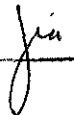


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SENATE

S. B. No. 441

RECEIVED BY: 

Introduced by **Senator FRANCIS G. ESCUDERO**

EXPLANATORY NOTE

This bill is the product of rigorous consultations with informal sector groups and leaders from the five informal sub-sectors in Luzon, Visayas and Mindanao in 2008 to seek a way forward for the social protection and empowerment of the poor.

There is an urgent need to provide access to social protection benefits to almost 15 million members of the informal sector and to provide appropriate regulation, due representation in local government agencies and meaningful planning that will harness their full potentials to become effective economic actors.

This proposed Magna Carta of Members of the Informal Sector is one significant contribution toward fulfilling the Constitutional mandate of social justice and human rights for the informal poor. Both civil society and government are giving their best efforts to make life a little better for the poor. There is a need for the latter to redefine and scale up not only its priorities, political will but more fundamentally, its genuine *care* for the poor.

The best entities to design culturally sensitive and appropriate social protection and delivery mechanisms are the local government units (LGUs) and their constituencies. Ensuring wider and deepened grassroots participation in improving access to social protection will reduce urban poverty in the Philippines. It is in this regard that several provisions deal with the participation of the local government units as well as the crucial role of the National Economic Development Authority (NEDA).

Aside from the rights, the bill also contains provisions that tackle responsibilities of the members of the sector. Further, this bill also provides for specific recourse mechanisms to the basic sectors so that their grievance can be better redressed and their welfare be given attention.

The 2008 Informal Sector Survey (2008 ISS) conducted by the National Statistics Office (NSO) yielded that there were about 10.5 million informal operators identified. Some sectors however assert that the informal sector is estimated to reach 15 million, or almost fifty (50 percent) of the country's labor force.

Contrary to the usual notion, the informal sector is quite productive. They provide array of services to the public and are engaged in legitimate undertakings. According to the National

Statistical Coordination Board (NSCB), forty three (43 percent) of the country's Gross Domestic Product (GDP in 2006 came from the informal sector.

Sadly, this contribution of the informal sector to the economy is insufficiently recognized. This is proven by the inadequate legal and social protection accorded to this sector. What is worse is that members of informal sector groups have been a source of not only of local revenues such as market taxes; they are also vulnerable to kotong.

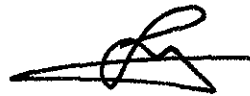
Based from 2003 figures of the National Statistical Office (NSO) and the National Statistical Coordination Board (NSCB), at least three out of every ten Filipinos are poor. Using self-rated methods, more than half of the almost 78 million Filipinos view themselves as *kabus*, *pobre*, or *mahirap* (the Visayan and Tagalog word for poor).

Abject situation of the members of the informal sector violates the international laws and the provisions of the Constitution on Social Justice and Human Rights.

Ratified by the Philippine government in 1974, Article 9 of the International Covenant on Economic , Social and Cultural Rights states "*The State Parties to the present Covenant recognize the right of everyone to social security, including social insurance*".

The 1987 Constitution also directs the State to provide social justice and human rights to poor and marginalized sectors such as the informal sector.

It is in this direction that this bill is proposed.



FRANCIS G. ESCUDERO

13 JUL -4 1917

SENATE

S. B. No. 441

RECEIVED BY: 

Introduced by Senator FRANCIS G. ESCUDERO

AN ACT
PROVIDING FOR A MAGNA CARTA OF WORKERS IN THE INFORMAL
SECTOR, INSTITUTIONALIZING MECHANISMS FOR
IMPLEMENTATION THEREOF AND AMENDING FOR THE PURPOSE
CERTAIN PROVISIONS OF REPUBLIC ACT NOS. 7160 AND 8282.

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

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Title I
GENERAL PROVISIONS

Chapter I
Framework and Principles

SEC.1. *Short Title.* This Act shall be known as the "Magna Carta of
Workers in the Informal Sector."

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

- (a) to promote and improve the total well-being of the poorest of the poor and the marginalized low level income earners who engage in economic activities under the informal sector;
- (b) to nurture and protect the interests of the informal sector by providing them with adequate and timely social, economic and legal services, as well as mechanisms that shall protect their rights and promote benefits that ensure their dignified existence and economic advancement;
- (c) to recognize, promote, protect and fulfill the rights of every worker in the informal sector including the right to self-organization, the right to decent work, just and humane working conditions, access to social protection, and the right to represent their organizations in a continuing process of consultation and dialogue towards maximizing the provision of a comprehensive package of reforms, interventions, and services in accordance with their articulated needs and interests, with focus on the vulnerable groups;

- 1 (d) to recognize the roles and contributions of workers in the informal
2 sector and make them visible in the national and local statistics;
3
4 (e) to develop and enhance their entrepreneurial skills and capabilities so
5 that they can become more productive and self-reliant citizens thereby
6 ensuring participation in mainstream economic activities based on
7 their own pace and self-determination;
8
9 (f) to promote gender equity and equality through elimination of gender
10 stereotypes attached to certain enterprise or occupation in the informal
11 sector and redefining household as not merely male headed but also
12 female headed;
13
14 (g) to protect women workers in the informal sector against gender-based
15 discrimination, exploitation, violence and abuse;
16
17 (h) to advance the women workers' social, political and reproductive
18 rights and provide access to social protection and participation in
19 decision-making bodies;
20
21 (i) to recognize ethnicity in the formulation of programs and mechanisms
22 to promote and protect informal sector's rights;
23
24 (j) to protect vulnerable groups in the informal sector such as children,
25 elderly, differently-abled persons and indigenous people from
26 discrimination, exploitation, abuse and harassment;
27
28 (k) to progressively eliminate child labor in the informal sector through
29 the creation of more quality jobs for adults, effective enforcement of
30 laws against child labor, improved access to universal education and
31 elimination of cultural factors that tolerate child labor;
32
33 (l) to develop the local economy through maximization of the potential
34 and contribution of the informal sector business activities and
35 enterprises.
36

37 SEC. 3. *Framework and Principles.* It is the State's responsibility to give the
38 highest priority to the enactment of measures that protect and enhance the
39 rights of all people to human dignity, reduce social, economic and political
40 inequalities and remove cultural inequities by diffusing wealth and political
41 power for the common good and to provide environments at national and local
42 levels that enable all workers to fully develop into productive and responsible
43 citizens. Towards this end, the government shall pursue and implement a
44 comprehensive, rights-based, participatory and gender responsive framework
45 for workers in the informal sector that includes but is not limited to:
46

- 47 (a) putting in place policies and programs that will bring marginalized
48 workers and economic units into the economic and social mainstream
49 and spur entrepreneurial or growth-oriented informal businesses to
50 graduate to formal status based on their own pace and self-
51 determination;

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- (b) pursuing structural reforms in all relevant levels of government by creating committees, special offices for development and protection of workers in the informal sector and supporting their representational rights through their organizations;
- (c) extending coverage of accessible and affordable social security and health care benefits to workers in the informal sector;
- (d) implementing minimum and simplified regulation to encourage the development of ingenuity and entrepreneurial spirit among workers in the informal sector;
- (e) encouraging the organization, establishment, strengthening and expansion of the various business activities or enterprises under the informal sector in the barangay level preferably unified under a municipality, provincial, regional and national federation/association;
- (f) exacting responsibility on the part of the informal sector workers provided that the state shall recognize their rights and put in place responsive, transparent and accountable mechanisms to ensure protection, promotion and realization of those rights.

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

- (a) *hazardous work or condition* refers to any activity or circumstance where a worker is exposed to any risk which constitutes an imminent danger to his/her health and safety.
- (b) *ambulant vendors* or peddlers refer to vendors who ply their trades in search of buyers.
- (c) *street vendors* refer to vendors who sell their merchandise on streets and sidewalk.
- (d) *informal sector*
 - (1) For purposes of identification and coverage of the law, the informal sector otherwise known as IS consists of "units", whether individual or group, own-account/self-employed or micro-entrepreneur or livelihood enterprises regularly employing family members, engaged in the production of goods and services with the primary objective of generating employment and incomes to the units concerned in order to earn a living. These units typically operate at a low level of organization, with little or no division between labor and capital as factors of production. It consists of household enterprises that are market and non-market producers of services.
 - (2) The category of individuals or organization of people involved in any business activity or enterprise whose total assets, inclusive of the capital investments, must not value more than the amount of:

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- i. One hundred fifty thousand pesos (P150,000.00) for small transport;
- ii. One hundred fifty thousand pesos (P150,000.00) for marginalized farmers;
- iii. One hundred fifty thousand pesos (P150,000.00) for marginalized fisherfolks;
- iv. Fifty thousand pesos (P50,000.00) for home-based workers;
- v. One hundred fifty thousand pesos (P150,000.00) for small vendors with designated stalls;
- vi. Fifteen thousand pesos (P15,000.00) for ambulant and street vendors.

The aforestated amount shall be adjusted every five years by the Informal Sector Development Council (ISDC), which is created under this Act. Adjustment of the aforestated amount shall be based on prevailing poverty threshold and other established standards in determining subsistence level of living.

For purposes of exclusion, corporations, quasi-corporations, units with ten or more employees, corporate farms, commercial livestock raising and commercial fishing are excluded from this definition of informal sector.

- (e) *worker* refers to a general term to mean either or both the micro-entrepreneur or own-account/self-employed covered under the provision of this Act as defined in the preceding paragraph.
- (f) *pakyaw basis* refers to the pre-contracted wholesale mode of paying an informal sector worker as bilaterally agreed by the contracting parties.
- (g) *entrepreneurial or growth oriented informal business* refers to those which show potential in increasing productivity, in hiring workers from outside the household, in developing new competencies in areas of production and operations.
- (h) *informal sector sub-groups*- for purposes of this Act, refer to vendors, small farmers, marginalized fisherfolks, small transport, home-based workers and non-corporate construction workers and micro-informals and self/own account.
- (i) *small transport* refers to non-corporate operators of small marine boat or vessel for transport, tricycle, pedicab, *habal-habal*, *calesa*, *kuliglig*, *balsa* or "trolley" and or community-based mode of transportation
- (i) *small farmer* refers to an individual engaged in subsistence farming including the sale, barter, exchange of agricultural products or processing of agricultural and other by-products produced by

1 him/herself and his/her immediate family, or rural workers who are
2 tenants or sharecroppers or contracted laborers provided they do not
3 fall under the category of agricultural workers under the Labor Code.
4

5 (j) *marginalized fisherfolks* refer to individuals engaged in subsistence
6 fishing such as but not limited to the use of fishing boats less than
7 three (3) tons, use of fishing gear which do not require boats, those
8 who are without fishing boat or gear but share in the first catch of
9 individuals having fishing boats, those engaged in subsistence
10 aquaculture, or those engaged in the processing of marine and other
11 by products in subsistence level. This also includes immediate family
12 members, especially women, who engage in the preparation of fishing
13 gears and other needs before fishing activity and who engage in the
14 sale, barter or exchange of marine products produced. Also included
15 in this category are fishport workers, porters and batillo.
16

17 (k) *non-government organizations* (NGO) refers to any aggrupation of
18 individuals, not subsidized by government funds or organized for
19 religious purposes or partisan politics, and whose primary ends are
20 advocacy of issues or the realizations of specific developmental
21 objectives for the community or a sector thereof.
22

23 (l) *people's organization* (PO) refers to any cooperative, union, business
24 group or any aggrupation of at least twenty-five (25) individuals
25 belonging to the same sector or sharing a common interest, not
26 subsidized by government funds or organized for religious purposes
27 or partisan politics, and whose primary concern is the advocacy of
28 sectoral issues; and/or the realization of specific developmental
29 objectives for their sector or the promotion of their common interest.
30

31 (m) *Informal Sector One-Stop Shop Center* refers to the office at the local
32 government units (LGUs) where all transactions needed in the
33 processing of business permits and other business requirements of the
34 Informal Sector workers shall be conducted.
35

36 (n) *Workers of minor age* refer to children fifteen (15) to seventeen (17) years
37 of age who are engaged in productive employment.
38

39

40 Chapter II

41 Coverage, Qualifications and Accreditation

42

43 SEC. 5. *Coverage*. This Act shall cover members of the informal sector who
44 are operating, employed or working either as micro-entrepreneur or self-
45 employed/own account as defined herein. Provided, however, that the
46 aforesaid micro-entrepreneur, self-employed, qualifies in the minimum
47 requirements set forth in this Act.
48

49 For purposes of this Act, the term "informal sector" shall cover the
50 following:
51

- 1 (a) micro-entrepreneurs and self-employed:
2 i. vendors, whether with stalls or without including ambulant
3 vendors, street vendors or those plying their goods and trades in
4 streets and those engaged in sari-sari stores which conform with the
5 total asset value requirements as mentioned in Section 4 (d) of this Act;
6 ii. small farmers;
7 iii. marginalized fisherfolks;
8 iv. home-based workers who are independent producers of goods or
9 services and whose total asset value conforms with that mentioned in
10 Section 4 (d) of this Act;
11 v. small transport such as but not limited to non-corporate operators
12 of small marine boat or vessel for transport, tricycle, pedicab, *habal-*
13 *habal*, *kalesa*, *kuliglig*, *balsa* or "trolley" whose total asset value conform
14 with the requirement as mentioned in Section 4 (d) of this Act.
15
16 (b) own-account/self-employed:
17 i. on call domestic and service workers such as live-out cleaners,
18 laundry men and women and *plantsadora*;
19 ii. barbers, manicurists, pedicurists
20 iii. drivers of tricycle, pedicab, *habal-habal*, *kalesa*, *kuliglig*, "trolley" or
21 small marine vessel/boat;
22 iv. "barkers", fare collectors, dispatchers and other workers who share
23 in the income of the non-corporate operators;
24 v. welders and mechanics;
25 vi. non-corporate constructions workers such as but not limited to
26 carpenters, plumbers, electrician, mason or house painters;
27 vii. appliance technicians including but not limited to television, radio,
28 air conditioner, computer and refrigeration technicians;
29 viii. scavengers
30

31 SEC. 6. *Registration.* There shall be a simple standard of registration
32 system in accordance with the framework and principles of this Act. Informal
33 sector business activities or enterprises shall, upon registration, pay one hundred
34 pesos (P100.00) to the municipality or city where they intend to operate during
35 their initial year of operation. The said fee shall cover the cost of the issuance of
36 the license to operate. No other fees shall be exacted from the informal sector
37 business activities or enterprise other than the registration fee as mentioned
38 above.
39

40 Informal sector business activities or enterprises which are in operation
41 and registered, pursuant to applicable laws or local ordinance, prior to the
42 enactment of this Act shall be recognized as having complied with the
43 registration requirement of this Act and shall no longer be required to pay the
44 registration fee as mentioned in the preceding paragraph.
45

46 The registration shall entitle the informal sector business activities or
47 enterprise to development programs and benefits under this Act.
48

49 All local government units shall establish an Informal Sector One-Stop
50 Shop Center which shall handle all transactions and processing of the business
51 permit applications within their respective jurisdiction. The Center shall ensure

1 that the processing of the business permit of informal sector business activities or
2 enterprises shall be done on the day of their application and the registration shall
3 be released within thirty six (36) hours upon submission of the complete
4 requirements based on its checklist. To facilitate efficient and expeditious
5 registration of informal sector business activities or enterprise, the local
6 government units shall formulate a uniform and simple checklist of requirements
7 for registration such as valid proof of identity (barangay clearance, certificate of
8 residency, etc.) and flowchart of the procedure of registration. The local
9 government must ensure the recognition and registration of women workers in
10 the informal sector through appropriate activities. The local government unit
11 shall be responsible in translating the checklist of requirements and flowchart of
12 procedure of registration in their own local dialect. The local government unit
13 shall cause the posting of the checklist and flowchart of procedure of registration
14 in at least three (3) conspicuous areas, preferably public areas, in the community
15 and cause the publication of the same in the local newspaper if there be any.
16

17 Further, the Center shall maintain a comprehensive database of informal
18 sector business activities and enterprises which have been issued licenses to
19 operate. The database shall take into account the different sub-classifications of
20 informal sector in terms of geography (urban or rural based), premises (home-
21 based or non home-based), gender (male or female), ethnicity (ethno-linguistic
22 group or indigenous community), vulnerability (children, elderly or person with
23 disability), industry (industrial, commercial, services or agricultural), occupation
24 (fisherfolks, farmers, construction, drivers, vendors, laborers or sales personnel),
25 nature of employment (casual, contractual, seasonal, permanent/regular or
26 pakyaw/commission basis/boundary system) and roles/functions (own-
27 account/self-employed or subsistence/marginal employment). The database
28 shall also indicate those informal businesses which may be categorized as
29 livelihood enterprises and those entrepreneurial or growth oriented informal
30 business.
31

32 The aforesaid comprehensive database of the informal sector shall be a
33 basis of the assessment and monitoring of the growth of the informal sector.
34

35 *SEC. 7. Annual dues.* Informal sector business activities or enterprises shall
36 pay annual dues to the Informal Sector One-Stop Shop Center or Treasurer of the
37 municipality or city where they are registered and accredited, starting on their
38 second year of operations, based on the following schedule:
39

- | | |
|---|------------|
| (a) those with net worth amounting to less than P 25,000.00 | P 250.00 |
| (b) those with net worth amounting to P 25,000.00 but less than P 50,000.00 | P 500.00 |
| (c) those with net worth amounting to P 50,000.00 but less than P 75,000.00 | P 750.00 |
| (d) those with net worth amounting to P 75,000.00 but less than P 100,000.00 | P 1,000.00 |
| (e) those with net worth amounting to P 100,000.00 but less than P125,000.00 | P1,250.00 |
| (f) those with net income amounting to P 125,000.00 but less than P150,000.00 | P 1,500.00 |

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A financial statement as proof of the net worth must be provided.

The collected fee shall accrue exclusively to the municipality or city and shall be used for informal sector development programs approved by the municipal or city council.

Additional Sources of Funds for LGUs - The following shall be tapped by LGUs as additional sources of funds for informal sector focused development initiatives:

- (a) ninety percent (90%) of fees and annual dues collected from small transport - for programs for workers in the small transport industry;
- (b) ninety percent (90%) of collected fees and annual dues from business establishments and entrepreneurs falling under the category of informal sector - for programs focusing on micro-entrepreneurs and their workers;
- (c) ninety percent (90%) of collected fees and annual dues from small vendors - for programs focusing on vendors;
- (d) ninety percent (90%) of fees and annual dues collected from small farmers - for programs focusing on small farmers;
- (e) ninety percent (90%) of fees and annual dues collected from marginalized fisherfolks - for programs focusing on marginalized fisherfolks.
- (e) ninety percent (90%) of fees and annual dues collected from the Philippine Amusement and Gaming Corporation (PAGCOR) and Philippine Charity and Sweepstakes Office (PCSO).

An Informal Sector Development Fund shall be established in every municipality and city for their supervision and management subject to accounting and auditing procedures by the Commission on Audit (COA).

SEC. 8. *Monitoring of growth.* The local government unit in cooperation with the Informal Sector Local Development Office shall monitor the growth of the informal sector business activities or enterprises three (3) years after the enactment of this Act and every three (3) years thereafter.

Title II
RIGHTS AND BENEFITS OF WORKERS IN THE INFORMAL SECTOR

Chapter I

General Rights

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3 SEC. 9. *Basic Rights.* The rights of Informal Sector workers shall be actively
4 protected, promoted and upheld. These include the right to:

- 5
6 (a) self-organization to collectively negotiate with the government and
7 other entities in the promotion of their welfare and advancement of
8 their interests free from any political interference or favor;
9
10 (b) informed participation in decision-making processes relevant to the
11 concerns of Informal Sector workers through their legitimate
12 organizations;
13
14 (c) equal treatment before the law;
15
16 (d) safe conditions in the workplace that will safeguard their general and
17 reproductive health;
18
19 (e) accessible and affordable medical care and reproductive health
20 services;
21
22 (f) accessible social protection and basic services including but not limited
23 to health services and low-cost housing to enable Informal Sector
24 members to have a humane quality of life;
25
26 (g) equal access to education, skills training, and economic resources to
27 develop their self-reliance;
28
29 (h) equal access to information technology, especially those affecting their
30 welfare and interests;
31
32 (i) freedom from any form of discrimination, violence, sexual exploitation,
33 harassment and abuse;
34
35 (j) common workplaces, merchandising centers, and inventory bulk-
36 buying centers;
37
38 (k) freedom from deprivation of property without valid cause and due
39 process of the law;
40
41 (l) alternative dispute resolution mechanisms and processes; and
42
43 (m) equal access to justice through appropriate mechanisms.
44
45

46 SEC. 10. *Rights to Medical Care and Humane Treatment.* Every worker has a
47 right to good quality health care, without any discrimination and within the
48 limits of the resources available for health and medical care. Attention must be
49 given to women's health. In the course of such care, the human dignity, culture,
50 convictions and integrity of the informal sector workers shall be respected.
51

1 Any person who engages informal sector workers shall, at all times, treat
2 the latter in a just and humane manner. In no instance shall abusive language,
3 physical violence or any act which debases, degrades or demeans the intrinsic
4 worth and dignity of the worker as a human being be used upon the latter.
5

6 SEC.11. *Progressive Land Tax.* LGUs shall impose a progressive land tax to
7 landholdings above three (3) hectares. The collected progressive land tax shall be
8 allocated for the local agriculture support services. Public agricultural lands
9 within the territory of the LGU and/or all the LGU-owned agricultural lands
10 beyond five (5) hectares shall be distributed to small landless farmers in their
11 territory.
12

13 SEC. 12. *Local Fisheries Support Services.* The Municipality/City shall
14 provide capacity building training, access to collateral-free and gender-balanced
15 credit, marketing assistance and infrastructure development for marginalized
16 fisherfolks within their jurisdiction. LGUs are mandated to establish a fishers'
17 market or a *Bagsakan* where the marginalized fisherfolks can directly sell their
18 products to the public.
19

20 Chapter II

21 Empowerment of Informal Sector Workers

22

23 SEC.13. *Informal Sector Workers' Organization.* Informal Sector workers
24 shall be encouraged to organize themselves for their mutual aid, benefit and
25 protection and for other legitimate purposes. Towards this end, the government
26 shall encourage and assist the Informal Sector workers in the formation of their
27 self-help organizations, associations, federations and confederations. The
28 government shall encourage the formation of cooperatives among marginalized
29 farmers, marginalized fisherfolks and home-based workers, with attention to the
30 organization and formation of women and other vulnerable identities, in order to
31 enable members to purchase inputs at lower cost and obtain fair prices for their
32 produce.
33

34 Informal Sector workers engaged in farming, fishing, manufacturing,
35 transport, retail and services are encouraged to form cooperatives in every
36 municipality and city to enable members to avail of credit assistance and skills
37 training which will help improve their quality of life.
38

39 SEC. 14. *Assistance to Informal Sector Workers' Organization.* All concerned
40 national government agencies, government financial institutions and local
41 government units shall include in their plans, programs, projects and activities
42 efforts that are supportive of the concerns of Informal Sector workers'
43 organizations.
44

45 SEC. 15. *Representation in Policy Making Bodies.* It shall be the responsibility
46 of the local government units to ensure the participation of Informal Sector
47 workers in public decision-making processes. Informal Sector workers have the
48 right to participate at all levels of decision-making.
49

1 The State shall therefore ensure that Informal Sector workers shall be
2 given mandatory representation in policy-making bodies and other legislative
3 councils.

4
5 For this purpose, Sections 446, 457 and 467 of the Republic 7160 is hereby
6 amended to read as follows:

7
8 *"SEC. 446. Composition.*

9 (a) The sangguniang bayan, the legislative body of the municipality, shall
10 be composed of the municipal vice mayor as the presiding officer, the
11 regular sanggunian members, the president of the municipal chapter of
12 the liga ng mga barangay, the president of the pambayang pederasyon ng
13 mga sangguniang kabataan, and the sectoral representatives, as members.

14 (b) In addition thereto, there shall be three (3) sectoral representatives:
15 one (1) from the women; and, as shall be determined by the sanggunian
16 concerned within ninety (90) days prior to the holding of local elections,
17 one (1) from the agricultural or industrial workers or **INFORMAL**
18 **SECTOR WORKERS**; and one (1) from the other sectors, including the
19 urban poor, indigenous cultural communities, or disabled persons.

20 (c) The regular members of the sangguniang bayan and the sectoral
21 representatives shall be elected in the manner as may be provided for by
22 law."

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25
26 *"SEC. 457. Composition.*

27 (a) The sanggunian panglungsod, the legislative body of the city, shall be
28 composed of the city vice mayor as presiding officer, the regular
29 sanggunian members, the president of the city chapter of the liga ng mga
30 barangay, the president of the panlungsod na pederasyon ng mga
31 sangguniang kabataan, and the sectoral representatives, as members.

32 (b) In addition thereto, there shall be three (3) sectoral representatives:
33 one (1) from the women; and, as shall be determined by the sanggunian
34 concerned within ninety (90) days prior to the holding of local elections,
35 one (1) from the agricultural or industrial workers or **INFORMAL**
36 **SECTOR WORKERS**; and one (1) from the other sectors, including the
37 urban poor, indigenous cultural communities, or disabled persons.

38 (c) The regular members of the sangguniang panlungsod and the sectoral
39 representatives shall be elected in the manner as may be provided for by
40 law."

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43
44 *"SEC. 467. Composition.*

45 (a) The sangguniang panlalawigan, the legislative body of the province,
46 shall be composed of the provincial vice-governor as presiding officer, the
47 regular sanggunian members, the president of the provincial chapter of
48 the liga ng mga barangay, the president of the panlalawigang pederasyon
49 ng mga sangguniang kabataan, the president of the provincial federation
50 of sanggunian members of municipalities and component cities, and the
51 sectoral representatives, as members.

1 (b) In addition thereto, there shall be three (3) sectoral representatives:
2 one (1) from the women; and, as shall be determined by the sanggunian
3 concerned within ninety (90) days prior to the holding of local elections,
4 one (1) from the agricultural or industrial workers or **INFORMAL**
5 **SECTOR WORKERS**; and one (1) from the other sectors, including the
6 urban poor, indigenous cultural communities, or disabled persons.

7 (c) The regular members of the sangguniang panlalawigan and the
8 sectoral representatives shall be elected in the manner as may be provided
9 for by law.”

10
11 SEC. 16. *Enactment of ordinance.* The Local Government units shall enact
12 an ordinance implementing Section 14 of this Act within three (3) years from the
13 effectivity thereof.

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16
17 **Chapter III**
18 **Social Protection**
19

20 SEC. 17. *Medical/Health Insurance.* An accredited Informal Sector worker,
21 regardless of age and compensation level, shall be covered by 50 percent of the
22 lowest rate of medical/health insurance under the Philippine Health Insurance
23 Corporation (PHILHEALTH), and be entitled to all the benefits provided for
24 under the law. The free medical/health insurance coverage shall also extend to
25 Informal Sector workers who are contracted/self-employed, as defined herein,
26 and who are earning below the minimum wage.

27
28 SEC. 18. *Social Security Coverage.* An accredited Informal Sector worker,
29 regardless of age and compensation levels, shall be covered by social security
30 and be entitled to all the benefits provided under Republic Act No. 8282;
31 provided, that the corresponding monthly contributions of small farmers shall be
32 remitted every six months scheduled every post harvest of farm produce. For
33 this purpose, Section 22-A of Republic Act 8282 is hereby amended to read as
34 follows:

35
36 “SEC. 22-A. *Remittance of Contributions of Self-employed Member.* Self-
37 employed members shall remit their monthly contributions quarterly on
38 such dates and schedules as the Commission may specify through rules
39 and regulations. **HOWEVER, FARMERS ENROLLED AS SELF-**
40 **EMPLOYED MEMBERS SHALL REMIT THEIR MONTHLY**
41 **CONTRIBUTIONS EVERY SIX MONTHS SCHEDULED EVERY POST**
42 **HARVEST OF FARM PRODUCE**; provided, that no retroactive payment
43 of contributions shall be allowed, except as provided in this Section.
44

45 For purposes of this Section, the Social Security System shall, within
46 ninety (90) days from the effectivity of this Act, promulgate guidelines for
47 the mechanism of collecting the aforesaid premiums.”

48
49 SEC. 19. *Alternative Schemes of Providing Social Security.* To further widen
50 access to social security of Informal Sector workers especially in poor urban and
51 rural areas, indigenous and alternative social protection schemes such as:

1 "damayan", "tulungan", "saranay", small mutual benefit associations, and micro-
2 finance organizations as well as community-based micro-health insurance
3 schemes initiated or participated by informal sector workers shall be supported
4 and strengthened by concerned national agencies and LGUs so that these can be
5 sustained, systematized and upscaled.

6
7 An enabling environment for such organizations and schemes shall be
8 developed. Toward this end, the Insurance Commission (IC) is hereby mandated
9 to review its policies to make them more supportive of alternative schemes of
10 providing social security.

11
12 Other mechanisms to support such schemes shall be outlined by the
13 Implementing Rules and Regulation of this Act.

14
15
16 **Chapter IV**
17 **Prohibited Acts Concerning Engagement of Informal Sector Workers**

18
19 SEC. 20. *Prohibition Against Night Work.* Worker of minor age shall not be
20 allowed to render work between ten o'clock in the evening and six o'clock in the
21 morning of the following day.

22
23 SEC. 21. *Prohibition Against Work to be Undertaken.* Worker of minor age
24 shall not be allowed to render work beyond their mental and physical
25 capabilities.

26
27 SEC. 22. *Prohibition Against Bonded Labor.* A worker shall not be allowed to
28 use his/her future services as collateral for any loan or advances made or to be
29 made by said worker with the person who contracted his/her services. Likewise,
30 no person shall be allowed to bind the worker to his/her continued employ as a
31 form of payment for any loan or advances which he/she may have made with
32 the former. Should there be an outstanding loan incurred and he/she decides to
33 unilaterally terminate engagement, said loan or advance shall be paid by
34 him/her to the person who contracted his/her services under the terms or
35 conditions of their agreement.

36
37 SEC. 23. *Prohibition Against Labor Sub-Contracting.* In no instance shall the
38 person who engaged the services of an informal sector worker sub-contract the
39 services of the latter to any third party.

40
41 SEC. 24. *Prohibition Against Recruitment or Finders' Fees.* Regardless of
42 whether the worker was sourced either through an employment agency or a
43 third party, said worker shall neither be charged nor levied a recruitment fee or
44 finder's fee by the aforementioned employment agency or third party.

45
46 SEC. 25. *Prohibition Against Hazardous Work and Conditions.* Any worker
47 shall not be engaged to work in any hazardous work, activity or undertaking,
48 and neither shall he/she be exposed to hazardous working conditions.

49
50 For purposes of this Section, hazardous work or conditions shall include,
51 but not be limited to the following:

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- (a) any work which requires workers to render services beyond eight (8) hours without commensurate compensation;
- (b) any work or activity which exposes the worker to physical, emotional or sexual abuse;
- (c) any work which involves manual handling or transport of heavy loads;
- (d) any work in an unhealthy environment which exposes workers to hazardous substances, agents or processes, or to temperature, noise levels, or vibrations damaging to their health;
- (e) any work which requires workers to continuously render service during late nights;
- (f) any or all forms of slavery or practices similar to slavery, such as the sale and trafficking of persons, forced or compulsory labor, debt bondage and serfdom;
- (g) any use, procuring or offering of the worker for prostitution or pornography;
- (h) any use, procuring or offering of the worker for the commission of any offense or crime, particularly for the production and trafficking of narcotic drugs and substances as defined in the Dangerous Drugs Act;
- (i) any other type of work or activity which, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of the worker; and
- (j) any other type of work, activity, condition or undertaking that maybe hereinafter be defined as hazardous by the Department of Labor and Employment.

SEC. 26. *Prohibition Against Interference and Coercion.* Any person is prohibited from committing any of the following acts of interference and coercion:

- (a) to prevent a worker from upholding or exercising his/her rights;
- (b) to prevent workers from joining or assisting organizations for purposes not contrary to law, in order to protect and defend their mutual interests and to obtain redress of grievances through peaceful concerted efforts;
- (c) to prevent a 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;

1 (d) to make calculated, serious and pre-meditated harassment and
2 interference with the intention of intimidating or preventing the
3 worker from performing his/her duties and functions;

4
5 (e) to make calculated, serious and pre-meditated harassment against, or
6 to transfer, penalize or terminate the services of a worker without valid
7 or legal ground; and

8
9 (f) to perform acts calculated to diminish the independence and freedom
10 of workers' organization to direct its own affairs.

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14 **Chapter V**
15 **Security in the Workplace of Vendors**

16
17 *SEC 27. Designation of Workplaces.* The Municipality or City, in
18 coordination with their respective Informal Sector Local Development Office,
19 after consultation with the vendors, the affected community, and other sectors or
20 groups, shall identify and designate viable workplaces, and design a system of
21 assigning spaces to registered vendors. In case the vendors shall prefer to
22 conduct their business or enterprise within an identified private property, the
23 local government unit shall negotiate with the owner of the identified private
24 property for possible vending site and assist the parties in forging a
25 memorandum of agreement in case they reach such agreement.

26
27 Workplaces include markets, vacant areas within the vicinity of markets
28 and other vacant public spaces which may be designated as allowable vending
29 sites.

30
31 The Municipal or City, within 60 days from the effectivity of this Act, shall
32 cause the conduct of a survey to identify vacant area(s) for vending in their
33 respective locality.

34
35 The Sanggunian Panglungsod or Bayan shall, within 90 days after the
36 survey and pursuant to the recommendation of the Informal Sector Local
37 Development Office, pass an ordinance designating the workplace or
38 workplaces. No workplace for vending purposes, however, shall be designated
39 as such without prior consultation with the vendors, the affected inhabitants and
40 other sectors.

41
42 Local Government Units which have already established or designated
43 viable workplaces for vendors prior to this Act is deemed to have complied with
44 this provision of the Act provided that the aforesaid establishment or designation
45 of the viable workplace have been undertaken after consultation with the
46 vendors, the affected community and other sectors or groups.

47
48 *SEC 28. Policy on Eviction and Demolition.* Registered vendors who have no
49 permanent or temporary vending site shall not be arbitrarily deprived of their
50 livelihood by being unjustly ejected from their workplaces nor their stalls
51 demolished without prior notice and consultation and provision of relocation to

1 another viable workplace. The local government units, government agencies and
2 instrumentalities shall not conduct demolition or eviction of the registered
3 vendors without prior designation of their viable workplace. In case demolition
4 or eviction is conducted without compliance with the requirements under this
5 Section, the responsible person or officer who conducted or ordered the conduct
6 of the same shall be held administratively liable under this Act. Any responsible
7 person or officer who caused or ordered the destruction of any goods or
8 products during the demolition or eviction shall also be administratively liable
9 under this Act. In case demolition or eviction is warranted, the person or officer
10 who conducts the same shall issue receipt of the itemized products, goods and
11 other materials seized from the affected registered vendor. Any person or officer
12 who fails to issue receipt shall be administratively liable under this Act. No
13 violence or unreasonable force shall be committed against women, children,
14 senior citizens, persons with disabilities and other identities similarly situated in
15 the course of eviction or demolition. Nothing herein shall deprive the aggrieved
16 vendor the right to file criminal or civil action, whenever applicable, against the
17 responsible person or officer.

18
19 SEC 29. *Relocation of Vendors.* Before any public market is closed, sold or
20 demolished, all market vendors with stalls and market vendors without stalls
21 shall first be relocated by the city government or municipal government to a
22 temporary or new public market. Notice of the intention to close, sell, or
23 demolish any public market shall be made to all concerned vendors at least sixty
24 (60) days before the actual transfer or relocation to another market site. Within
25 the sixty (60)-day period, the city government or municipal government shall
26 conduct consultations with the affected vendors on the selection of the relocation
27 site and the implementation of the relocation.

28
29 SEC 30. *Temporary Vending Site.* Pending the designation of a viable
30 vending area or areas, vendors occupying a public place or places not previously
31 designated as vending site or sites shall be provided with a viable temporary site
32 or sites by the city government or municipal government. Notice of temporary
33 transfer shall be given to the vendors at least fifteen (15) days before the actual
34 transfer. This shall likewise cover and apply to vendors who are granted with
35 permits but whose workplaces are withdrawn from the list of allowable vending
36 sites. Any change in the list of allowable vending sites shall only be done after
37 consultations with the affected vendors.

38
39 SEC 31. *Priority in the Assignment of Stalls.* In the event that a new public
40 market is constructed in place of an old market that is closed, sold, or
41 demolished, market vendors with stalls displaced from their workplaces shall be
42 given priority in the assignment of stalls in the new market.

43
44 SEC. 32. *Penalty for Non-compliance.* Failure to implement the foregoing
45 requirements and provisions of Sections 25, 26, 27, 28 and 29 shall render the
46 responsible official administratively liable pursuant to Republic Act 7160 and
47 other pertinent laws and criminally liable whenever applicable.

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Chapter VI

1 liable under this Act. Nothing herein shall prohibit the aggrieved member of the
 2 informal sector from initiating a criminal or civil action against the responsible
 3 person or officer whenever such action is applicable.

4
 5 SEC. 36. *Penalty for Non-compliance.* Failure to implement the foregoing
 6 requirements and provisions of Sections 61 and 62 shall render the responsible
 7 official administratively liable pursuant to Republic Act 7160 and other pertinent
 8 laws and criminally liable whenever applicable.

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 12 **Chapter VII**
 13 **Security in the Workplace of Home-Based Workers**
 14

15 SEC 37. *Policy on Eviction and Demolition.* A home-based worker shall not
 16 be evicted from his/her home, which is his/her workplace, without valid or
 17 legal ground as provided in Republic Act 7279. However, in case eviction or
 18 demolition is warranted under Section 28 of Republic Act 7279, the same shall be
 19 conducted after compliance of the following:

- 20 (a) notice upon the affected persons or entities at least thirty (30) days
 21 prior to the date of eviction or demolition;
 22 (b) adequate consultations on the matter of resettlement with the duly
 23 designated representatives of the families to be resettled and the
 24 affected communities in the areas where they are to be relocated;
 25 (c) presence of local government officials or their representatives during
 26 eviction or demolition;
 27 (d) proper identification of all persons taking part in the demolition;
 28 (e) execution of eviction or demolition only during regular office hours
 29 from Mondays to Fridays and during good weather, unless the
 30 affected families consent otherwise;
 31 (f) no violence or unreasonable force shall be committed against women,
 32 children, senior citizens, persons with disabilities and other identities
 33 similarly situated in the course of eviction or demolition.
 34 (g) no use of heavy equipment for demolition except for structures that are
 35 permanent and of concrete materials;
 36 (h) proper uniforms for members of the Philippine National Police (PNP)
 37 who shall occupy the first line of law enforcement and observe proper
 38 disturbance control procedures; and
 39 (i) adequate relocation, whether temporary or permanent; provided,
 40 however, that in cases of eviction and demolition pursuant to a court
 41 order involving underprivileged and homeless citizens, relocation
 42 shall be undertaken by the local government unit concerned and the
 43 National Housing Authority (NHA) with the assistance of other
 44 government agencies within forty-five (45) days from service of notice
 45 of final judgment by the court, after which period the said order shall
 46 be executed; provided, further, that should relocation not be possible
 47 within the said period, financial assistance in the amount equivalent to
 48 the prevailing minimum daily wage multiplied by sixty (60) days shall
 49 be extended to the affected families by the local government unit
 50 concerned.
 51

1 Beach fronts and foreshores are public domain and may be accessed and used by
2 any person especially marginalized fisherfolks.

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6 **Title III**
7 **INSTITUTIONAL MECHANISM**

8
9 **Chapter I**
10 **Special Allocations for Development Initiatives**

11
12 SEC. 51. *Special Allocations for Development Initiatives.* The national
13 government shall allocate at least ten (10%) percent of its annual national budget
14 to be appropriated proportionately in accordance with the corresponding
15 internal revenue allocation (IRA) of respective local government units. The
16 additional ten percent (10%) allocation is separate from the annual and current
17 IRA of LGUs.

18
19 The additional ten percent (10%) allocation shall be utilized by the LGUs
20 for the implementation of livelihood programs and other social services
21 specifically for the informal sector pursuant to the provisions of this Act. Priority
22 shall be given to income generating programs for the poorest of the poor. The
23 program shall focus on the mobilization of the informal sector with no assets to
24 engage in self-employment and income generating activities.

25
26 SEC. 52. *Sourcing and Adopting Development Initiatives.* Other sources of
27 funds to be used exclusively for initiatives addressing the needs and
28 empowerment of workers in the informal sector shall be identified in the
29 Implementing Rules and Regulations (IRR) of this Act and may include the
30 following:

- 31
32 (a) Government financial institutions and mechanisms such as the Land
33 Bank of the Philippines (LBP), Development Bank of the Philippines
34 (DBP), National Livelihood Support Fund (NLSF), Quedan Rural
35 Credit and Guarantee Corporation (QCGC) shall set aside a specific
36 percentage of their loan portfolio to informal sector enterprises and
37 shall give priority to women-led informal sector enterprises by
38 providing loans at an interest of not more than twelve percent (12%)
39 per annum consistent with the spirit of Republic Act 7882. The
40 aforementioned government financial institutions shall formulate
41 guidelines within ninety (90) days from the effectivity of this Act to
42 facilitate the application of informal sector business or enterprises of
43 the aforesaid loan portfolio. The guidelines shall provide simple
44 procedure and requirements in the application of informal sector
45 business or enterprises in accordance with the framework and
46 principles of this Act.
- 47
48 (b) The Department of Social Welfare and Development (DSWD) shall
49 strengthen its Self-Employment Assistance Program (SEAP) to uplift
50 and empower women in poverty, particularly those in the informal

1 economy, by adopting an integrated, credit-plus approach to micro-
2 finance.

3
4 (c) The Small Business Guarantee and Finance Corporation (SBGFC)
5 created under Republic Act (R.A.) No. 8289 shall assist in the sourcing
6 and adopting of development initiatives for competitive enterprises in
7 terms of finance, technology, production, management and business
8 linkages. It shall also provide and promote, develop and widen in both
9 scope and service reach various alternative modes of financing for
10 informal economy business activities or enterprises, including but not
11 limited to: direct and indirect project lending, venture capital, financial
12 leasing, secondary mortgage and/or rediscounting of loan papers to
13 such business activities or enterprises, and crop production financing.
14 The Corporation shall guarantee loans obtained by the qualified
15 worker or business activity or enterprise, under such terms and
16 conditions adopted by its Board.

17
18 (d) The Department of Agriculture, through the Agricultural Credit Policy
19 Council (ACPC), created pursuant to Republic Act 7607, shall give
20 subsidies for the education and training of small farmers on credit
21 awareness, loan acquisition and loan repayment. Pursuant to
22 aforesaid law, a portion of all loanable agricultural funds shall be
23 utilized for direct lending to small farmers for their production,
24 processing, post harvest and marketing requirements.

25
26 (e) The Department of Trade and Industry (DTI) shall contribute to
27 enable the development of business environment that shall include
28 initiatives such as supply chain and market outlets, and schemes to
29 develop Special Credit Window/s to upscale informal sector
30 enterprises.

31
32 (f) The Department of Science and Technology (DOST) shall support
33 technology-related initiatives for workers in the informal economy.

34
35 SEC. 53. *Eligibility for Government Assistance.* To qualify for assistance,
36 incentives and grants, a worker or business activity or enterprise should be:

37
38 (a) duly registered with the appropriate agency in the LGU where they
39 are actively operating and has paid the necessary fees for registration
40 and accreditation from the office of the municipal or city treasurer
41 concerned;

42
43 (b) one hundred percent (100%) owned and capitalized by Filipino
44 citizens, be it single proprietorship or a partnership venture; and

45
46 (c) fall under the above-mentioned sub-categories of Informal Sector;

47
48 SEC. 54. *Exclusivity of Government Programs.* The government shall ensure
49 that programs of financing, grants and other similar incentives shall be
50 exclusively extended to an accredited Informal Sector worker and business
51 activity or enterprise.

1 enhancement, literacy and education, health services, social welfare and services,
2 assistance in the tapping of local as well as foreign funds, and other functions
3 relative to the attainment of the objectives and policy of this Act.
4

5 The Council shall be separate and distinct from the National Fisheries and
6 Aquatic Resources Management Council (NFARMC) created under Republic Act
7 8550.
8

9 SEC. 59. *Composition.* The Council shall be headed by the Director General
10 of the National Economic Development Authority (NEDA) as Chairperson, and
11 elect from among themselves a Vice-Chairperson to preside over the Council
12 meetings in the absence of the Chairperson. The members shall be the following:
13

14 *Ex Officio* members:

- 15
- 16 (a) Secretary of Department of Trade and Industry (DTI);
- 17 (b) Secretary of Department of Agriculture (DA);
- 18 (c) Secretary of Department of Labor and Employment (DOLE);
- 19 (d) Secretary of Department of Social Welfare and Development (DSWD);
- 20 (e) Secretary of the Department of Interior and Local Government (DILG);
- 21 (f) Secretary of Department of Science and Technology (DOST);
- 22 (g) Lead Convenor of the National Anti-Poverty Commission (NAPC);
- 23 (h) Director General of the Technical Education and Skills Development
24 Authority (TESDA);
- 25 (i) Director of the Bureau of Fisheries and Aquatic Resources (BFAR);
- 26 (j) Director General of National Statistics Office (NSO);
- 27 (k) Chairperson of the Social Security System (SSS);
- 28 (l) Chairperson of PhilHealth;
- 29 (m) Chairperson of the National Commission on the Role of Filipino
30 Women (NCRFW);
- 31 (n) Chairperson of the National Commission on Indigenous People
32 (NCIP);
- 33 (o) Chairperson of the Philippine Commission on the Urban Poor (PCUP);
- 34
- 35
- 36

37 Regular members:

- 38
- 39 (p) Fifteen (15) representatives from People's Organizations (POs) of
40 workers in the informal sector, five (5) each to represent Luzon,
41 Visayas and Mindanao with representation of the informal sector
42 subgroups of vendors, small transport, marginalized farmers,
43 marginalized fisherfolks and home-based worker or non-corporate
44 construction workers to be elected in a National Assembly of informal
45 sector organizations duly called for that purpose; provided that at
46 least fifty percent (50%) of the fifteen (15) representatives are women;
- 47 (q) Six (6) representatives from non-government organizations (NGOs)
48 working with Informal Sector, two (2) each to represent Luzon,
49 Visayas and Mindanao to be appointed by the Chairperson from
50 among those recommended by members of the informal sector;

1 provided that at least fifty percent (50%) of the six (6) representatives
2 are women; and

- 3 (r) One representative from the private sector at large who has a proven
4 track record in catering to the needs of the informal sectors and to be
5 appointed by the Chairperson from among those recommended by
6 members of the informal sector.
7

8 An *ex officio* member of the council who possesses a cabinet rank shall
9 designate an undersecretary or assistant secretary as his/her permanent alternate
10 representative in case he/she fails to attend meetings in the exigency of his/her
11 official function in the department.
12

13 The *ex officio* members of the council shall not have voting rights in any
14 matter or issue subjected to voting of the council as this is a right reserved only
15 to regular members of the council to ensure that decisions shall reflect the
16 sentiments of the informal sector themselves. However, the Chairperson or Vice-
17 Chairperson, in the absence of the former, shall have the right to vote in case of
18 tie.
19

20 The regular members of the council may conduct a meeting excluding the
21 *ex officio* members for purposes of voting on matters concerning the informal
22 sector.
23

24 Elected representatives of the private sector, non-government
25 organizations and informal sector organizations shall serve as regular members
26 of the council for a term of three (3) years without re-election. In case of vacancy
27 for whatever cause or reason, the Chairperson shall appoint a representative to
28 fill the vacancy from among those recommended by members of the informal
29 sector. Appointment to any vacancy shall be only for the unexpired term of the
30 predecessor. Appointment for the unexpired term shall not bar the appointee
31 from running during the next regular election.
32

33 The representatives from the private sector, non-government
34 organizations and informal sector organizations' shall be entitled to receive a *per*
35 *diem* of two thousand pesos (P2,000.00) per meeting exclusive of expenses for
36 transportation and accommodation. The Council shall meet once every two
37 months or it may call for special meetings as the need may arise; provided, that
38 the frequency of such special meetings shall not exceed four (4) times annually.
39

40 The NEDA shall allocate five million pesos (P5,000,000) out of its savings
41 for the initial operating expenses of the Council, after which the Council's budget
42 shall be included in the department's annual appropriation.
43

44 The initial election of representatives of the informal sector shall be
45 conducted within six (6) months from the effectivity of this Act. The
46 implementing rules and regulations (IRR) of this Act shall contain the guidelines
47 for the formation of members of the council, the election process, the nomination
48 process, recall procedures and such other mechanisms to ensure accountability of
49 the representatives.
50
51

1
2 SEC. 60. *Mandate of the Council.* The Council shall have the following
3 mandates:

- 4
5 (a) develop a system of registration and accreditation of members of the
6 Informal Sector, with attention to women workers, in accordance with
7 the standards and provisions of this Act;
8
9 (b) provide guidelines for the LGUs' implementation of a fair and credible
10 system of evaluation, accreditation, review and assessment, merit
11 promotion, rendering of grant and incentive awards and other policies
12 relative to the effective and efficient implementation of this Act;
13
14 (c) further develop the existing Philippine Country Program for the
15 development and protection of the Informal Sector workers towards
16 institutionalizing comprehensive, rights-based, gender-responsive and
17 child friendly programs and policies for the Informal Sector. Towards
18 this end, the Council must ensure government capacity to undertake
19 and implement this program for the Informal Sector;
20
21 (d) develop rights and gender-based monitoring and evaluation
22 mechanisms to ensure that programs and policies are implemented
23 effectively and efficiently; and ensure gender-responsiveness of
24 interventions toward harnessing full potentials of women Informal
25 Sector workers;
26
27 (e) coordinate with LGUs for the development and implementation of
28 periodic evaluation of all accredited Informal Sector workers, taking
29 into account their accomplishments, capabilities and potentials, the
30 results of which shall be used as bases for evaluation, registration,
31 accreditation for the grant of awards and incentives, training and
32 retraining;
33
34 (f) monitor the income of the LGUs generated from the members of the
35 informal sector through the LGUs' periodic report submitted to the
36 Council;
37
38 (g) establish a performance appraisal system for all accredited Informal
39 Sector workers which shall be the basis for granting or renewal of
40 incentives, rewards and recognition, training and development,
41 including adequate mechanisms to ensure their active participation
42 and involvement;
43
44 (h) ensure effective participation of the Informal Sector workers through
45 the establishment of regular consultations at the national, regional and
46 provincial level among the organizations of Informal Sector workers to
47 determine specific issues and problems affecting their sector and
48 monitor/evaluate implementation of programs and policies.
49
50 (i) establish and develop a centralized and sex-disaggregated database
51 system to effectively guide policy formulation relative to the Informal

1 Sector workers. The databank shall be available for public use and
2 shall include but not be limited to the following:
3

4 i.1. masterlist of workers in the informal sector classified according to
5 geography (urban or rural based), premises (home based or non
6 home based), gender (male, female), vulnerability (children,
7 elderly or person with disability), industry (industrial,
8 commercial, services or agricultural), occupation (fisherfolks,
9 farmers, construction, drivers, vendors, laborers or sales
10 personnel), nature of employment (casual, contractual, seasonal,
11 permanent/regular or pakyaw/commission basis/boundary
12 system) and roles/functions (own-account/self-employed or
13 subsistence/marginal employment).

14 i.2. list of government and non-governmental organizations which
15 provide educational, socio-economic and legal services to the
16 Informal Sector;

17 i.3. sex-disaggregated statistical profile of various Informal Sector
18 workers based on age, location, type of work, average monthly
19 income, number of hours worked, and other statistical
20 information;

21 i.4. statistical data on informal enterprises, including capitalization
22 and sources of capital, number and status of workers, average
23 income;

24 i.5. database of the needs and problems of the informal sector in
25 general and database of particular needs of women and children in
26 the Informal Sector; and

27 i.6. compilation of existing laws and programs affecting the interest
28 and welfare of the Informal Sector.
29

30 (j) develop and implement a communication plan including massive
31 information dissemination activities targeting Informal Sector workers
32 in various regions towards making them understand and appreciate
33 the benefits this Act may bring them;
34

35 (k) make necessary adjustment of the applicable amount of total asset
36 value as provided under Section 4 (d) after five (5) years from the
37 enactment of this Act and five (5) years thereafter, based on prevailing
38 poverty threshold and other established standards in determining
39 subsistence level of living;
40

41 (l) formulate, implement, coordinate and monitor all non-financial
42 government programs, including fee-based services, to support and
43 promote entrepreneurial spirit among the poorest of the poor; and
44

45 (m) develop alternative conflict or dispute resolution systems and
46 mechanisms, which shall aim to promote dialogue, conciliation and
47 mediation while protecting the rights of Informal Sector workers.
48
49
50

1 The aforesaid agencies shall conduct human resource development
2 program and management in the following areas:

- 3
4 (a) adequate facilities and resources to render quality social service;
5
6 (b) opportunities for Informal Sector workers to grow and develop their
7 potentials and experience a sense of worth and dignity in their work;
8
9 (c) mechanisms for democratic consultations;
10
11 (d) upgrading of working conditions; and
12
13 (e) allocation of funds for the participation of Informal Sector workers in
14 skills training and workshops and other similar activities as part of
15 their continuing advancement.
16

17 SEC. 65. *Functions of Informal Sector Local Development Office.* The Informal
18 Sector Local Development Office shall have the following functions:

- 19
20 (a) prepare an over-all development plan and work program that will
21 address the needs, rights and capacities of the Informal Sector workers
22 and incorporate them in their respective provincial, municipal and city
23 development plans;
24
25 (b) in consultation with organizations of Informal Sector workers in the
26 area, identify specific needs of the sector and recommend appropriate
27 measures to be taken;
28
29 (c) ensure registration and accreditation of the Informal Sector workers,
30 especially women;
31
32 (d) monitor, assess and evaluate implementation of the plans and
33 programs as well as the performance of the sector in the areas;
34
35 (e) coordinate with other local offices, private sector and other
36 organizations with existing programs for the Informal Sector workers
37 for integration and convergence;
38
39 (f) conduct training programs which will provide new ideas to the
40 Informal Sector workers and upgrade the technical and
41 entrepreneurial skills of others who are already in the field;
42
43 (g) implement consciousness-raising and capability building activities to
44 include information on workers', women's and children's rights and
45 leadership training;
46
47 (h) provide technical support and access to credit, market, technology,
48 social security schemes, and training for micro-entrepreneurs, small
49 transport, small farmers, marginalized fisherfolks, non-corporate
50 construction workers and other skilled workers;
51

- 1 (i) train pools of community trainers in business counselling and
2 awareness-raising on occupational safety and health hazards, risks and
3 social security;
4
5 (j) support organizing activities among Informal Sector workers;
6
7 (k) establish databanks on human resources and skills registry to be used
8 as tools for LGU planning and budgeting;
9
10 (l) provide offices and other necessary resources to support organizing,
11 advocacy, training and other activities of local organizations of
12 Informal Sector workers;
13
14 (m) train Informal Sector workers on negotiation skills and on the
15 conduct of time and motion studies to determine proper wages; and
16
17 (n) provide services, to include but not limited to counselling and legal
18 assistance for the furtherance of this Act,
19
20 (o) ensure that the LGU is capacitated to undertake and implement rights-
21 based and gender-responsive programs for the Informal Sector.
22

23 The Local Government Units shall annually allocate at least two hundred
24 fifty thousand pesos (P250,000.00) or at least five percent (5%) of the twenty
25 percent (20%) Development Fund of their Internal Revenue Allotment or
26 whichever is higher for the operations and maintenance of the ISLDO.
27

28 The LGUs shall submit to the ISDC the annual report of disbursement of
29 the fund allocations for Informal Sector as specified in this section and section 40
30 paragraph (g) of this Act. In case of failure on the part of the LGU to submit the
31 annual report to the ISDC, the local chief executive and other officers of the LGU
32 shall be held administratively liable.
33

34 SEC. 66. *Composition.* The local chief executives shall act as the primary
35 overseers to the overall operations of ISLDO, while Informal Sector workers shall
36 be represented by at least five (5) representatives from POs of IS workers;
37 provided that each sub-group (vendor, small transport, small farmers,
38 marginalized fishersfolks and home-based workers/ non-corporate construction
39 workers) shall have one (1) representative each in the ISLDO, whenever
40 applicable. However, in case of highly urbanized cities, there shall be ten (10)
41 representatives of informal sector in the ISLDO, with two (2) representatives
42 coming from each sub-group.
43

44 The representatives shall be elected in a general assembly of each sub-
45 group duly called for the purpose of election of a representative/s to the ISLDO.
46 The elected representatives shall serve as such for a term of three (3) years
47 without re-election. In case of vacancy for whatever cause or reason, the local
48 chief executive shall appoint a representative to fill the vacancy from among
49 those recommended by members of the informal sector. Appointment to any
50 vacancy shall be only for the unexpired term of the predecessor.
51

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3 **Chapter IV**
4 **Informal Sector Comprehensive and Integrated Plan**
5 **And Inter-Agency Networking**
6

7 SEC. 67. *Comprehensive Plan.* The Informal Sector Development Council or
8 ISDC shall be tasked to formulate a Ten-Year Comprehensive and Integrated
9 Plan on the impact of globalization to the informal sector. It shall determine and
10 recommend the necessary safety nets needed by the informal sector to prepare
11 them for the possible effects of globalization.
12

13 SEC. 68. *Inter-Agency Networking.* The NEDA shall provide for and lead
14 the inter-agency networking system among the different departments and
15 instrumentalities of government, should the same be required in the continuing
16 efforts to protect the interests, rights and privileges of Informal Sector workers.
17

18 The Council in cooperation with the DepEd and CHED, shall design a
19 comprehensive and integrated program for Informal Sector workers to give them
20 opportunity to pursue free education.
21

22 The cooperatives, through the help of the Department of Trade and
23 Industry (DTI), TESDA and TLRC shall inform Informal Sector workers of
24 opportunities for market and technology access and the availability of livelihood
25 training seminars to respond to Informal Sector needs and potentials.
26

27 The DSWD shall, within a period of one (1) year from the date of
28 effectivity of this Act, institute a program designed specifically to provide
29 emergency services specifically to women and the minor Informal Sector worker
30 who are in need of custody, shelter, counseling, or medical, psychological, legal
31 and rehabilitative services.
32

33 The DSWD shall, upon the recommendation of the DOLE, effect the
34 repatriation of minor-aged Informal Sector workers who voluntarily seek
35 government protection against abuse and exploitation or upon report or
36 discovery of the same. The cost of such repatriation shall be borne by the DSWD.
37 The DSWD and DOLE shall formulate the rules and regulations governing the
38 emergency repatriation of the same.
39

40 For this purpose, a Repatriation Fund is hereby created and established
41 under the administration and control of the DSWD in the amount of five million
42 pesos (P5,000,000) to be taken from the President's Social Fund.
43
44

45 SEC. 69. *Consultations with Informal Sector Organizations.* The Informal
46 Sector Development Council or ISDC, in coordination with other concerned
47 agencies and LGUs through the Informal Sector Local Development Office, shall
48 conduct annual national, regional and provincial consultations among the
49 Informal Sector organizations to determine the specific issues and problems
50 affecting their sector. The Council shall channel Informal Sector concerns to the

1 appropriate agencies and provide the necessary recommendations to the
2 executive and legislative departments.

3
4 SEC. 70. *Establishment of Informal Sector Database.* The Council, in
5 coordination with the National Statistical Coordination Board or NSCB, shall
6 establish and develop a centralized database system to effectively work on policy
7 formulation and policy concerns relative to the Informal Sector. The NSCB shall
8 regularly update the said centralized database system. The database shall include
9 but is not limited to the following:

- 10
11 (a) masterlist of workers in the informal sector classified according to
12 geography (urban or rural based), premises (home-based or non
13 home-based), gender (male, female), ethnicity (etcho-linguistic group
14 or indigenous community) vulnerability (children, elderly or person
15 with disability), industry (industrial, commercial, services or
16 agricultural), occupation (fisherfolks, farmers, construction, drivers,
17 vendors, laborers or sales personnel), nature of employment (casual,
18 contractual, seasonal, permanent/regular or pakyaw/commission
19 basis/boundary system) and roles/functions (own-account/self-
20 employed or subsistence/marginal employment).
21
22 (b) List of government and non-governmental organizations which
23 provide educational, socio-economic and legal services to the Informal
24 Sector;
25
26 (c) Sex-disaggregated statistical profile of various Informal Sector workers
27 based on age, location, type of work, average monthly income, number
28 of hours worked, and other statistical information;
29
30 (d) Statistical data on informal enterprises, including capitalization and
31 sources of capital, number and status of workers, average income;
32
33 (e) Database of the needs and problems of women and children in the
34 Informal Sector nationwide; and
35
36 (f) Compilation of existing laws and programs affecting the interest and
37 welfare of the Informal Sector.
38

39 The public shall be allowed to have access to the said data provided that
40 they shall abide with the regulations that will be set by the Council.

41
42 SEC. 71. *Establishment of a Shared Government Information System for Informal*
43 *Sector.* An inter-agency committee, composed of the Department of Agriculture
44 (DA), Department of Interior and Local Government (DILG), the Department of
45 Labor and Employment DOLE), the National Statistics Office (NSO), the
46 Informal Sector Development Council, the Informal Sector Local Development
47 Office, shall be established to implement a shared government information
48 system for the informal sector. The inter-agency committee shall initially make
49 available to itself the information contained in existing data bases/files. The
50 second phase shall involve linkaging of computer facilities in order to allow free
51 flow of data exchanges and sharing among concerned agencies.

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Title IV
MISCELLANEOUS AND FINAL PROVISIONS

SEC. 72. *Violation of Prohibited Acts.* Any person who commits the prohibited acts mentioned in Sections 18, 19, 21, 22, 23 and 24 shall be punished by a fine of two hundred thousand (P 200,000) pesos or by imprisonment for six (6) years, or both in the discretion of the court.

Violations of the prohibited act mentioned in Section 20 shall be punished pursuant to Republic Act 9208.

SEC. 73. *Implementing Rules and Regulations.* The departments and agencies charged with carrying out the provisions of this Act shall, within ninety (90) days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SEC. 74. *Repealing clause.* All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 75. *Separability of provisions.* If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SEC. 76. *Effectivity Clause.* - This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,