



SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

17 MAR -8 P 6:17

SENATE

RECEIVED BY: J

SENATE BILL NO. 1376

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

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

EXPLANATORY NOTE

The 1987 Philippine Constitution, Article XIII, Section 3 thereof, states that:

The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all. xxx

According to the January 2015 Labor Force Survey of the Philippine Statistics Authority (PSA), there are 14.5 million workers in the informal economy which is equivalent to 39.1 percent of the total employment of the country. They are categorized mostly as self-employed and unpaid family workers. The predominance of the informal workers and employers work in various industries like agriculture, wholesale and retail trade, fishing, forestry, transport, storage, communication and services sector.¹ Informal workers comprises of independent, self-employed small-scale producers and distributors of goods and services.

Most of our informal workers are not covered by our labor code, laws and regulations despite their contribution to our economy.

¹ <http://dole.gov.ph/news/view/2803>

The bill seeks to give protection and promote the rights of our *kababayans* in the informal sector. The Act shall apply to all workers and economic units including enterprises, entrepreneurs and households - in the informal economy. With the passage of this bill, the informal workers shall have the same basic rights bestowed to all workers, as provided under existing laws, specifically the Labor Code and relevant international human rights and international conventions.

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



JOSEPH VICTOR G. EJERCITO

SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

17 MAR -8 P6:17

SENATE

RECEIVED BY: 

SENATE BILL NO. 1376

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

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

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

1 TITLE I
2 GENERAL PROVISIONS
3

4 Chapter 1
5 Framework and Principles
6

7 **SECTION 1. Short Title.** - The Act shall be known as the "*Magna Carta of*
8 *Workers in Informal Economy.*"
9

10 **SECTION 2. Declaration of Policy.** - It is hereby declared the policy of the
11 State:
12

13 (a) To promote the total well-being of all workers in the informal
14 economy, provided, that focus will be on the poorest and most
15 vulnerable of these workers;
16

17 (b) To secure their human dignity, economic advantage and access to
18 justice by providing timely services, including social, political,
19 economic, and legal;
20

21 (c) To recognize, promote, protect, fulfill, and ensure the civic and
22 constitutional rights of workers in informal economy, including the
23 rights to: self-organization; just and humane working conditions;

1 access to social protection; security of workplaces; peaceful
2 concerted activities; represent their organizations, and participate in
3 policy and decision making processes affecting their rights and
4 benefits and towards the provision of comprehensive package of
5 reforms, interventions, and services in accordance with their
6 articulated needs and interest;

7

8 (d) To recognize the roles, give proper value to the contributions of
9 workers in the informal economy, and make them visible in the
10 national and local statistics;

11

12 (e) To provide venues for dialogue and consultation with informal
13 economy workers so that their concerns and needs are effectively
14 addressed by lasting and workable reforms in enforcement of labor
15 standards, advancement of labor relations;

16 (f) To develop and enhance their technical, special, entrepreneurial and
17 other skills and capabilities necessary towards their empowerment
18 and enjoyment of benefits and entitlements associated with the
19 formal economy; and becoming more productive and self-reliant
20 citizens, thereby ensuring participation in mainstream economic
21 activities based on their own pace and self-determination;

22

23 (g) To progressively eliminate child labor through the creation of more
24 quality jobs for adults, effective enforcement of laws against child
25 labor, elimination of gender based discrimination against girl child
26 workers, improved access to universal education and social
27 protection, and elimination of cultural factors that directly or
28 indirectly tolerate, and even accept child labor;

29

30 (h) To promote gender equity and equality by protecting women
31 workers in the informal economy against gender-based
32 discrimination, exploitation and abuse; advancing women's social,
33 economic, political and reproductive rights; and improving their
34 access to social protection and participation in decision-making
35 bodies and processes;

36

37 (i) To develop the local economy through maximization of the potential
38 and contribution of informal economy business activities and
39 enterprises;

- (j) To encourage and support workers in informal economy to form self-help groups, mutual benefit associations, unions, cooperatives, and other forms of self-organization for their mutual aid, benefit, protection and for other legitimate purposes;
 - (k) To include the concerns of workers in the informal economy in the policies, plans, programs, projects and activities of relevant national government agencies, government financial institutions, and local government units;
 - (l) To advance the autonomy and empowerment of local government units and their capability to be more responsive to the needs of the workers in informal economy among their constituents;
 - (m) To protect vulnerable groups in the informal economy such as children, older persons, differently-abled persons, indigenous peoples, and people living with HIV and AIDS from discrimination, exploitation, abuse and harassment as well as from performing work hazardous to their occupational, physical, mental, emotional, reproductive and spiritual health; and
 - (n) To integrate ethnicity as a factor in the formulation of programs and mechanisms to promote and protect rights of workers in the informal economy.

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

- (a) Policies and programs that will bring marginalized workers and economic units into economic and social mainstream; and spur

entrepreneurial or growth-oriented informal business to graduate to formal status based on their own pace and self-determination thereby reducing their vulnerability and exclusion;

(b) Structural reforms in all relevant levels of government by creating committees, special offices for development and protection of workers in the informal economy and supporting their representational, entrepreneurial and other rights through their organizations;

(c) Accessible and affordable social protection, including labor market interventions, social insurance coverage, basic health care, occupational safety and health, reproductive health services, social welfare programs and safety nets;

(d) Policies, programs and interventions that will ensure security of workplace of workers in informal economy towards a work environment that protects their rights and enables them to become more productive.

(e) Minimum and simplified regulations to encourage the development of ingenuity and entrepreneurial spirit among workers in informal economy;

(f) Mechanisms for growth and expansion of various business activities or enterprise in informal economy preferably with the cooperation and support of private sector.

(g) Organization, establishment, strengthening and expansion of the various business activities or enterprises in the informal economy at the barangay level, preferably to be unified under municipality-, provincial-, regional- and national- level federations or associations;

(h) Applicable labor standards;

(i) Recourse mechanism to address violations of informal workers' rights;

(j) Mechanisms and processes that prioritize the provision of service to the poorest and the most vulnerable workers;

(k) Exacting responsibility on the part of the workers in the informal economy to comply with their obligations, provided that the state shall put in place responsive, transparent and accountable

1 mechanisms and systems that ensure recognition, protection,
2 promotion and realization of their rights
3

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

6

7 (a) **Informal Economy** – Based on the International Labor Conference (ILC)
8 2002, this refers to “all economic activities by workers and economic
9 units that are – in law or in practice – not covered or insufficiently
10 covered by formal arrangements.

11

12 The informal economy includes a wide variety of activities, enterprises
13 and workers. Self-employment consists of employers of informal
14 enterprises who hire other workers and own account workers. Wage-
15 employment includes informal employees of both formal and informal
16 firms, subcontracted workers, wage workers for households or
17 domestic workers, and wage workers with no fixed employer or casual
18 day workers. The working conditions, opportunities and risks faced by
19 these different categories of informal workers are very diverse.

20

21 Informal workers often experience poor working conditions such as
22 long working hours, high level of health hazards, lack of social security,
23 poor earnings, low productivity, and lack of legal protection. To a large
24 extent, women and disadvantage groups such as youth, persons living
25 with HIV and AIDS, persons with disabilities, indigenous and migrant
26 workers are overrepresented in the informal economy.

27

28 (b) **Informal Sector** as defined by the National Statistical Coordination
29 Board (NSCB) Resolution No. 15, series of 2002, refers to units engaged
30 in the production of goods and services with primary objective of
31 generating employment and incomes to the persons concerned. It
32 consists of households and unincorporated enterprise that are market
33 and non-market producers of goods, as well as market producers of
34 services.

35

36 These enterprises are operated by own-account workers, which may
37 employ unpaid family workers as well as occasional or seasonally-hired
38 workers.

39

40 These enterprises may also be owned and operated by employers which
41 may employ less than (10) employees on continuous basis.

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

1. Small farmers owning land not more than three (3) hectares;
 2. Rural and agricultural workers who are tenants, sharecroppers, or laborers;
 3. Small fisherfolks/operators owning boats of three (3) tons or less and other fishing equipment;
 4. Fisherfolk who are without fishing equipment and who market their catch;
 5. On-call fish workers, porters and batillo;
 6. Home-based workers who are independent producers of goods or services;
 7. Industrial homeworkers - workers involved in a system of production under which work is carried out at their homes and where materials may or may not be furnished by the employer or contractor;
 8. Self-employed who are engaged by other enterprise through subcontracting arrangements;
 9. Ambulant vendors or peddlers refer to vendors who ply their trades in search of buyers;
 10. Street vendors refer to vendors who sell their merchandise on street and sidewalks;
 11. Vendors with stall in public and private markets and those engaged in sari-sari stores with operating capitalization of not more than one million pesos (P1,000,000.00) excluding land and building;
 12. Drivers and workers o modes of transportation on land and sea whether motorized or not, including: two (2) wheels such as calesa; three (3) wheels such as pedicabs, tricycle; four (4) wheels such as jeepneys and buses; and boats one (1) ton and below; 'barkers'; fare collectors; dispatchers; and other

- 1 workers who share income with self-employed or
2 unicorporated operators;
- 3
- 4 13. Operators of jeepneys, tricycles, pedicabs, taxi and other
5 vehicles or transportation whose capitalization is not more
6 than one million pesos (P1,000,000.00) excluding land and
7 building;
- 8
- 9 14. All unregistered and unprotected domestic workers who are
10 generally not covered by social [protection such as maids,
11 cooks, family drivers, gardeners and baby sitters;
- 12
- 13 15. Non-corporate construction workers;
- 14
- 15 16. Small scale miners doing their own product processing:
16 including those involved in small scale mining and quarrying
17 with capitalization of below one million pesos (P1,000,000.00);
- 18
- 19 17. Workers of Barangay Micro Business Enterprises (BMBEs);
- 20
- 21 18. Non-corporate cargo handlers and allied workers;
- 22
- 23 19. Workers engaged in producing seasonal products;
- 24
- 25 20. Workers engaged in producing seasonal products;
- 26
- 27 21. Own account workers including but not limited to those
28 engaged in the maintenance and repair of equipment and
29 appliances, clothing and footwear, as well as those providing
30 services such as beauticians barbers, masseuses;
- 31
- 32 22. "on-call" workers in the entertainment, movie and media,
33 industries, such as but not limited to bit players, stuntmen and
34 women, crew, make-up artists, etc.:
- 35
- 36 23. Volunteer workers in government and non-government
37 entities who only receive allowances or honoraria, including
38 but not limited to: barangay health workers (BHWs), barangay
39 tanod, barangay nutrition scholars (SNS), barangay daycare
40 workers, and volunteers in non-government or people's
41 organization;
- 42

1 24. Unpaid family members, or workers receiving allowances and
2 seasonally hired workers who are engaged in micro-
3 enterprises or assist unincorporated household enterprises; and
4

5 25. Other similar economic activities that are not illegal, criminal
6 or life-threatening in nature.
7

8 (d) **Worker** is a general term that refers to both self-employed and paid
9 employees covered under the provisions of this Act.
10

11 (e) **Self-Employed Worker** refers to any person who has no employer and
12 who works for himself/herself by producing goods or services for the
13 market.
14

15 (f) **Worker of Minor Age** refers to a child fifteen (15) to seventeen (17)
16 years of age who is engaged in productive employment under a valid
17 contract of employment.
18

19 (g) **Employer** refers to a natural person or group or partnership of people
20 or a corporation for whom a paid worker renders productive
21 employment or service.
22

23 (h) **Security in the Workplace** refer to the right of every worker to an
24 enabling environment that guarantees and protects the spaces for WIE
25 to undertake their worker, including the right to feel safe in one's own
26 work space, legal security of tenure and freedom from discrimination,
27 risk, danger, doubt, anxiety, or fear of being removed, evicted or
28 prevented to work. Towards this end, the State shall take measures that
29 will ensure legal security of tenure of workplaces, taking into account
30 and including the physical environment, services, process, and systems
31 needed to enable workers to productively and safely perform their
32 work.
33

34 (i) **Hazardous Work Conditions** refers to any activity or circumstances
35 where a worker is exposed to any risk which constitutes imminent
36 danger to his or her health or safety. This includes potential risks of
37 disability, injury, illness or death due to the presence of biologic agents,
38 radiation, chemicals, substances, hazardous materials; physical hazards
39 in the work environment; or the nature of work process performed, or
40 equipment used therein.
41

42 (j) **Working Hours** refers to the period of time within which a worker is
43 required to be on call to perform any and all tasks that may be
44

designated, regardless of whether there are actual tasks being undertaken.

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

(l) **Monthly Basis** refers to the per month mode of paying a worker as bilaterally agreed upon by the employer and worker.

(m) **Pakyaw Basis** refers to the pre-contacted wholesale mode of paying a worker as bilaterally agreed upon by employer and worker.

(n) **Social Protection** refers to policies, programs and all other intervention that supports communities, households and individuals, both women and men, and aimed at: reducing poverty through the promotion of sustenance of livelihood and employment; preventing, managing and overcoming risks and vulnerabilities throughout their life cycle 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 resources necessary to maintain and sustain a decent and secure life.

(o) **Social Protection schemes** shall include labor markets interventions, social, insurance, basic health care, social welfare, and safety nets.

(p) **Community Contracting** refers to the process of concluding an agreement between a community and a contracting authority, whereby the community (or a section thereof) is responsible for implementation of the work, and therefore, functions as contractor.

(q) **Non-Government Organization (NGO)** as defined in R.A 8425, refers to a duly registered non-stock, non-profit organization focusing on the upliftment of the basic and or disadvantage sectors of the society by among others, providing advocacy, training, community organizing, research, access to resources, and other similar activities.

(r) **People's Organization (PO)** consistent with R.A No. 8425, refers to a self-help group belonging to the basic sectors or disadvantage groups composed of members having a common bond of interest who voluntarily join together to achieve lawful common goals.

(s) **Informal Economy Workers' Organization** refers to a group or groups of Informal sector workers, whether formally constituted or otherwise,

that are organized with the primary objective of promoting the welfare of workers in informal economy.

Chapter II

Coverage, Qualifications, and Accreditation

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

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

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

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

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

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

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

All local government units shall formulate a uniform and simple checklist of requirements for registration and establish an IE One-stop shop center which shall handle all transaction and processing of business permits applications with their respective jurisdiction. The center shall ensure that processing of the business permit of the informal sector business activities or enterprise shall be expedited within one day.

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

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

Chapter III Rights and Benefits

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

- (a) Work, which includes the rights to: security at workplace; make a living by work freely chosen or accepted; and avail of technical and vocational guidance and training programs,
 - (b) The enjoyment of just and favorable conditions of work;
 - (c) A living wage and equal remuneration for work of legal value without distinction of any kind, in particular for women who shall

1 be guaranteed equal wages for work similar or equivalent to those
2 done by men;

4 (d) Equal opportunity for promotion, subject to no other considerations
5 than seniority and competence;

7 (e) Safe and healthy working conditions safeguarding general,
8 occupational, and reproductive health;

10 (f) Access to basic services including but not limited to affordable
11 medical care, reproductive and other health services, low-cost
12 housing, water, sanitation, electricity, and transport;

14 (g) Rest, leisure and reasonable limitations of working hours, and
15 periodic holidays with pay, as well as remuneration for public
16 holidays whenever applicable;

18 (h) Maternity and paternity benefits, as provided for by law;

20 (i) Equal access to education, skills training, and economic resources to
21 develop self-reliance, especially of children and young persons,
22 without any discrimination;

24 (j) Self-organization to collectively negotiate with government and
25 other entities in the promotion of their welfare and advancement of
26 their interests free from any political interference;

27 (k) An adequate standard of living for workers and their families,
28 sufficient food, clothing, and shelter, and the continuous
29 improvement of such standards;

31 (l) Freedom from any form of discrimination, violence, exploitation
32 including sexual exploitation, harassment, abuse, and any form of
33 inhumane treatment which debases, degrades or demeans the
34 intrinsic worth and dignity of the workers as human beings;

36 (m) Accessible social protection, comprising mainly of, but not
37 limited to labor market programs, social security, healthcare and
38 insurance, and social welfare interventions;

40 (n) Equal treatment before the law;

42 (o) Substantial participation in policy and decision-making processes,
43 including access to information and other resources relevant to the

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

3

4 (p) Equal access to justice through appropriate mechanisms, including,
5 but not limited to, alternative dispute-resolution processes.

6

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

11 (a) Infrastructure support such as farm to market roads, common,
12 affordable and secure workplaces and facilities, merchandising
13 centers, farmers' markets or a *Bagsakan* with proper storage facilities,
14 and inventory bulk-buying centers;

15

16 (b) Policy support to promote and protect locally/domestically
17 produced products;

18

19 (c) Access to markets, including capacity building to access E-marketing
20 facilities,

21

22 (d) Access to affordable, appropriate and adequate financial services,
23 including, among others, collateral free and gender balanced credit
24 at low interest;

25

26 (e) Access to appropriate and adequate machinery, equipment and
27 other technologies, with the end in view of increasing productivity
28 and growth;

29

30 (f) Protection from unjust dislocation from places where economic
31 activities are conducted;

32

33 (g) Measures against racketeering, extortion and harassments, by both
34 State and non-State elements; and

35

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

40

41 (i) Common workplaces, adequate and affordable facilities such as
42 economic freedom parks, merchandising centers, and inventory
43 bulk-buying centers;

- 1
2 (j) Freedom from deprivation of property without valid cause and due
3 process of law.

4
5 **SECTION. 10.** Organizations of workers in informal employment, including
6 unions, cooperatives, mutual benefits associations, etc. shall have the rights to:

- 7
8 (a) Freely function and act as representatives of their members in
9 policy-and decision-making processes, collective negotiations, and
10 other similar bodies and processes;
- 11
12 (b) Establish national federations or confederations and the rights of the
13 latter to form or join international trade-union organizations;
- 14
15 (c) Access information from concerned government institutions and
16 other parties that are pertinent to the protection and promotion of
17 the rights and welfare of their members;
- 18
19 (d) Own property, real or personal, for the use and benefit of their
20 organizations and members;
- 21
22 (e) Sue and be sued under their registered names;
- 23
24 (f) Undertake all activities, not contrary to law, designed to benefit their
25 organizations and members; and
- 26
27 (g) Be accorded preferential option in awarding of contracts for the
28 undertaking of national and local projects funded by either national
29 or local government units including foreign-assisted projects.
30 Guideline for this shall be developed by the implementing rules and
31 regulations of this Act.

32
33 Further,

- 34
35 (h) Notwithstanding of any provision of a general or special law to the
36 contrary, the income and properties of the legitimate worker's
37 organizations, including grants, endowments, gifts, donations and
38 contributions they may receive from fraternal and similar
39 organizations, local or foreign, which are actually, directly and
40 exclusively used their lawful purposes, shall be free from taxes,
41 duties and other assessments. The exemptions provided herein may
42 be withdrawn only by a special law expressly repealing this
43 provision.

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

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

14 Attention will be given to organizing women and other vulnerabilities
15 WIE.

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

SECTION 13. Monitoring of growth. The local government units (LGU) which will supervise the workers in informal economy local development office (WIELDO) as created by Chapter IX of this Act, shall monitor the growths of informal employment business activities or enterprise three (3) years after the enactment of this Act, and every 3 years thereafter. The centralized database referred to in section 6 shall be the basis of this monitoring.

Chapter IV

Prohibited Acts Concerning Engagement of Workers in the Informal Economy

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

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

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

- 6 (a) Any work which requires workers to render services beyond eight
7 (8) hours without commensurate compensation;
- 8 (b) Any work or activity which exposes the worker to physical,
9 emotional or sexual abuse, or threats of such abuse;
- 10 (c) Any work which involves manual handling or transport of heavy
11 loads;
- 12 (d) Any work in unhealthy environment, which exposes workers to
13 hazardous substance, gents or processes, or to temperature, noise
14 levels, or vibrations damaging or potential damaging to their health;
- 15 (e) Any work which requires workers to continuously render service
16 during late nights;
- 17 (f) Any and all forms of slavery or practices similar to slavery, such as
18 the sale and trafficking of persons, forced or compulsory labor, debt
19 bondage and serfdom;
- 20 (g) Any use, procuring or offering of the worker for prostitution or
21 pornography;
- 22 (h) Any use procuring or offering the workers for the commission of any
23 offense or crime, particularly for the production, trafficking, or sale
24 of narcotic drugs and substances as defined in the Dangerous Drug
25 Acts;
- 26 (i) Any other type of work or activity which, by its nature of the
27 circumstances in which it is carried out, is likely to jeopardize the
28 health, safety, or morals of the workers; and
- 29 (j) Any other type of work, activity, condition or undertaking that
30 maybe hereinafter be defined as hazardous by the Department of
31 Labor and Employment.

32 **SECTION 16. Prohibition Against Interference and Coercion.** Any person is

1 prohibited from committing any of the following acts of interference and
2 coercion:

- (a) Preventing any worker from upholding or exercising his/her rights;
 - (b) Preventing any worker from joining or assisting organizations for purpose not 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 work 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 calculated to diminish the independence and freedom' of workers organization to direct its own affairs.

Chapter V
SOCIAL PROTECTION

Social Protection as defined in Section 4 of this Act shall have the following components:

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

- (a) The State shall ensure that these schemes shall be labor-intensive, developmental, sustainable, and engaging both women and men, youth and older people in building infrastructure, socialized housing, social forestry focusing on the planting of traditional trees, organic farming, and food production programs.
 - (b) LGU's shall encourage and provide incentives to constituents who want to engage or are engaged in sustainable and/or organic

1 farming. All idle private or public lands within their jurisdiction
2 should be cultivated or planted with organic food crops like corns,
3 root crops, or vegetables. Relevant LGU's must allocate their local
4 funds for mangrove reforestation and prohibit conversion of any
5 mangrove forest to residential, commercial or industrial use.
6

- 7 (c) In pursuit of decent work, the State in all its labor market programs
8 shall adopt a comprehensive framework and plan on occupational
9 safety and health that covers all workers, formal and informal, and
10 implemented at both national and local levels.
11
- 12 (d) The state shall encourage entrepreneurship among the disadvantaged,
13 especially women and young people in informal employment,
14 through simple and efficient procedures and the provision of
15 adequate and affordable marketing facilities such as those provided
16 for by Section 9 (i) of this Act;
17
- 18 (e) The State through LGUs shall promote community contracting to
19 give preference to WIE and their organizations in accessing
20 employment opportunities and related benefits.
21

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

- 27 (a) The Social Security System (SSS) shall cover all workers, particularly
28 the working poor who mostly belong to the informal economy. The
29 SSS, in consultation with informal workers' organizations shall
30 customize products and services for them that are accessible and
31 affordable. In the interest of equity, the State shall cover what should
32 have been the employers share for contributions of informal workers
33 had they been formally employed.
34
- 35 (b) The SSS shall also develop schemes involving government subsidies
36 and sponsorship programs to enable those who cannot afford to
37 enroll and sustain their membership.
38
- 39 (c) To achieve universal coverage the SSS shall facilitate the
40 accreditation of the cooperatives, women's and peoples'
41 organization, trade unions and NIE associations, microfinance and
42 micro-insurance institutions and similar groups as collecting agents

1 of premiums and facilitators of claims with the least burdensome
2 conditions and with appropriate incentives, it shall develop effective
3 partnerships with these organizations.

4

5 (d) The SSS Commission, in the spirit of democracy, transparency,
6 accountability, and equity, shall be required to conduct regular
7 consultation with and provide information and reports to its
8 membership formal or informal workers shall be represented in the
9 SSS commission. Where gender balance shall also be observed.

10

11 (e) The SSS in cooperation with other relevant national agencies and
12 LGUs, shall support indigenous and community based social
13 protection schemes such as *damayan*, *tulunagn*, *saranay*, small mutual
14 benefit associations and micro-finance organizations initiated or
15 participated in by WIE so that these can be sustained, systemized
16 and up-scaled.

17

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

23

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

30

31 **SECTION 20. Health Care System and Financing.** The State shall establish a
32 comprehensive and integrated healthcare system that guarantees provision,
33 oil service by duly accredited and adequately furnished health facilities, and
34 appropriately educated and rationally compensated health personnel to
35 underserved areas all the way down to the barangay level. Provided that,
36 such healthcare system shall include reproductive health services, and
37 provided finally, that priority in the delivery of such services shall be the poor
38 and marginalized.

39 The state shall ensure adequate resources to finance health care for all, by,
40 among others, progressively increasing the budget for health care until it

1 meets the World Health Organization recommended of at least four percent
2 (4%) of the Gross Domestic Product.

3

4 **SECTION 21. Universal Health Insurance.** All citizens of the Philippines
5 shall be covered by the National Health Insurance Program as provided for in
6 RA 0606, The National Health Insurance Act of 2013. To achieve this,
7 PhilHealth with the participation of all stakeholders shall critically review its
8 current operations. It shall also ensure the provision of a minimum benefit
9 package which shall be periodically upgraded to meet the goal of universal
10 coverage which is affordable, accessible, and appropriate to the needs of all.

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

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

24 (c) PhilHealth shall immediately extend its services to undeserved
25 areas by facilitating and accelerating accreditation of hospitals and clinics,
26 and by ensuring that these service providers remain viable through
27 immediate reimbursement.

28 (d) PhilHealth, in accordance with its guiding principles, shall promote
29 maximum community participation and shall recognize the roles and
30 strengths of the public and private sectors in healthcare, including
31 people's organizations and community-based health organizations.
32 PhilHealth shall extend appropriate recognition, technical assistance, and
33 other forms of material and non-material support to mutual benefit
34 associations, microfinance organizations, community-based health
35 insurance and other indigenous schemes initiated and participated in WIE.

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

CHAPTER VI

Security in the Workplace of Workers in Informal Employment

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

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

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 agreement.

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

1 The LGU's shall, within 90 days after the survey and based on
2 recommendations of WIELDO and consultations with concerned WIE,
3 affected inhabitants and relevant sectors, pass an ordinance designating such
4 workplaces.

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

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

12 The LGUs shall make an inventory of all agricultural lands under
13 leasehold and shall enforce the security of tenure of tenants, right of
14 redemption and right of first refusal on the subject land. The LGUs shall
15 provide assistance and protection to tenants in agricultural lands whose
16 landowners violate the provisions of RA 3844 or the Agricultural Land
17 Reform Code. Tenants shall not be evicted based on unilateral termination of
18 the tenancy relationship by landowners.

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

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

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

33 The consent of the affected fisherfolk shall be required before an area
34 can be declared a marine protected area or a fish sanctuary to the national or

1 local government unit.

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

- 7 a) notice upon the affected persons or entities at least thirty (30)
8 days prior to the date of the eviction or demolition;
- 9 b) adequate consultations on the matter of resettlement with the duly
10 designated representative of the families to be resettled and the affected
11 communities in the areas where they are to be relocated
- 12 c) presence of local government officials or their representatives during
13 eviction or demolition;
- 14 d) proper identification of all persons taking part in the demolition;
- 15 e) execution of eviction or demolition only during regular office
16 hours from Mondays to Fridays and during good weather, unless the
17 affected families consent otherwise;
- 18 f) no violence or unreasonable force shall be committed against
19 women, children, senior citizens, persons with disabilities and
20 other identities similarly situated in the course of eviction or
21 demolition;
- 22 g) non-use of heavy equipment for demolition except for structures
23 that are permanent and of cemented material;
- 24 h) proper uniforms for members of the Philippine National Police
25 (PNP) who shall occupy the first line of law enforcement and
26 observe proper disturbance control procedures; and
- 27 i) adequate relocation whether temporary or permanent; provided,
28 however, that in cases of eviction and demolition pursuant to a court
29 order involving underprivileged and homeless citizens, relocation shall
30 be undertaken by the local government unit concerned and the National
31 Housing Authority (NHA) with the assistance of other government
32 agencies within forty-five (45) days from service of notice of final
33 judgment by the court, after which period the said order shall be

1 executed; provided, further, that relocation should not be possible
2 within the said period, financial assistance in the amount equivalent to
3 the prevailing minimum daily wage multiplied by sixty (60) days shall
4 be extended to the affected families by the local government unit
5 concerned.

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

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

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

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

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

Chapter VII

Special Allocations of Development Initiatives

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

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

14 (b) For purposes of program implementation, the DOLE shall manage
15 30%, and WIELDO, 70% of the funds from the General Annual
16 Appropriations Act (GAA) as provided for in the previous paragraph
17 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.

21
22 **SECTION 30. Sourcing and Adopting Development Initiatives.** - Other
23 sources of funds to be used exclusively for initiatives addressing the needs
24 and empowerment of WIE shall be identified in the IRR of this Act and may
25 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 set aside a specific 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 RA 7882, An Act Providing Assistance to Women Engaging in Micro and Cottage Enterprises.

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

(c) The Small Business Guarantee and Finance Corporation (SBGFC) created under Republic Act (R.A) No. 8289 shall assist in the sourcing and adopting of development initiatives for competitive enterprises in terms of finance, technology, production, management and business linkages. It shall also provide and promote, develop and widen in both scope and service reach various alternative models 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 the qualified worker or business activity or enterprise, under such terms and conditions adopted by its Board.

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

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

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

SECTION 32. Exclusivity 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)

1

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

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

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

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

(g) Establish a performance appraisal system for all accredited workers, enterprises and organizations in this informal economy which shall be the basis for granting or renewal of incentives to ensure their active participation and involvement;

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

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

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

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

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

iv. Inventory of resolved and pending cases involving activities of WJE;

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

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

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

1 better understanding and appreciation of the benefits this Act may bring
2 them;

3
4 (k) Consistent with Section 2(b) of this Act, to develop and ensure
5 implementation of a comprehensive plan to eliminate child labor;

6
7 (l) Monitor and coordinate interpretation of policies and programs
8 through the Regional IEC offices;

9
10 (m) Coordinate and harmonize all informal economy-related policies,
11 programs, projects and activities of various government agencies
12 towards greater efficiency and effectiveness;

13
14 (n) Monitor the LGU-generated incomes from informal employment
15 through the LGUs periodic report submitted to the Council.

16
17 (o) After consultations with WIE organizations, develop and ensure
18 implementation of policies and programs that will address specific needs
19 and ensure right of WIE subsectors;

20
21 (p) Develop and ensure implementation of accessible and just conflict
22 resolution and adjudication systems and mechanisms to promote
23 dialogue, conciliation, mediation, and redress of grievances to protect the
24 rights of WIE; and

25
26 (q) From time to time call on the participation of any government agency
27 or bureaucracy in its deliberations especially when such agency is direct
28 or indirectly concerned with or affecting the growth and development of
29 the IE.

30
31 **SECTION 35. Composition.** - The chair of the IEDC shall be the secretary of
32 Department of Labor and Employment. IEDC members may elect from
33 among themselves a Vice-Chair to preside over meeting in the absence of the
34 Chair. The members shall be the following:

35
36 a) Secretary of the Department of Trade and Industry (DTI)

37
38 b) Director General of the National Economic and Development Plan
39 (NEDA)

40
41 c) Secretary of Department of Agriculture (DA)

42
43 d) Secretary of Social Welfare and Development (DSWD)

- 1 e) Secretary of the Department of Interior and Local Government
2 (DILG)
- 3 f) Chair of the Commission on Human Rights (CHR)
- 4 g) Lead Convenor of the National Anti-Poverty Commission (NAPC)
- 5 h) Secretary of Department of Transportation and Communication
6 (DOTC)
- 7 i) Chair of Social Security System (SSS)
- 8 j) Chair of the Philippine Health Insurance Corporation (PhilHealth)
- 9 k) Chair of the Philippine Commission on Women (PCW)
- 10 l) Secretary of the Department of Public Works and Highways (DPWH)
- 11 m) One (1) representative from the private sector at large, all Filipino
12 citizens, proven to have been active in assisting the informal economy
13 workers.
- 14 n) One (1) representative each from the League of Cities, League of
15 Municipalities, League of Provinces and League of Councilors;
- 16 o) The incumbent NAPC informal Sector Sectoral Representative
- 17 p) At least 30% of total membership of IEDC shall come from
18 organizations of workers in the informal economy, as well as People's
19 Organizations (POs), NGOs, and women's organizations actively
20 working with and for the rights of WIE provided that regional and
21 sub-sectoral representation shall be ensured. Provided further, that at
22 least 40% of the 30% are women. Guidelines for the selection of
23 non-government IEDC members, including processes and mechanics
24 shall be determined by the IRR of this Act.

37 Representatives from the private sector, NGOs and WIE organizations
38 shall serve as IEDC members from a term of three (3) years without re-election
39 and shall be subject to terms and conditions provided by the IRR.
40

41 The private sector, workers in the informal economy and women's
42 organizations' representatives to the IEDA shall be entitled to receive per
43 diem of at least Two Thousand Five Hundred Pesos (P2,500) per meeting.
44

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

5 **SECTION 37. Initial IEDC Funds.** - Ten million pesos (P10,000,000) shall be
6 allocated from the Presidential discretionary fund for the initial operating
7 expenses of the IEDC.
8

9 **SECTION 38. Executive Committee of the IEDC.** - An executive Committee
10 of nine (9) members shall be convened. Besides the Chair and Vice-Chair, the
11 following shall be elected by the IEDA members from among themselves their
12 duly designated alternate representatives; four (4) representatives of WIE
13 organizations, one (1) from a national government agency, provided, that at
14 least three (3) members of the Executive Committee are women.
15

16 The Executive Committee shall have the authority to act for in behalf of
17 IEDC during intervals of meetings, and only within the specific authority
18 granted by the IEDC.
19

20 **SECTION 39. IEDC Secretariat.** - The following secretariat funds shall be
21 integrated in the DOLE secretariat functions:
22

23 (a) Prepare and recommend, in coordination with the LGU and other
24 government agencies, annual, medium-term, and long-term Informal
25 Economy Development Plans for approval of the IEDC;
26

27 (b) Coordinate the preparation of position papers and background
28 materials for discussion or approval during IEDC and its Executive
29 Committee meetings;
30

31 (c) Assist in coordinating and monitoring policies, programs and
32 activities of all government agencies with respect to the implementation
33 of this Act;
34

35 (d) Prepare, collate, and integrate all inputs to the IEDC's yearly report
36 on the status of WIE, business activities or enterprises in the country, or
37 other matters as directed by the IEDA;
38

39 (e) Submit periodic reports of the IEDC on the progress and
40 accomplishments of its work programs; and
41

42 (f) Perform other secretariat and administrative functions as authorized
43 by the IEDC or its Executive Committee.
44

Chapter IX

Workers In Informal Employment Local Development Office (WIELDO)

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

- (a) Prepare an overall development plan and work program that will address the needs of the WIE, prioritizing the poorest and most vulnerable, and incorporate them in their respective city, municipal and barangay development plans;
 - (b) In consultation with WIE organizations in the area, identify specific needs of various IE subsectors and recommend appropriate measures to be taken;
 - (c) Ensure accreditation of WIE, especially those with assets of P150,000 and below, to facilitate their immediate access to benefits and services;
 - (d) Monitor, assess and evaluate implementation of the plans and programs as well as the performance of informal workers, their economic activities and their organizations in the areas;
 - (e) Lead in the local implementation of Chapter VI (Security on the Workplace of WIE) of this Act;
 - (f) Coordinate with other local offices, private sector and other organizations with existing programs for WIE towards integration and convergence;
 - (g) Conduct education and training programs that will raise their consciousness especially on but not limited to workers', women's and children's rights; provide new ideas especially to those with the least assets and formal education, and develop or upgrade technical, entrepreneurial and leadership skills WIE;
 - (h) Provide technical supports and facilitate access to credit, market, technology, social protection schemes, and training for WIE;
 - (i) Train pools of community trainers in business counseling and awareness-raising on occupational safety and health hazards, risks and social protection;

- (j) Support organizing activities among WIE;
 - (k) Establish sex-disaggregated databank on human resources and skills registry to be used as tools for LGU planning and budgeting;
 - (l) Provide offices and other necessary resources to support organizing, advocacy, training and other activities of local organizations of WIE;
 - (m) Conduct specialized training such as negotiation skills and conduct of time and motion studies to determine proper wages;
 - (n) Provide services, which shall include but not limited to counseling, conciliation, mediation, and legal assistance for the furtherance of this Act. Prioritizing those with the least access to justice; and
 - (o) Ensure that the LGU is capacitated to undertake and implement rights-based and gender-responsive programs for WIE.

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

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

SECTION 44. Local Government Unit Informal Economy Development Fund (LGU-IEDF). - An Informal Economy Development Fund shall be established by every municipality and city. Such fund will be supervised and managed by the concerned LGU through the WIELDO but subject to audit by the Commission on Audit (COA).

For the establishment and initial operations of WIELDO, each LGU shall allocate at least three percent (3%) of their twenty percent (20%) Development Fund from their IRA HB 768 Section 38 with modifications.

Thereafter, the LGU-IEDF shall be funded using:

1
2 (a) Accreditation and registration fees and annual dues paid by
3 individual workers in the informal economy, their livelihood activities,
4 and organizations and associations as provided for by Sections 6 and 7 of
5 this Act;

6
7 (b) Shares from the 70% of at least 10% funds from the Annual General
8 Appropriations Act as provided for by Chapter VII Section 29 (a) and (b)
9 of this Act; and

10
11 (c) Annual allocations from LGUs Development Fund the percentage of
12 which shall be determined by LGUs.

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

18
19 **SECTION 45. Additional Sources of Funds.** - The following may be tapped
20 by LGUs as additional sources of funds for WIELDO initiatives:

21
22 (a) at least fifty percent (50%) of fees and annual dues collected from
23 small transport for programs for workers in the small transport industry;

24
25 (b) at least fifty percent (50%) of collected fees and annual dues from
26 business establishments and entrepreneurs falling under the category of
27 informal sector - for programs focusing on micro-entrepreneurs and their
28 workers;

29
30 (c) at least fifty percent (50%) of collected fees and annual dues from
31 small vendors - for programs focusing on vendors;

32
33 (d) at least fifty percent (50%) of fees and annual dues collected from
34 marginalized fisherfolks - for programs focusing on fisherfolk;

35
36 (e) at least fifty percent (50%) of funds from the Philippine Amusement
37 and Gaming Corporation (PAGCOR) and Philippine Charity
38 Sweepstakes Office (PCSO).

41
42 **TITLE II**
43 **EMPLOYMENT OF WORKERS IN INFORMAL ECONOMY**

44 **Chapter I**

Requisites for Employment Agreement

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

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

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

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

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

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

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

- (a) working arrangement/mode;
 - (b) duration of employment;
 - (c) compensations, which shall not be below the minimum standard, and mode of payment;

- (d) computation of contributions for social security and medical insurance including for those who fall under DOLE Department Order No. 5;
 - (e) duties and responsibilities;
 - (f) working hours and day-off schedules;
 - (g) living quarters or sleeping arrangements (for live-in workers);
 - (h) the date, term and mode of delivery or date of completion;
 - (i) minimum of twenty percent (20%) down payment for labor cost and services and minimum of 50% for inventory of raw materials used in the production for homeworkers per DOLE Order No. 5.

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

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

SECTION 48. Payment of Wages - Payment of Wages - Payment derived from negotiated agreement shall be made directly to the workers. No deductions from such payments shall be made by the employer except those provided for by law. The expressed written consent of the worker shall be first secured before deductions are made.

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

Chapter II
IE Workers of Minor Age

SECTION 49. Allowable Employment of Workers of Minor Age - Children fifteen (15) years up to seventeen (17) years of age may be employed

provided, that parental or legal guardian consent is presented and attested to by any representative of the LGU or duly elected Barangay Official where to work is to be done. In no instance, however, shall children below fifteen (15) years old be engaged in whatever form of productive services.

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

TITLE III FINAL PROVISIONS

SECTION 50. Penal Provisions -

- (a) Any person who shall willfully interfere with restraint or coerce a worker in the exercise of his or her rights or shall in any manner commit any act in violation of any of the provisions of this Act shall, upon conviction, be punished of a fine of not less than Twenty Thousand Pesos (P20,000) or imprisonment of one (1) to sic (6) years or both fine and imprisonment at the discretion of the Court.
 - (b) If the offender is a public official or, the Court, in addition to the penalties provided in the preceding paragraph, may impose the additional penalty of disqualification from public office.
 - (c) Any person who violates section 26 of this Act (Policy on Confiscation of Materials and Impounding of Vehicles) shall be liable. Nothing herein shall prohibit the aggrieved WIE from initiating a criminal or civil action against the responsible person or officer applicability.
 - (d) Failure to implement Section 27 and 28 of this Act (Policy on Relocation of Vending Sites and Policy on Relocation of Terminals) shall render the responsible official/s administratively liable pursuant to Republic Act 7160 and other pertinent laws and criminally liable whenever applicable.
 - (e) In the case of a private institution/company found to be violating any provision of this act, it shall be subject to additional penalty ranging from suspension or revocation of business license at the discretion of the Court.

SECTION 51. Implementing Rules and Regulation (IRR) - The implementing Rules and Regulations (IRR) of this Act shall be formulated by a drafting committee composed of representatives of offices that will be

1 members of IEDC and WIE organizations provided that, at least 30% of
2 committee members are women. Said committee will start work on the IRR
3 within three (3) months after the effectivity of this Act and finish within six (6)
4 months thereafter.

5

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

9

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

13

14 **SECTION 54 Effectivity -** This Act shall take effect fifteen (15) days after its
15 publication in at least two (2) newspapers of general circulation of the Official
16 Gazette, whichever comes first.

17

18

19 Approved.

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44