

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



'22 JUL 12 A10 :38

**SENATE**  
**S. No. 338**

RECEIVED BY: \_\_\_\_\_

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Introduced by Senator Grace Poe

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

EXPLANATORY NOTE

Under the National Statistical Coordination Board (NSCB) Resolution No. 15, Series of 2002, informal sector consists of "units" engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons concerned in order to earn a living.<sup>1</sup>

Data on workers in the informal economy in the country are hard to come by. However, based on past studies, we know that they are composed mostly of individuals or unincorporated organizations of one to two workers.<sup>2</sup> They are mostly employed in agriculture, hunting and forestry, or wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods.<sup>3</sup> Historically, the sector accounts for close to 50% of total employment and 50% of total gross domestic product (GDP).<sup>4</sup> Women likewise make up a large portion of the informal

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<sup>1</sup> <http://nap.psa.gov.ph/resolutions/2002/15.asp>

<sup>2</sup> Sibal, J.V. "Measuring the Informal Sector in the Philippines and the Trends in Asia" Paper presented at the 10<sup>th</sup> National Convention on Statistics (2007). Accessed from: <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.599.6117&rep=rep1&type=pdf>

<sup>3</sup> Philippine Statistics Authority (PSA). "Informal sector operators counted at 10.5 million (Results from the 2008 Informal Sector Survey) (01/14/09).

<sup>4</sup> Venida, V.S. "Employment, Productivity and The Informal Sector In The Philippines, 1974-88: An Input- Output Analysis". Accessed from: <https://www.iioa.org/conferences/12th/pdf/nydrfr98.pdf>

economy, and are mostly found in small home businesses, contractual jobs in the manufacturing and service sectors, and others.<sup>5</sup>

It can be inferred that workers in the informal economy account for a large portion of the labor force and for a substantial portion of GDP, acting as a "sponge" for individuals who could not enter the formal economy. However, despite their substantial share in employment and economic growth, workers in the informal economy are not provided adequate social protection or assistance. Around 70.6% of workers in the informal economy rely on their savings as their primary source of capital,<sup>6</sup> while 48.6% lack access to capital and markets,<sup>7</sup> and 98.5% do not receive any loan assistance.<sup>8</sup> Workers in the informal economy are generally not members of the Social Security System. They also do not have adequate representation in policy and decision-making processes and institutions.

Congress has yet to enact a measure that would adequately protect workers in the informal economy. Various laws protect subsectors of the informal economy. However, the informal sector as a whole is not provided with sufficient protection.<sup>9</sup> This contradicts the social justice provisions of the 1987 Philippine Constitution, foremost of which is Article XIII, Section 1, which states: "The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good."

Thus, this bill seeks to protect and support workers in in the informal economy. This measure seeks to achieve this by:

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<sup>5</sup> Philippine Commission on Women. (n.d.). "Magna Carta of Workers in the Informal Economy". Accessed from: <https://pcw.gov.ph/magna-carta-of-workers-in-the-informal-economy/>

<sup>6</sup> Sibal, J.V. "Measuring the Informal Sector in the Philippines and the Trends in Asia" Paper presented at the 10<sup>th</sup> National Convention on Statistics (2007). Accessed from: <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.599.6117&rep=rep1&type=pdf>

<sup>7</sup> *Ibid.*

<sup>8</sup> *Ibid.*

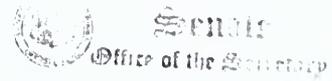
<sup>9</sup> Tolentino, M., Sibal, J.V. et.al.. "Survey and Assessment of Laws on the Informal Sector" Philippine Journal of Development Number 51: Vol. 27, No. I (2001).

1. Defining who workers, businesses and organizations in the informal economy are and specifying their rights and benefits.
2. Creating the following institutional mechanisms:
  - i. The Informal Economy Development Council, which serves as the policy making body for informal economy workers, businesses and organizations on the national level. The IEDC's powers and functions include, but are not limited to, the following:
    - a. Developing a simple registration system for informal economy workers, enterprises, and organizations;
    - b. Crafting, implementing and monitoring plans for the informal economy, which shall be part of the NEDA's Medium Long-Term; and 
    - c. Ensuring the protection of the rights of informal economy workers, enterprises and organizations.
  - ii. Workers in Informal Employment Local Development Offices (WIELDO) in every city and municipality. WIELDOs shall lead the implementation of this measure on the local level.

In view of the foregoing, the immediate approval of this legislative measure is hereby earnestly sought.

  
GRACE POE 

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

TITLE I  
GENERAL PROVISIONS  
CHAPTER I  
FRAMEWORK AND PRINCIPLES

1 Section. 1. *Short Title.* – This Act shall be known as the “Magna Carta of  
2 Workers in the Informal Economy” or MACWIE.

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

- 5 a. Promote a just and dynamic social order that will ensure that the prosperity  
6 and independence of the nation and free the people from poverty through  
7 policies that provide adequate social services and promote decent and full  
8 employment, a rising standard of living, and an improved quality of life for all;
- 9 b. Protect, promote, and fulfill the rights of every worker including gender  
10 equity, non-discrimination, the right to self-organization, just and humane  
11 conditions of work, access to social protection programs and services, access  
12 to justice, security of and in the workplaces, and the right to represent their

- 1 organizations in a continuing process of consultation and social dialogue, with  
2 equitable membership in relevant tripartite bodies; and  
3 c. Establish and fully implement an integrated and coherent policy, at all levels  
4 of government, of formalization of informal economic units and informal  
5 economy workers and make them visible in all relevant national and local  
6 statistics.

7 *Sec. 3. Coverage.* – This Act shall apply to all workers and economic units –  
8 including enterprises, entrepreneurs and households – in the informal economy, in  
9 particular:

- 10 a. Those who own and operate economic units including self-employed workers,  
11 self-employed own-account workers, employers, members of cooperatives,  
12 and members of other social and solidarity economy units;  
13 b. Home-based workers or contributing family workers, irrespective of whether  
14 they work in economic units in the formal or informal economy;  
15 c. Employees holding informal jobs in or for formal enterprises, or for economic  
16 units 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  
18 workers employed by households;  
19 d. Workers in unrecognized or unregulated employment relationships provided  
20 that the work performed is not illegal;  
21 e. Volunteer, contractual, job orders, and other vulnerable workers in  
22 government instrumentalities; and  
23 f. Agricultural workers or fisherfolk in unrecognized or unregulated agricultural  
24 or farming endeavors and fishing activities.

25 *Sec. 4. Definition of Terms.* – The following terms are defined for the  
26 purposes of this Act:

- 27 a. *Informal Economy* – refers to all economic activities by workers and economic  
28 units that are, in law or in practice, not covered or insufficiently covered by  
29 formal arrangements;  
30 b. *Economic Units* in the informal economy include but are not limited to units  
31 that employ hired labor; units that are owned by individuals working on their  
32 own account, either alone or with the help or contributing family workers;

1 cooperatives and other social and solidarity economy units; and informal work  
2 that may be found across all sectors of the economy, in households, as well  
3 as public and private spaces including government instrumentalities and  
4 Government Owned and Controlled Corporations (GOCCs);

5 c. *Informal Economy Workers' Organization* – refers to a group or groups of  
6 informal workers, whether formally constituted or otherwise, that are  
7 organized with the primary objective of promoting the rights and welfare of  
8 workers in informal economy;

9 d. *Informal employment* – refers to an employment arrangement in the formal  
10 or informal sectors or in households that exist based mostly on casual  
11 employment, kinship or personal and social relations with no formal  
12 guarantees on legal and social protection and employment benefits, and  
13 prevalent in economic units that are unregistered, unlicensed and  
14 unregulated;

15 e. *Security of and in the Workplace* – refers to the right of every worker and  
16 informal economic unit to an enabling environment that guarantees and  
17 protects the spaces, facilities, and structures to undertake their work,  
18 including the right to feel safe in one's own work space, legal security of  
19 tenure and freedom from discrimination, risk, danger, doubt, anxiety, or fear  
20 of being removed, evicted or prevented from working;

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

30 Social protection schemes shall include labor market interventions, social  
31 insurance, social welfare, safety nets, disaster risk reduction and management  
32 mechanisms, adaptive measures in the context of climate change, affordable

- 1 housing, and other provisions necessary for vulnerable groups to adequately  
2 address and manage risks, vulnerabilities, and threats to workers' livelihood  
3 activities and overall quality of life;
- 4 g. *Social and Solidarity Economy Units* – refers to enterprises and organizations  
5 including cooperatives as defined under Republic Act No. 9520, mutual benefit  
6 societies, associations, foundations and social enterprises which produce  
7 goods, services and knowledge that meet the needs of the community they  
8 serve, through the pursuit of specific social and environmental objectives and  
9 the fostering of solidarity;
- 10 h. *Volunteer, contractual, job orders, and other vulnerable workers in*  
11 *government instrumentalities* – refers to workers in government  
12 instrumentalities who do not occupy plantilla positions; receive salaries but  
13 not benefits; are contracted out for specific periods of time; and/or who  
14 receive allowances or honoraria. These include but are not limited to: job  
15 order and other contractual workers, project staff, barangay health workers,  
16 barangay tanod, barangay nutrition scholars, barangay daycare workers,  
17 barangay volunteers and other vulnerable workers in government  
18 instrumentalities for disasters, enumerators, among others; and
- 19 i. *Social Protection Floor* – Refers to a set of guarantees ensuring access to  
20 essential health services, income support for children for education, health,  
21 and nutrition, income assistance for economically active groups who do not  
22 have sufficient earnings in case of emergencies, and financial support for  
23 elderly population, and women informal workers in difficult and vulnerable  
24 circumstances like single mothers, and women survivors of abuse and  
25 violence.

## 26 CHAPTER II

### 27 RIGHTS AND BENEFITS

28 Sec. 5. *Basic rights.* – Workers in the informal economy shall have the same  
29 basic rights accorded to all workers, as enshrined in the Philippine Constitution, the  
30 Labor Code as amended, and relevant international human rights instruments and  
31 international labor standards. Accordingly, the state shall guarantee all workers in  
32 the informal economy the following rights:

- 1 a. Security of and in the workplace;
- 2 b. Make a living through work freely chosen or accepted; and avail of technical  
3 and vocational guidance and training programs;
- 4 c. Just and favorable conditions of work, including provision for work-life  
5 balance such as child care and other facilities to reduce and redistribute  
6 family and domestic responsibilities;
- 7 d. A living wage and equal remuneration for work of equal value without  
8 distinction of any kind, in particular for women who shall be guaranteed equal  
9 wages for work similar or equivalent to those done by men;
- 10 e. Equal opportunity for promotion, subject to no other considerations than  
11 seniority and competence;
- 12 f. Safe and healthy working conditions safeguarding general, occupational and  
13 reproductive health;
- 14 g. Basic services including but not limited to affordable medical care,  
15 reproductive and other health services including modern family planning, low-  
16 cost housing, water, sanitation, electricity and transport;
- 17 h. Rest, leisure and reasonable limitation of working hours and periodic holidays  
18 with pay, as well as remuneration for public holidays whenever applicable;
- 19 i. Maternity and paternity benefits, as provided for by law;
- 20 j. Equal access to education, skills training, and economic resources to develop  
21 self-reliance, especially of children and young persons, without any  
22 discrimination;
- 23 k. Self-organization to collectively negotiate with government and other entities  
24 in the promotion of their welfare and advancement of their interests, free  
25 from any political interference;
- 26 l. An adequate standard of living for workers and their families, adequate food,  
27 clothing, and shelter, and the continuous improvement of such standard;
- 28 m. Freedom from any form of discrimination, violence, exploitation including  
29 sexual exploitation, harassment, abuse and any form of inhumane treatment  
30 which debases, degrades or demeans the intrinsic worth and dignity of the  
31 worker as a human being;

- 1 n. Accessible, affordable, and appropriate social protection as defined in Section
- 2 4, (f) of this Act;
- 3 o. Equal treatment before the law;
- 4 p. Substantial participation in policy and decision-making processes through their
- 5 organizations and the use of social dialogue, including access to information
- 6 and other resources relevant to the promotion and protection of their rights
- 7 and welfare;
- 8 q. Equal access to justice through appropriate mechanisms, including, but not
- 9 limited to, alternative dispute resolution processes; and
- 10 r. Access to public procurement including advice and reserving quotas for
- 11 informal economic units.

12 *Sec. 6. Own-account workers and informal economic units.* – Own-account  
13 workers as well as informal economic units, being the working poor’s primary  
14 instruments to address and overcome poverty, shall be accorded the following  
15 preferential rights by the State:

- 16 a. Infrastructure support such as farm to market roads, common, affordable and
- 17 secure workplaces and facilities, merchandising centers, farmers’ markets or
- 18 Bagsakan with proper storage facilities, and inventory bulk-buying centers;
- 19 b. Policy support to promote and protect local and domestically-produced
- 20 products and services, and support in enhancing their participation in the
- 21 value chain process;
- 22 c. Ease and facilitation of access to markets, including capacity-building to
- 23 access and maximize e-marketing facilities;
- 24 d. Access to affordable, appropriate and adequate financial services, including,
- 25 among others, collateral-free and gender-responsive credit at low interest;
- 26 e. Access to appropriate and adequate machinery, equipment, and other
- 27 technologies, with the end in view of increasing productivity, enhancing
- 28 quality of products and services, and growth;
- 29 f. Protection from unjust dislocation from places where economic activities are
- 30 conducted with the “provision of relocation before demolition”;
- 31 g. Measures against racketeering, extortion, and harassment, by both State and
- 32 non-State elements;

- 1 h. Freedom from deprivation of property without valid cause and due process of
- 2 law; and
- 3 i. Affordable and customized social security and insurance programs.

4 *Sec. 7. Rights of Legitimate Organizations of Workers in the Informal*

5 *Economy.* – Organizations of workers in informal employment, including unions,

6 cooperatives, social and solidarity economic units/organizations and mutual benefit

7 associations, shall have the right to:

- 8 a. Freely function and act as the representatives of their members in policy and
- 9 decision-making processes, collective negotiations, and other similar bodies
- 10 and processes in the context of tripartism and multi-sector;
- 11 b. Establish, join or affiliate with local unions, national federations or
- 12 confederations, and international trade union organizations, a right which
- 13 shall be duly recognized, protected and supported by the national
- 14 government;
- 15 c. Access information from concerned government institutions and other parties
- 16 that are pertinent to the protection and promotion of the rights and welfare of
- 17 their members;
- 18 d. Own property, real or personal, for the use and benefit of their organizations
- 19 and members;
- 20 e. Sue and be sued under their registered names; and
- 21 f. Undertake all other activities, not contrary to law, designed to benefit their
- 22 organizations and members.

23 *Sec. 8. Organizing Workers in Informal Economy.* – Workers in informal

24 economy shall be encouraged to organize themselves into self-help organizations,

25 associations, federations, and confederations for their mutual benefit and protection,

26 and for other legitimate purposes. Special attention shall be given to organizing

27 women and other vulnerable workers in informal economy.

28 *Sec. 9. Assistance to Organizations of Workers in the Informal Economy.* – All

29 concerned national government agencies, government financial institutions and local

30 government units shall include in their annual plans and budgets, programs and

31 projects that support and address concerns of organizations of workers in the

32 informal economy and their members.

1 CHAPTER III

2 SECURITY IN THE WORKPLACE OF WORKERS IN THE INFORMAL ECONOMY

3 Sec. 10. *Designation of Workplaces.* – Local Government Units (LGU), in  
4 coordination with organizations of workers in the informal economy within their  
5 jurisdiction, affected communities, and other relevant groups, shall endeavor to  
6 identify, designate, and design a system of assignment on the following:

- 7 a. Productivity and merchandizing centers as viable workplaces for informal  
8 workers; which may include markets and vacant areas near markets, vacant  
9 public spaces and spaces which may be a private property that the LGU may  
10 acquire, lease or negotiate with legitimate organizations of workers in the  
11 informal economy for lease under a memorandum of agreement; and  
12 b. Routes, terminals, and specific lanes for small transport workers.

13 The process of identifying and designation of such workplaces shall be  
14 determined in the Implementing Rules and Regulations (IRR) of this Act: *Provided,*  
15 That such process shall have the substantial participation of relevant workers in the  
16 informal economy organizations and stakeholders.

17 Sec. 11. *Policy on Eviction and Demolition.* – Workers in the informal  
18 economy or employment shall not be evicted from their homes and workplaces  
19 without legal ground as provided for by R.A. 7279, otherwise known as the “Urban  
20 Development and Housing Act of 1992”, and provision of livelihood opportunities,  
21 adequate water and electricity availability, as well as decent conditions of living in  
22 accordance with law. Logistical viability for the displaced shall be given priority in  
23 determining resettlement areas: *Provided,* That there shall be no demolition without  
24 ensuring appropriate resettlement.

25 Sec. 12. *Policy on Confiscation of Materials and Impounding of Vehicles.* – In  
26 cases where demolition or eviction is warranted, the person, government agencies or  
27 their agents who conduct the same shall issue a duly signed itemized receipt of all  
28 products, goods, and other materials seized from vendors and other affected  
29 workers in the informal economy.

30 Tricycles, pedicabs, and other modes of transportation shall not be  
31 impounded for violations of license, registration, or traffic regulations unless the said



1           Sec. 15. *Institutionalization of Social Protection Floor for the Workers in the*  
2 *Informal Economy.* – The State shall support, sustain, enhance, and institutionalize  
3 social protection initiatives for workers in the informal economy through the  
4 convergence of resources of various agencies to provide continuous social security  
5 and health insurance subsidies to workers in the informal economy. Such resources  
6 shall also be used for programs for the unemployed, children, women in difficult and  
7 vulnerable circumstances, and older persons based on applicable and ever improving  
8 standards.

9           Sec. 16. *Social Welfare Efforts.* – The Department of Social Welfare and  
10 Development (DSWD) shall consolidate its strategic social welfare efforts to address  
11 the needs of the workers in the informal economy, including but not limited to direct  
12 assistance, policy development and community engagement for the workers.

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

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

30           Sec. 19. *Women, Family and Child Care Program.* – The DOLE, Department of  
31 Health (DOH), Philippine Health Insurance Corporation (PhilHealth), and DSWD shall  
32 ensure that maternity protection is extended to informal economy workers in

1 accordance with Sections 9 and 10 of R.A. 11210, the Expanded Maternity Leave  
2 Law. Programs on maternal and child health and nutrition; child feeding; modern  
3 family planning; and other health-related services shall be strengthened and target  
4 women workers in the informal economy.

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

8 *Sec. 20. Social Insurance.* – As specified in the IRR of this Act, the  
9 government shall ensure that all social insurance programs including but not limited  
10 to Social Security, Pag-Ibig (Home Development Mutual Fund) and PhilHealth shall  
11 be fully available, accessible and affordable to workers in the informal economy, and  
12 that the government agencies governing them shall formulate policies and  
13 mechanisms for their full utilization and benefit, in consultation with the  
14 representatives of workers in the informal economy. In the interest of equity, the  
15 State shall subsidize the corresponding employers' contribution, had they been in  
16 formal employment.

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

## 24 CHAPTER V

### 25 LABOR STANDARDS AND ENFORCEMENT OF LABOR LAWS 26 FOR WORKERS IN THE INFORMAL ECONOMY

27 *Sec. 22. Applicability of the Provisions of the Labor Code.* – The provisions of  
28 the Labor Code governing the employer-employee relationship particularly on  
29 general labor standards and occupational safety and health standards shall apply to  
30 all forms of work arrangements in the informal economy.

31 The state shall adopt a developmental perspective in dealing with informal  
32 economic units. The DOLE, in coordination with the Informal Economy Development

1 Council (IEDC) created under Title II, Chapter 1 of this Act, shall assess the capacity  
2 of these enterprises to comply with general labor standards. Those incapable of  
3 meeting the standards shall be assisted to upgrade their capacity to improve their  
4 businesses, as well as the capacity to comply with relevant labor and social  
5 standards.

6 *Sec. 23. Prioritization for Education and Training.* – The State shall implement  
7 adequate training and information campaigns to provide workers in the informal  
8 economy and their employers the full knowledge on applicable labor and  
9 occupational safety and health standards for their subsequent compliance.

10 *Sec. 24. Prohibited Acts Specific to Workers in the Informal Economy.* – The  
11 following are deemed prohibited:

12 1. *Non-compliance with minimum labor standards and occupational health and*  
13 *safety standards.* - The employment contract shall be in writing specifying the  
14 terms and condition of engagement which must not be lower than the  
15 minimum standards provided by law. However, the absence of a written  
16 agreement does not mean the absence of an employment relationship.

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

19 2. *Recruitment or Finders' Fees.* – Regardless of whether the worker was  
20 sourced either through an employment agency or a third party, workers in the  
21 informal economy shall neither be charged nor levied a recruitment fee or  
22 finders' fee.

23 3. *Hazardous Work and Conditions in Formal Workplaces.* – Workers shall not be  
24 engaged to do hazardous work, activity or undertaking, or be exposed to  
25 hazardous working conditions in accordance with existing laws and the IRR of  
26 this Act.

27 4. *Interference and Coercion.* – Any person is prohibited from committing any of  
28 the following acts of interference or coercion:

29 a. Preventing any worker from upholding or exercising his/her rights;

30 b. Preventing any worker from joining or assisting organization for  
31 purposes not contrary to law;

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

11 5. *Non-compliance with Republic Act No. 7610, as amended by Republic Act No.*  
12 *9231 in the employment of minors.* – In cases where minors are contracted or  
13 hired to render work or services, the age should be at least fifteen (15) years  
14 old and there is parental or legal guardian consent in the employment  
15 contract, which is presented and attested to by any representative of the LGU  
16 or duly elected Barangay official where the work is to be done, and that the  
17 employers of these children should provide them with access to at least  
18 elementary or secondary education, either through traditional schooling or  
19 alternative learning systems.

20 *Sec. 25. Visitorial and Enforcement Power of the Secretary of Labor and*  
21 *Employment.* – Employment contracts and/or engagements in the Informal Economy  
22 shall be subject to the visitorial and enforcement power of the Secretary of Labor  
23 and Employment pursuant to Article 128 of the Labor Code of the Philippines.

24 TITLE II

25 CHAPTER I

26 INFORMAL ECONOMY DEVELOPMENT COUNCIL (IEDC)

27 *Sec. 26. Creation of the Informal Economy Development Council (IEDC).* –  
28 There is hereby created an Informal Economy Development Council, hereinafter  
29 referred to as the IEDC, which shall be an attached agency of the National Economic  
30 and Development Authority (NEDA). The IEDC shall institute appropriate reforms  
31 within its structure, programming and other processes, including adjusting its human  
32 resource capabilities to ensure that programs focused on workers in the informal

1 economy are efficiently and adequately implemented to address the needs of these  
2 workers. An inter-agency committee shall be formed to coordinate policies and  
3 programs of various government agencies towards the transition of informal  
4 economic units to formal.

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

7 *Sec. 27. Mandate and Functions of IEDC.* – The mandate and functions of  
8 IEDC shall include the following:

- 9 a. Develop and ensure implementation of annual, long-term and medium-term  
10 plans for the informal economy. The last of which should form part of the  
11 Medium Term Philippine Development Plans (MTPDP) towards  
12 institutionalizing comprehensive, needs and rights-based, gender-responsive  
13 and child-friendly programs and policies for the informal economy;
- 14 b. Develop policies to transition workers in the informal economy and informal  
15 economic units to formal economy and according to standards provided for in  
16 this Act and related laws, treaties or statutes;
- 17 c. Develop and implement training programs, and certify workers for jobs in  
18 industries that produce goods and render services for the benefit of the  
19 workers in the informal economy;
- 20 d. Develop and ensure implementation of gender-based monitoring and  
21 evaluation mechanisms, efficient and effective programs and policies, and  
22 gender-responsive interventions toward harnessing the full potentials of  
23 women workers in the informal economy;
- 24 e. Ensure that concerned government agencies shall allocate in their respective  
25 Special Allocation for Development Initiatives adequate resources for  
26 programs that will benefit workers in the informal economy;
- 27 f. Develop and ensure implementation of a simple system of registration of  
28 workers in the informal economy, and accreditation of informal livelihood  
29 activities enterprises, and organizations in accordance with the standards and  
30 provisions of this Act;
- 31 g. Provide guidelines for the implementation by LGUs of a fair and credible  
32 system of evaluation, accreditation, review and assessment, merit promotion,

- 1 rendering of grant and incentive awards and other policies relative to the  
2 effective and efficient implementation of this Act;
- 3 h. Ensure the effective implementation of labor standards covering workers in  
4 the informal economy as provided for by this Act and corresponding IRR;
- 5 i. Coordinate with LGUs for the development and implementation of periodic  
6 evaluation of all accredited informal economy members, enterprises and  
7 organizations for use as bases for accreditation, the grant of awards and  
8 incentives, training and retraining;
- 9 j. Ensure effective participation of workers in the informal economy and their  
10 organizations through the establishment of regular consultative mechanisms  
11 and processes.
- 12 k. Establish and develop a centralized and sex-disaggregated database system  
13 to effectively guide policy formulation and implementation relative to the  
14 workers in the informal economy. The databank shall be available for public  
15 use while strictly complying with laws on privacy and confidentiality. The  
16 database shall include pertinent information as specified in the IRR of this Act.
- 17 l. Develop and implement a communication plan and campaign targeting  
18 workers in the informal economy, their enterprises and organizations, towards  
19 a better understanding and appreciation of the benefits of this Act;
- 20 m. Consistent with Section 2(h) of this Act, to develop and ensure  
21 implementation of a comprehensive plan to eliminate child labor;
- 22 n. Assess all means to ensure the transition of informal economic units and the  
23 workers in the informal economy from their position in the informal economy  
24 to formal economy as contained in the IRR of this Act;
- 25 o. Coordinate and harmonize all informal economy-related policies, programs,  
26 projects and activities of various government agencies including the Regional  
27 IEDC Officers towards greater efficiency and effectiveness;
- 28 p. Monitor the LGU-generated incomes from informal employment;
- 29 q. Conduct annual reviews of government programs for the workers in the  
30 informal economy and submit to Congress and the President of the Philippines  
31 corresponding reports thereon together with policy and other  
32 recommendations;

- 1 r. Develop and ensure implementation of accessible and just conflict resolution  
2 and adjudication systems and mechanisms to promote dialogue, conciliation,  
3 mediation and redress of grievances to protect the rights of workers in the  
4 informal economy; and
- 5 s. From time to time, call on the participation of relevant government agencies  
6 in its deliberations as necessary.

7 Sec. 28. *Composition.* – The IEDC shall be co-chaired by the Director General  
8 of NEDA and the Secretary of Department of Labor and Employment. IEDC members  
9 may elect from among themselves a Vice-Chair to preside over meetings in the  
10 absence of the Chair. The members shall be the following:

- 11 a. Secretary of the Department of Trade and Industry (DTI);  
12 b. Director General of the National Economic and Development Authority  
13 (NEDA);  
14 c. Secretary of the Department of Agriculture (DA);  
15 d. Secretary of the Department of Social Welfare and Development (DSWD);  
16 e. Secretary of the Department of Interior and Local Government (DILG);  
17 f. Lead Convener of the National Anti-Poverty Commission (NAPC);  
18 g. Secretary of the Department of Transportation (DOTR);  
19 h. Chairperson of the Social Security System (SSS);  
20 i. Chairperson of Philippine Health Insurance Corporation (PhilHealth);  
21 j. Chairperson of the Philippine Commission on Women (PCW);  
22 k. One (1) representative from the private sector;  
23 l. One (1) representative each from the League of Cities, League of  
24 Municipalities, League of Provinces and League of Councilors; and  
25 m. Representatives from organizations of workers in the informal economy  
26 accredited with the SEC, DOLE or DA; *Provided,* That at least 30% of total  
27 membership of IEDC shall come from these representatives; *Provided,*  
28 *further,* That at least 40 percent of the 30 percent are women.

29 Representatives from the social partners, private sector, NGOs and workers in  
30 the informal economy organizations shall serve as IEDC members for a term of three  
31 (3) years without re-election and shall be subject to terms and conditions provided  
32 for by the IRR.



- 1 be fully complied with: *Provided further*, That the database shall include  
2 information on payments collected from, organizations and economic units;
- 3 d. Establish an Informal Economy One-Stop Shop Center which shall handle all  
4 transactions and processing of business permit applications within their  
5 respective jurisdiction and worker's registration; and
- 6 e. Support MSME informal enterprise development towards transitioning to  
7 formality.

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

12 Sec. 33. *Composition*. – The Local Chief Executives (LCEs) shall be the  
13 primary overseers of WIELDU's operations. The IRR of this Act shall provide for  
14 WIELDU's composition: *Provided*, That informal workers' representatives shall form  
15 at least fifty percent (50%) of WIELDU's membership; *Provided, Further*, That  
16 informal economy representatives shall not be less than five (5); *Provided, Finally*,  
17 That at least forty percent (40%) of all WIELDU's members are women. Other  
18 relevant guidelines on WIELDU's operations shall be included in the IRR of this Act.

19 Sec. 34. *Local Government Unit Informal Economy Development Fund (LGU-*  
20 *IEDF)*. – An Informal Economy Development Fund shall be established by every  
21 municipality and city. Such fund will be supervised and managed by the concerned  
22 LGU through the WIELDU and subject to audit by the Commission on Audit (COA).

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

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

- 26 a. Registration fees paid by individual workers in the informal economy and  
27 accreditation fees of their livelihood activities, organizations, and enterprises;  
28 and
- 29 b. Annual allocations from LGUs' Development Fund the percentage of which  
30 shall be determined by LGUs.

31 Following the principle of merit and equity, LGUs that fulfill such allocations  
32 may receive additional assistance from the national government as recommended by



- 1        b. If the offender is a public official or an official of a GOCC, the Court, in  
2        addition to the penalties provided in the preceding paragraph, may impose  
3        the additional penalty or disqualification from public office.
- 4        c. Any person who violates the provision of this Act on Policy on Confiscation of  
5        Materials and Impounding of Vehicles (Section 12) shall likewise be liable  
6        under paragraph (a) of this Section. Nothing herein shall prohibit the  
7        aggrieved workers in the informal economy from initiating a criminal or civil  
8        action against the responsible person or officer.
- 9        d. Failure to implement the provisions of this Act on Relocation of Vending Sites  
10       (Section 13) and Policy on Relocation of Terminals (Section 14) shall render  
11       the responsible official/s administratively liable pursuant to Republic Act 7160  
12       and other applicable laws without prejudice to any civil or criminal case that  
13       may be filed against erring officials. If a private institution or company is  
14       found to have violated any provision of this Act, its business license shall be  
15       suspended or revoked at the discretion of the Court.

16        *Sec. 38. Implementing Rules and Regulations (IRR).* – The Implementing  
17       Rules and Regulations (IRR) of this Act shall be formulated by a drafting committee  
18       to be co-led by DOLE and NEDA. The members of the committee shall be composed  
19       of representatives of the government offices that are to be members of the IEDC  
20       and workers in the informal economy organizations: *Provided, That* at least 30% of  
21       the committee members shall come from the latter: *Provided, Further, That* at least  
22       30% of committee members are women. Said committee will start work on the IRR  
23       within three (3) months after the effectivity of this Act and finish within six (6)  
24       months thereafter.

25        *Sec. 39. Appropriations.* – The amount of One hundred million pesos  
26       (P100,000,000.00) shall be appropriated for the initial implementation of this Act.

27        *Sec. 40. Separability Clause.* – If any provision of this Act is declared  
28       unconstitutional or invalid, the provisions not affected shall continue to be in full  
29       force and effect.

30        *Sec. 41. Repealing Clause.* – All laws, decrees, orders, rules and regulations  
31       or other issuances inconsistent with the provisions of this Act are hereby repealed,  
32       amended or modified accordingly.

1           Sec. 42. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
2 publication in at least two (2) newspapers of general circulation or the Official  
3 Gazette, whichever comes first.

Approved,