Confiscation of  
28 Materials and Impounding of Vehicles shall be liable. Nothing herein shall prohibit  
29 the aggrieved WIE from initiating a criminal or civil action against the responsible  
30 person or officer.  
31

32 (d) Failure to implement the provisions of this Act on Relocation of Vending Sites and  
33 Policy on Relocation of Terminals shall render the responsible official/s  
34 administratively liable pursuant to Republic Act 7160 and other applicable laws  
35 without prejudice to any civil or criminal case that may be filed against erring  
36 officials. If a private institution or company is found to have violated any provision  
37 of this Act, its business license shall be suspended or revoked at the discretion of  
38 the Court.

**SEC. 39. *Implementing Rules and Regulations (IRR)*.** - The Implementing Rules and Regulations (IRR) of this Act shall be formulated by a committee to be co-led by DOLE and NEDA. The members of the committee shall be the representatives of government offices mentioned in this Act, and WIE organizations. Provided that, at least 30% of the committee members shall come from the latter, and provided further, that at least 30% of committee members are women. Said committee will start work on the IRR within three (3) months after the effectivity of this Act and finish within six (6) months thereafter.

1  
2   **SEC. 40. *Appropriations.*** - The amount of one hundred (100) million pesos  
3   (P100,000,000.00) shall be appropriated for the initial implementation of this Act.  
4

5   **SEC. 41. *Separability Clause.*** - If any provision of this Act is declared  
6   unconstitutional or invalid, the provisions not affected shall continue to be in full force  
7   and effect.  
8

9   **SEC. 42. *Repealing Clause.*** - All laws, decrees, orders, rules and regulations or other  
10   issuances inconsistent with the provisions of this Act are hereby repealed, amended or  
11   modified accordingly,  
12

13   **SEC. 43. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication  
14   in at least two (2) newspapers of general circulation of the Official Gazette, whichever  
15   comes first.  
16

17   Approved,