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SENATE
S. No. **1153**

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Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article 2, Section 18 states: "The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare."

The Constitution, Article 13, Section 1 also provides that 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 of the common good.

According to the World Bank, the informal sector is a pervasive and persistent economic feature of most developing economies, contributing significantly to employment creation, production, and income generation. Recent estimates of the size of the informal sector in developing countries in terms of its share of non-agricultural employment range roughly between one-fifth and four-fifths. In terms of its contribution to GDP, the informal sector accounts for between 25% and 40% of annual output in developing countries in Asia and Africa.¹

Under National Statistical Coordination Board (NSCB) Resolution No. 15, Series of 2002,² 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.

¹ http:

//webw.o.rldbank.orgn?TBSITE/EXTERNAWTOPICS/EXTSOCIALPROTECTION/EXTLM/O,,contentM
DK:20224904-menuPK:584866-pagePK 148956-piPK2 1661 8-theSitePK390615,OO.html.

² litt~:1/www.1~scb.~ov.uh/resolutions/20021/.la5s p.

The resolution states that 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 unincorporated enterprises that are market and non-market producers of goods as well as market producers of services. Labor relations in this sector are supposedly based on casual employment, kinship or personal and social relations rather than formal or contractual arrangements.

The NSCB, through its Statistical Survey Review and Clearance System (SSRCS), granted clearance for the conduct of the 2008 Informal Sector Survey (ISS) of the National Statistical Office (NSO). The ISS is a one-shot survey, conducted by the NSO in April 2008, aimed at: (a) improving the availability of reliable and sound data on informal employment and informal sector and (b) providing indicators that will contribute to evidence-based policy-making. The results of this survey can also be used for the estimation of Gross Value Added (GVA) of the informal sector.³

This bill seeks to address the development, rights, and protection of the significant number of poor, marginalized, unprotected, and underrepresented workers in the informal sector.⁴

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAAGO

³ <http://www.nscb.gov.ph/pressreleases/2008-R-200805-P1-P03NSO.as2>

⁴ <http://www.dswd.gov.ph/content/view/full/27141>. This bill was originally filed in the Fifteenth Congress, First Regular Session.

'13 JUL 30 P2:22

SENATE
S. No. 1153

RECEIVED BY: *ja*

Introduced by Senator Miriam Defensor Santiago

1 AN ACT
2 PROVIDING FOR A MAGNA CARTA OF WORKERS IN INFORMAL ECONOMY,
3 INSTITUTIONALIZING MECHANISMS FOR IMPLEMENTATION THEREOF AND FOR
4 OTHER PURPOSES

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

5 TITLE I
6 GENERAL PROVISIONS

7 Chapter I
8 Framework and Principles

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

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

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

14 (b) To ensure their human dignity, economic advancement and access to justice by
15 providing timely services, including social, political, economic, and legal;

16 (c) To recognize, promote, protect, fulfill and ensure the civic and constitutional
17 rights of workers in the informal economy, including the rights to: self-organization; just and
18 humane working conditions; access to social protection; security of workplaces; peaceful
19 concerted activities; represent their organizations, and participate in policy and decision-making
20 processes affecting their rights and benefits and towards the provision of a comprehensive
21 package of reforms, interventions, and services in accordance with their articulated needs and
22 interests;

- 1 (d) To recognize the roles, give proper value to the contributions of workers in the
2 informal economy, and make them visible in the national and local statistics;
- 3 (e) To provide venues for dialogue and consultation with informal economy workers
4 so that their concerns and needs are effectively addressed by lasting and workable reforms in
5 enforcement of labor standards, advancement of labor relations,
- 6 (f) To develop and enhance their technical, special, entrepreneurial and other skills
7 and capabilities necessary towards their empowerment and enjoyment of benefits and
8 entitlements associated with the formal economy; and becoming more productive and self-reliant
9 citizens, thereby ensuring participation in mainstream economic activities based on their own
10 pace and self-determination;
- 11 (g) To progressively eliminate child labor through the creation of more quality jobs
12 for adults, effective enforcement of laws against child labor, elimination of gender-based
13 discrimination against girl child workers, improved access to universal education and social
14 protection, and elimination of cultural factors that directly or indirectly tolerate, and even accept
15 child labor;
- 16 (h) To promote gender equity and equality by protecting women workers in the
17 informal economy against gender-based discrimination, exploitation and abuse; advancing
18 women's social, economic, political, and reproductive rights; and improving their access to
19 social protection and participation in decision-making bodies and processes.
- 20 (i) To develop the local economy through maximization of the potential and
21 contribution of informal economy business activities and enterprises;
- 22 (j) To encourage and support workers in the informal economy to form self-help
23 groups, mutual benefit associations, unions, cooperatives, and other forms of self-organization
24 for their mutual aid, benefit, protection and for other legitimate purposes;
- 25 (k) To include the concerns of workers in the informal economy in the policies, plans,
26 programs, projects and activities of relevant national government agencies, government financial
27 institutions, and local government units;

1 (l) To advance the autonomy and empowerment of local government units and their
2 capability to be more responsive to the needs of the workers in informal economy among their
3 constituents;

4 (m) To protect vulnerable groups in the informal economy such as children, older
5 persons, differently-abled persons, indigenous peoples, and people living with HIV and AIDS
6 from discrimination, exploitation, abuse and harassment, as well as from performing work
7 hazardous to their occupational, physical, mental, emotional, reproductive and spiritual health;
8 and

9 (n) To integrate ethnicity as a factor in the formulation of programs and mechanisms
10 to promote and protect rights of workers in the informal economy.

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

24 (a) Policies and programs that will bring marginalized workers and economic units
25 into the economic and social mainstream; and spur entrepreneurial or growth-oriented informal
26 business to graduate to formal status based on their own pace and self-determination thereby
27 reducing their vulnerability and exclusion;

- 1 (b) Structural reforms in all relevant levels of government by creating committees,
2 special offices for development and protection of workers in the informal economy and
3 supporting their representational, entrepreneurial and other rights through their organizations;
- 4 (c) Accessible and affordable social protection, including labor market interventions,
5 social insurance coverage, basic health care, occupational safety and health, reproductive health
6 services, social welfare programs and safety nets;
- 7 (d) Policies, programs and interventions that will ensure security of workplaces of
8 workers in the informal economy towards a work environment that protects their rights and
9 enables them to become more productive.
- 10 (e) Minimum and simplified regulations to encourage the development of ingenuity
11 and entrepreneurial spirit among workers in informal economy;
- 12 (f) Mechanisms for the growth and expansion of the various business activities or
13 enterprises in the informal economy preferably with the cooperation and support of the private
14 sector;
- 15 (g) Organization, establishment, strengthening and expansion of the various business
16 activities or enterprises in the informal economy at the barangay level, preferably to be unified
17 under municipality-, provincial-, regional- and national- level federations or associations;
- 18 (h) Applicable labor standards;
- 19 (i) Recourse mechanisms to address violations of informal workers' rights;
- 20 (j) Mechanisms and processes that prioritize the provision of services to the poorest
21 and the most vulnerable workers,
- 22 (k) Exacting responsibility on the part of the workers in the informal economy to
23 comply with their obligations, provided that the State shall put in place responsive, transparent
24 and accountable mechanisms and systems that ensure recognition, protection, promotion and
25 realization of their rights.

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

1 (a) "Informal Economy," based on the International Labor Conference (ILC) 2002a,
2 this refers to "all economic activities by workers and economic units that are – in law or in
3 practice – not covered or insufficiently covered by formal arrangements."

4 The Informal Economy includes a wide variety of activities, enterprises and workers.
5 Self-employment consists of employers of informal enterprises who hire other workers and
6 own-account workers. Wage-employment includes informal employees of both formal and
7 informal firms, subcontracted workers, wage workers for households or domestic workers, and
8 wage workers with no fixed employer or casual day workers. The working conditions,
9 opportunities and risks faced by these different categories of informal workers are very diverse.

10 Informal workers often experience poor working conditions such as long working hours,
11 high level of health hazards, lack of social security, poor earnings, low productivity, and lack of
12 legal protection. To a large extent, women and disadvantaged groups such as youth, persons
13 living with HIV and AIDS, persons with disabilities, indigenous peoples and migrant workers
14 are overrepresented in the informal economy.

15 (b) "Informal Sector," as defined by the National Statistical Coordination Board
16 (NSCB) Resolution No. 15, series of 2002, refers to units engaged in the production of goods
17 and services with the primary objective of generating employment and incomes to the persons
18 concerned. It consists of households and unincorporated enterprises that are market and non-
19 market producers of goods, as well as market producers of services.

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

22 These enterprises may also be owned and operated by employers which may employ less
23 than ten (10) employees on a continuous basis.

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

- 26 c.1. small farmers owning land not more than three (3) hectares;
- 27 c.2. rural and agricultural workers who are tenants, sharecroppers, or laborers;
- 28 c.3. small fisherfolk/operators owning boats of three (3) gross tons or less and other
29 fishing equipment;

- 1 c.4. fisherfolk who are without fishing equipment and who market their catch;
- 2 c.5. on-call fish workers, porters and batillo;
- 3 c.6. home-based workers who are independent producers of goods or services;
- 4 c.7. industrial homeworkers are workers involved in a system of production under
5 which work is carried out at their homes and where materials may or may not be
6 furnished by the employer or contractor;
- 7 c.8. self-employed who are engaged by other enterprises through subcontracting
8 arrangements;
- 9 c.9. ambulant vendors or peddlers refer to vendors who ply their trades in search of
10 buyers;
- 11 c.10. street vendors refer to vendors who sell their merchandise on streets and
12 sidewalks;
- 13 c.11. vendors with stalls in public and private markets and those engaged in sari-sari
14 stores with operating capitalization of not more than one million pesos
15 (P1,000,000.00) excluding land and building;
- 16 c.12. drivers and workers of modes of transportation on land and sea whether motorized
17 or not, including: two (2) wheels such as calesa; three (3) wheels such as
18 pedicabs, tricycles; four (4) wheels such as jeepneys and buses; and boats one (1)
19 ton and below; 'barkers'; fare collectors; dispatchers; and other workers who
20 share income with self-employed or unincorporated operators;
- 21 c.13. operators of jeepneys, tricycles, pedicabs, taxi, and other vehicles or
22 transportation whose capitalization is not more than one million pesos
23 (P1,000,000.00) excluding land and building;
- 24 c.14. all unregistered and unprotected domestic workers who are generally not covered
25 by social protection such as maids, cooks, family drivers, gardeners and baby
26 sitters.
- 27 c.15. non-corporate construction workers;

- 1 c.16. small scale miners doing their own product processing; including those involved in
2 small scale mining and quarrying with capitalization of below one million pesos
3 (P1,000,000.00);
- 4 c.17. workers of Barangay Micro Business Enterprises (BMBEs);
- 5 c.18. non-corporate cargo handlers and allied workers;
- 6 c.19. waste pickers and recyclers;
- 7 c.20. workers engaged in producing seasonal products;
- 8 c.21. own account workers including but not limited to those engaged in the
9 maintenance and repair of equipment and appliances, clothing and footwear, as
10 well as those providing services such as beauticians, barbers, masseuses;
- 11 c.22. "on-call" workers in the entertainment, movie, and media industries such as but
12 not limited to bit players, stuntmen and women, crew, make-up artists, etc.;
- 13 c.23. volunteer workers in government and non-government entities who only receive
14 allowances or honoraria, including but not limited to: barangay health workers
15 (BHW), barangay tanod, barangay nutrition scholars (BNS), barangay daycare
16 workers, and volunteers in non-government or people's organizations;
- 17 c.24. unpaid family members, or workers receiving allowances and seasonally hired
18 workers who are engaged in micro-enterprises or assist unincorporated household
19 enterprises; and
- 20 c.25. other similar economic activities that are not illegal, criminal or life-threatening in
21 nature.

22 (d) "Worker" is a general term that refers to both self-employed and paid employee
23 covered under the provisions of this Act.

24 (e) "Self-employed Worker" refers to any person who has no employer and who
25 works for himself/herself by producing goods or services for the market.

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

28 (g) "Employer" refers to a natural person or group or partnership of people or a
29 corporation for whom a paid worker renders productive employment or service.

1 (h) “Security in the Workplace” refers to the right of every worker to an enabling
2 environment that guarantees and protects the spaces for WIE to undertake their work, including
3 the right to feel safe in one’s own work space, legal security of tenure and freedom from
4 discrimination, risk, danger, doubt, anxiety, or fear of being removed, evicted or prevented to
5 work. Towards this end, the State shall take measures that will ensure legal security of tenure of
6 workplaces, taking into account and including the physical environment, services, processes and
7 systems needed to enable workers to productively and safely perform their work.

8 (i) “Hazardous Work Condition” refers to any activity or circumstance where a
9 worker is exposed to any risk which constitutes imminent danger to his or her health or safety.
10 This includes potential risks of disability, injury, illness or death due to the presence of biologic
11 agents, radiation, chemicals, substances, hazardous materials; physical hazards in the work
12 environment; or the nature of work, processes performed, or equipment used therein.

13 (j) “Working Hours” refers to the period of time within which a worker is required to
14 be on call to perform any and all tasks that may be designated, regardless of whether there are
15 actual tasks being undertaken.

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

18 (l) “Monthly Basis” refers to the per month mode of paying a worker as bilaterally
19 agreed upon by the employer and worker

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

22 (n) “Social Protection” refers to policies, programs, and all other interventions that
23 support communities, households and individuals, both women and men, and aimed at: reducing
24 poverty through the promotion and sustenance of livelihood and employment; preventing,
25 managing and overcoming risks and vulnerabilities throughout their life cycle like protection
26 against hazards and sudden loss of income; and realizing their rights as citizens through their full
27 participation in decision-making affecting or may affect their access to and control over
28 resources necessary to maintain and sustain a decent and secure life.

1 Social protection schemes shall include labor market interventions, social insurance,
2 basic health care, social welfare and safety nets.

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

6 (p) "Non-government Organization" (NGO) as defined in R.A. 8425, refers to a duly
7 registered nonstock, nonprofit organization focusing on the upliftment of the basic or
8 disadvantaged sectors of society by among others, providing advocacy, training, community
9 organizing, research, access to resources, and other similar activities.

10 (q) "People's Organization" (PO) consistent with R.A. 8425 refers to a self-help
11 group belonging to the basic sectors or disadvantaged groups composed of members having a
12 common bond of interest who voluntarily join together to achieve lawful common goals.

13 (r) "Informal Economy Workers' Organization" refers to a group or groups of
14 informal sector workers, whether formally constituted or otherwise, that are organized with the
15 primary objective of promoting the welfare of workers in informal economy.

16 Chapter II
17 Coverage, Qualifications, and Accreditation

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

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

25 Any IE worker meeting the necessary accreditation requirements provided for in this Act
26 shall be listed in the centralized database system, and shall be issued an identity card and a
27 record book that shall list all services and benefits availed of by the WIE. These signify

1 eligibility to avail of development programs, provided, that the poorest and the most vulnerable
2 workers shall be given priority.

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

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

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

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

19 All local government units shall formulate a uniform and simple checklist of
20 requirements for registration and establish an IE One-Stop Shop Center which shall handle all
21 transactions and processing of business permit applications within their respective jurisdiction.
22 The Center shall ensure that processing of the business permit of the informal sector business
23 activities or enterprises shall be expedited within one day.

24 SECTION 7. *Annual Dues.* - IE workers and organizations shall pay annual dues to be
25 determined by the Local Government Unit (LGU) concerned, in consultation with their
26 respective Workers in Informal Economy Local Development Office (WIELDO) referred to in
27 Title I, Chapter IX of this Act. In no case shall the annual dues to be paid by IE workers be more
28 than Two Hundred percent (200%) of the prescribed daily minimum wage as determined by the

1 Regional Tripartite Wages and Productivity Board (RTWPB) in their respective regions or
2 provinces.

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

7 Chapter III
8 Rights and Benefits

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

13 (a) work, which includes the rights to: security at the workplace; make a living by
14 work freely chosen or accepted; and avail of technical and vocational guidance and training
15 programs;

16 (b) the enjoyment of just and favorable conditions of work;

17 (c) a living wage and equal remuneration for work of equal value without distinction
18 of any kind, in particular for women who shall be guaranteed equal wages for work similar or
19 equivalent to those done by men;

20 (d) equal opportunity for promotion, subject to no other considerations than seniority
21 and competence;

22 (e) safe and healthy working conditions safeguarding general, occupational and
23 reproductive health;

24 (f) access to basic services including but not limited to affordable medical care,
25 reproductive and other health services, low-cost housing, water, sanitation, electricity and
26 transport;

27 (g) rest, leisure and reasonable limitation of working hours, and periodic holidays
28 with pay, as well as remuneration for public holidays whenever applicable;

- 1 (h) maternity and paternity benefits, as provided for by law;
- 2 (i) equal access to education, skills training, and economic resources to develop self-
3 reliance, especially of children and young persons, without any discrimination;
- 4 (j) self-organization to collectively negotiate with government and other entities in
5 the promotion of their welfare and advancement of their interests free from any political
6 interference;
- 7 (k) an adequate standard of living for workers and their families, sufficient food,
8 clothing, and shelter, and the continuous improvement of such standard;
- 9 (l) freedom from any form of discrimination, violence, exploitation including sexual
10 exploitation, harassment, abuse, and any form of inhumane treatment which debases, degrades or
11 demeans the intrinsic worth and dignity of the worker as a human being;
- 12 (m) accessible social protection, comprising mainly of, but not limited to labor
13 market programs, social security, health care and insurance, and social welfare interventions;
- 14 (n) equal treatment before the law;
- 15 (o) substantial participation in policy and decision-making processes, including
16 access to information and other resources relevant to the promotion and protection of their
17 rights and welfare through organizations that truly represent the sector;
- 18 (p) equal access to justice through appropriate mechanisms, including, but not limited
19 to, alternative dispute resolution processes.

20 SECTION 9. Own account workers as well as marginal economic enterprises in the
21 informal economy, being the working poor's primary instruments to address and overcome
22 poverty, shall be accorded by the State the following rights:

- 23 (a) infrastructure support such as farm to market roads, common, affordable and
24 secure workplaces and facilities, merchandising centers, farmers' markets or a *Bagsakan* with
25 proper storage facilities, and inventory bulk-buying centers;
- 26 (b) policy support to promote and protect locally/domestically produced products;
- 27 (c) access to markets, including capacity building to access E-marketing facilities;

1 (d) access to affordable, appropriate and adequate financial services, including,
2 among others, collateral-free and gender-balanced credit at low interest;

3 (e) access to appropriate and adequate machinery, equipment, and other technologies,
4 with the end in view of increasing productivity and growth;

5 (f) protection from unjust dislocation from places where economic activities are
6 conducted;

7 (g) measures against racketeering, extortion, and harassment, by both State and non-
8 State elements;

9 (h) fiscal relief, including among others exemption from taxes, fees and other
10 assessments, to be put into place by concerned national agencies and local government units 60
11 days after the effectivity of this Act;

12 (i) common workplaces, adequate and affordable marketing facilities such as
13 economic freedom parks, merchandising centers, and inventory bulk-buying centers; and

14 (j) freedom from deprivation of property without valid cause and due process of law.

15 SECTION 10. Organizations of workers in informal employment, including unions,
16 cooperatives, mutual benefit associations, etc. shall have the rights to:

17 (a) freely function and act as the representatives of their members in policy- and
18 decision-making processes, collective negotiations, and other similar bodies and processes;

19 (b) establish national federations or confederations and the right of the latter to form
20 or join international trade-union organizations;

21 (c) access information from concerned government institutions and other parties that
22 are pertinent to the protection and promotion of the rights and welfare of their members;

23 (d) own property, real or personal, for the use and benefit of their organizations and
24 members;

25 (e) sue and be sued under their registered names;

26 (f) undertake all other activities, not contrary to law, designed to benefit their
27 organizations and members; and

1 (g) be accorded preferential option in the awarding of contracts for the undertaking of
2 national and local projects funded by either the National or local government units including
3 foreign-assisted projects. Guidelines for this shall be developed by the Implementing Rules and
4 Regulations of this Act.

5 Further, notwithstanding any provision of a general or special law to the contrary, the
6 income and properties of legitimate workers' organizations, including grants, endowments, gifts,
7 donations and contributions they may receive from fraternal and similar organizations, local or
8 foreign, which are actually, directly and exclusively used for their lawful purposes, shall be free
9 from taxes, duties and other assessments. The exemptions provided herein may be withdrawn
10 only by a special law expressly repealing this provision.

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

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

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

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

24 SECTION 13. *Monitoring of Growth.* - The local government units (LGUs) which will
25 supervise the Workers in Informal Economy Local Development Office (WIELDO) as created
26 by Chapter IX of this Act, shall monitor the growth of informal employment business activities

1 or enterprises three (3) years after the enactment of this Act and every three (3) years thereafter.
2 The centralized database referred to in Section 6 shall be the basis of this monitoring.

3 Chapter IV
4 Prohibited Acts Concerning Engagement of Workers in the Informal Economy

5 SECTION 14. *Prohibition Against Recruitment or Finders' Fees.* - Regardless of
6 whether the workers were sourced either through an employment agency or a third party, said
7 workers shall neither be charged nor levied a recruitment fee or finders' fee by the
8 aforementioned employment agency or third party;

9 SECTION 15. *Prohibition Against Hazardous Work and Conditions.* - Workers shall not
10 be engaged to do any hazardous work, activity or undertaking, or be exposed to hazardous
11 working conditions.

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

14 (a) any work which requires workers to render services beyond eight (8) hours
15 without commensurate compensation;

16 (b) any work or activity which exposes the worker to physical, emotional or sexual
17 abuse, or threats of such abuse;

18 (c) any work which involves manual handling or transport of heavy loads;

19 (d) any work in an unhealthy environment which exposes workers to hazardous
20 substances, agents or processes, or to temperature, noise levels, or vibrations damaging or
21 potentially damaging to their health;

22 (e) any work which requires workers to continuously render service during late
23 nights;

24 (f) any and all forms of slavery or practices similar to slavery, such as the sale and
25 trafficking of persons, forced or compulsory labor, debt bondage and serfdom;

26 (g) any use, procuring or offering of the worker for prostitution or pornography;

1 (h) any use, procuring or offering of the worker for the commission of any offense or
2 crime, particularly for the production, trafficking, or sale of narcotic drugs and substances as
3 defined in the Dangerous Drugs Act;

4 (i) any other type of work or activity which, by its nature or the circumstances in
5 which it is carried out, is likely to jeopardize the health, safety, or morals of the workers; and

6 (j) any other type of work, activity, condition or undertaking that maybe hereinafter
7 be defined as hazardous by the Department of Labor and Employment.

8 SECTION 16. *Prohibition Against Interference and Coercion.* - Any person is prohibited
9 from committing any of the following acts of interference and coercion:

10 (a) preventing any worker from upholding or exercising his/her rights;

11 (b) preventing any worker from joining or assisting organizations for purposes not
12 contrary to law;

13 (c) preventing any worker from carrying out his/her duties or functions in an
14 organization, or to penalize the same for any lawful action performed in that capacity;

15 (d) harassing, threatening, coercing or intimidating any worker that result in
16 preventing him or her from performing his or her duties and functions;

17 (e) transferring, penalizing or terminating the services of a worker without valid or
18 legal ground; and

19 (f) other acts calculated to diminish the independence and freedom of workers'
20 organization to direct its own affairs.

21 Chapter V
22 Social Protection

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

24 SECTION 17. *Labor Market Programs.* - The State shall provide adequate resources to
25 sustain labor market programs following decent work standards, including emergency and
26 guaranteed employment schemes, to ensure livelihood security and prevent or mitigate the

1 effects of sudden loss of income, in the context of sustainable development and developing local
2 economies in both rural and urban areas.

3 (a) The State shall ensure that these schemes shall be labor-intensive, developmental,
4 sustainable, and engaging both women and men, youth and older people in building
5 infrastructure, socialized housing, social forestry focusing on the planting of traditional trees,
6 organic farming, and food production programs.

7 (b) LGUs shall encourage and provide incentives to constituents who want to engage
8 or are engaged in sustainable and/or organic farming. All idle private or public lands within their
9 jurisdiction shall be cultivated or planted with organic food crops like corn, root crops or
10 vegetables. Relevant LGUs must allocate their local funds for mangrove reforestation and
11 prohibit conversion of any mangrove forest to residential, commercial or industrial use.

12 (c) In pursuit of decent work, the State in all its labor market programs shall adopt a
13 comprehensive framework and plan on occupational safety and health that covers all workers,
14 formal and informal, and implemented at both national and local levels.

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

19 (e) The State through LGUs shall promote community contracting to give preference
20 to WIE and their organizations in accessing employment opportunities and related benefits.

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

25 (a) The Social Security System (SSS) shall cover all workers, particularly the
26 working poor who mostly belong to the informal economy. The SSS, in consultation with
27 informal workers' organizations, shall customize products and services for them that are

1 accessible and affordable. In the interest of equity, the State shall cover what should have been
2 the employers' share for contributions of informal workers had they been formally employed. .

3 (b) The SSS shall also develop schemes involving government subsidies and
4 sponsorship programs to enable those who cannot afford to enroll and sustain their membership.

5 (c) To achieve universal coverage, the SSS shall facilitate the accreditation of
6 cooperatives, women's and people's organizations, trade unions and WIE associations,
7 microfinance and micro-insurance institutions and similar groups as collecting agents of
8 premiums and facilitators of claims with the least burdensome conditions and with appropriate
9 incentives. It shall develop effective partnerships with these organizations.

10 (d) The SSS Commission, in the spirit of democracy, transparency, accountability,
11 and equity, shall be required to conduct regular consultations with and provide information and
12 reports to its membership. Both formal and informal workers shall be represented in the SSS
13 Commission, where gender balance shall also be observed.

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

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

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

1 SECTION 20. *Health Care System and Financing.* - The State shall establish a
2 comprehensive and integrated health care system that guarantees provision of service by duly
3 accredited and adequately furnished health facilities, and appropriately educated and rationally
4 compensated health personnel to underserved areas all the way down to the barangay level.
5 Provided that, such healthcare system shall include reproductive health services, and provided
6 finally, that priority in the delivery of such services shall be the poor and marginalized.

7 The State shall ensure adequate resources to finance health care for all, by, among others,
8 progressively increasing the budget for health care until it meets the World Health Organization
9 recommendation of at least four percent (4%) of the Gross Domestic Product.

10 SECTION 21. *Universal Health Insurance.* - All citizens of the Philippines shall be
11 covered by the National Health Insurance Program as provided for in RA 10606, The National
12 Health Insurance Act of 2013. To achieve this, PhilHealth with the participation of all
13 stakeholders shall critically review its current operations. It shall also ensure the provision of a
14 minimum benefit package which shall be periodically upgraded to meet the goal of universal
15 coverage which is affordable, accessible and appropriate to the needs of all.

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

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

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

1 (c) PhilHealth, in accordance with its guiding principles, shall promote maximum
2 community participation and shall recognize the roles and strengths of the public and private
3 sectors in healthcare, including people's organizations and community-based health
4 organizations. PhilHealth shall extend appropriate recognition, technical assistance, and other
5 forms of material and non-material support to mutual benefit associations, microfinance
6 organizations, community-based health insurance and other indigenous schemes initiated and
7 participated in by WIE.

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

15 CHAPTER VI

16 Security in the Workplace of Workers in Informal Employment

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

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

25 Should concerned WIE prefer to conduct their economic activities within an identified
26 private property, the LGU shall negotiate with the owner of the property for the possible use of

1 such property as WIE's workplace. The LGU shall likewise encourage and assist the parties in
2 forging a possible memorandum of agreement.

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

6 The LGUs shall, within 90 days after the survey and based on recommendations of
7 WIELDO and consultations with concerned WIE, affected inhabitants and relevant sectors, pass
8 an ordinance designating such workplaces.

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

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

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

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

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

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

7 The consent of the affected fisherfolk shall be required before an area is declared a
8 marine protected area or a fish sanctuary by the national or local government unit.

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

13 (a) notice upon the affected persons or entities at least thirty (30) days prior to the
14 date of eviction or demolition;

15 (b) adequate consultations on the matter of resettlement with the duly designated
16 representatives of the families to be resettled and the affected communities in the areas where
17 they are to be relocated;

18 (c) presence of local government officials or their representatives during eviction or
19 demolition;

20 (d) proper identification of all persons taking part in the demolition;

21 (e) execution of eviction or demolition only during regular office hours from
22 Mondays to Fridays and during good weather, unless the affected families consent otherwise;

23 (f) no violence or unreasonable force shall be committed against women, children,
24 senior citizens, persons with disabilities and other identities similarly situated in the course of
25 eviction or demolition;

26 (g) non-use of heavy equipment for demolition except for structures that are
27 permanent and of concrete materials;

1 (h) proper uniforms for members of the Philippine National Police (PNP) who shall
2 occupy the first line of law enforcement and observe proper disturbance control procedures; and

3 (i) adequate relocation, whether temporary or permanent; provided, however, that in
4 cases of eviction and demolition pursuant to a court order involving underprivileged and
5 homeless citizens, relocation shall be undertaken by the local government unit concerned and the
6 National Housing Authority (NHA) with the assistance of other government agencies within
7 forty-five (45) days from service of notice of final judgment by the court, after which period the
8 said order shall be executed; provided, further, that should relocation not be possible within the
9 said period, financial assistance in the amount equivalent to the prevailing minimum daily wage
10 multiplied by sixty (60) days shall be extended to the affected families by the local government
11 unit concerned.

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

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

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

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

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

10 SECTION 28. *Policy on Relocation of Terminals.* - Designated terminals for tricycles and
11 pedicabs shall not be arbitrarily relocated without prior notice and consultation with small
12 transport groups, affected community and other relevant sectors. Provided, that relocation of
13 terminals can only be effected through an Ordinance. Provided further, that after the enactment
14 of such ordinance, notice of intention to relocate terminals shall be made to all small transport
15 groups and affected community at least sixty (60) days before the actual relocation.

16 Chapter VII
17 Special Allocations of Development Initiatives

18 SECTION 29. *Special Allocations for Development Initiatives.* – The development
19 initiatives for WIE shall form part of an integrated and convergent plan to address poverty and
20 vulnerability. The national and local government units shall work together in support of such
21 plan to maximize impact of meager resources.

22 (a) At least ten percent (10%) of the annual national budget shall be appropriated for
23 programs and services for WIE. These programs shall be implemented based on the principles of
24 merit and equity by the Department of Labor and Employment (DOLE) at the national level and
25 the WIELDO at the local level.

1 (b) For purposes of program implementation, the DOLE shall manage 30%, and
2 WIELDO, 70% of the funds from the annual General Appropriations Act (GAA) as provided for
3 in the previous paragraph of this section.

4 (c) The Implementing Rules and Regulations (IRR) of this Act shall determine
5 additional guidelines on, among others, the use of such finances to ensure that programs and
6 services truly benefit WIE.

7 SECTION 30. *Sourcing and Adopting Development Initiatives.* - Other sources of funds
8 to be used exclusively for initiatives addressing the needs and empowerment of WIE shall be
9 identified in the IRR of this Act and may include the following:

10 (a) Government financial institutions and mechanisms such as the Land Bank of the
11 Philippines (LBP), Development Bank of the Philippines (DBP), National Livelihood Support
12 Fund (NLSF), and Quedan Rural Credit and Guarantee Corporation shall set aside a specific
13 percentage of their loan portfolio to informal economy enterprises and shall give priority to
14 women-led informal economy enterprises by providing loans at an interest of not more than
15 twelve percent (12%) per annum consistent with the spirit of R.A. 7882, An Act Providing
16 Assistance to Women Engaging in Micro and Cottage Enterprises.

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

21 (c) The Small Business Guarantee and Finance Corporation (SBGFC) created under
22 Republic Act (R.A.) No. 8289 shall assist in the sourcing and adopting of development initiatives
23 for competitive enterprises in terms of finance, technology, production, management and
24 business linkages. It shall also provide and promote, develop and widen in both scope and
25 service reach various alternative modes of financing for informal economy business activities or
26 enterprises, including but not limited to: direct and indirect project lending, venture capital,
27 financial leasing, secondary mortgage and/or rediscounting of loan papers to such business
28 activities or enterprises, and crop production financing. Further, the Corporation shall guarantee

1 loans obtained by qualified worker or business activity or enterprise, under such terms and
2 conditions adopted by its Board.

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

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

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

12 SECTION 32. *Inclusivity of Benefits.* – The exemptions and other benefits provided in
13 this Act shall apply for a period of not exceeding ten (10) years from the date of accreditation of
14 such IE worker, business activity, enterprise, or organization.

15 Chapter VIII
16 Informal Economy Development COUNCIL (IEDC)

17 SECTION 33. *Creation of the Informal Economy Development Council (IEDC).* –
18 There is hereby created an Informal Economy Development Council, hereinafter referred to as
19 the IEDC, which shall be an agency within the Department of Labor and Employment (DOLE).
20 The DOLE shall institute appropriate reforms within its structure, programming and other
21 processes, including adjusting its human resource capabilities to ensure that WIE-focused
22 programs will be efficiently and adequately implemented to address the needs of these workers.

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

1 SECTION 34. *Mandate and Functions of IEDC.* – The mandate and functions of IEDC
2 shall include the following:

3 (a) Develop and ensure implementation of a simple system of accreditation for the IE
4 workers, enterprises, and organizations in accordance with the standards and provisions of this
5 Act;

6 (b) Provide guidelines for the implementation by LGUs of a fair and credible system
7 of evaluation, accreditation, review and assessment, merit promotion, rendering of grant and
8 incentive awards and other policies relative to the effective and efficient implementation of this
9 Act;

10 (c) Develop and ensure implementation of annual, long-term and medium term plans
11 for the informal economy, the last of which should form part of the Philippine Development Plan
12 towards institutionalizing comprehensive, rights-based, gender-responsive and child-friendly
13 programs and policies for the IE;

14 (d) Develop and ensure effective implementation of labor standards covering WIE as
15 provided for by this Act;

16 (e) Develop and ensure implementation of gender-based monitoring and evaluation
17 mechanisms, efficient and effective programs and policies, and gender-responsiveness of
18 interventions toward harnessing the full potentials of women WIE;

19 (f) Coordinate with LGUs for the development and implementation of periodic
20 evaluation of all accredited IE members, enterprises and organizations – taking into account their
21 accomplishments, capabilities and potentials. The results of such evaluation shall be used as
22 bases for accreditation, the grant of awards and incentives, training and retraining;

23 (g) Establish a performance appraisal system for all accredited workers, enterprises
24 and organizations in the informal economy which shall be the basis for granting or renewal of
25 incentives, rewards and recognition, training and development, including adequate mechanisms
26 to ensure their active participation and involvement;

27 (h) Ensure effective participation of WIE and their organizations through the
28 establishment of regular consultative mechanisms and processes. Annual national, regional and
29 provincial consultations among the organizations of WIE shall be conducted to determine

1 specific issues and problems affecting specific WIE sub-sectors, and monitor and evaluate
2 implementation of programs and policies.

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

6 i.1. Sex-disaggregated statistical profile of WIE based on age, location, type of work,
7 average monthly incomes, work hours, and other relevant statistical information;

8 i.2. Sex-disaggregated data on informal enterprises, including capitalization and sources
9 of capital, number and status of workers, average incomes;

10 i.3. List and contact information of government and non-government organizations
11 (NGOs) that provide educational, socio-economic, legal, and other services to
12 WIE;

13 i.4. Inventory of resolved and pending cases involving activities of WIE;

14 i.5. Database on the needs and problems of women and children in the informal
15 economy nationwide aimed at strengthening policies and programs against child
16 labor; and

17 i.6. Compilation of international instruments, existing laws and programs affecting the
18 interest and welfare of WIE and information on how these workers may use or
19 avail of such instruments, laws and programs.

20 (j) Develop and ensure implementation of a communication plan including massive
21 information dissemination activities targeting WIE, their enterprises and organizations, in the
22 various regions towards a better understanding and appreciation of the benefits this Act may
23 bring them;

24 (k) Consistent with Section 2 (h) of this Act, to develop and ensure implementation of
25 a comprehensive plan to eliminate child labor;

26 (l) Monitor and coordinate implementation of policies and programs through the
27 Regional IEDC officers;

1 (m) Coordinate and harmonize all informal economy-related policies, programs,
2 projects and activities of various government agencies towards greater efficiency and
3 effectiveness;

4 (n) Monitor the LGU-generated incomes from informal employment through the
5 LGUs' periodic report submitted to the Council;

6 (o) After consultations with WIE organizations, develop and ensure implementation
7 of policies and programs that will address specific needs and ensure rights of WIE subsectors;

8 (p) Develop and ensure implementation of accessible and just conflict resolution and
9 adjudication systems and mechanisms to promote dialogue, conciliation, mediation and redress
10 of grievances to protect the rights of WIE; and

11 (q) From time to time, call on the participation of any government agency or
12 bureaucracy in its deliberations especially when such agency is directly or indirectly concerned
13 with or affecting the growth and development of the IE.

14 SECTION 35. *Composition.* – The Chair of the IEDC shall be the Secretary of
15 Department of Labor and Employment. IEDC members may elect from among themselves a
16 Vice-Chair to preside over meetings in the absence of the Chair. The members shall be the
17 following:

- 18 (a) Secretary of the Department of Trade and Industry (DTI)
- 19 (b) Director General of the National Economic and Development Authority (NEDA);
- 20 (c) Secretary of Department of Agriculture (DA);
- 21 (d) Secretary of Department of Social Welfare and Development (DSWD);
- 22 (e) Secretary of the Department of Interior and Local Government (DILG);
- 23 (f) Chair of the Commission on Human Rights (CHR);
- 24 (g) Lead Convenor of the National Anti-Poverty Commission (NAPC);
- 25 (h) Secretary of Department of Transportation and Communication (DOTC);
- 26 (i) Chair of the Social Security System (SSS);
- 27 (j) Chair of the Philippine Health Insurance Corporation (PhilHealth);
- 28 (k) Chair of the Philippine Commission on Women (PCW);

- 1 (l) Secretary of the Department of Public Works and Highways (DPWH)
- 2 (m) One (1) representative from the private sector at large, all Filipino citizens ,
3 proven to have been active in assisting informal economy workers;
- 4 (n) One (1) representative each from the League of Cities, League of Municipalities,
5 League of Provinces and League of Councilors;
- 6 (o) The incumbent NAPC Informal Sector Sectoral Representative;
- 7 (p) At least 30% of total membership of IEDC shall come from organizations of
8 workers in the informal economy, as well as People's Organizations (POs), NGOs, and women's
9 organizations actively working with and for the rights of WIE, provided that regional and sub-
10 sectoral representation shall be ensured. Provided further, that at least 40% of the 30% are
11 women. Guidelines for the selection of non-government IEDC members, including processes and
12 mechanics shall be determined by the IRR of this Act.

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

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

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

22 SECTION 37. *Initial IEDC Funds* - Ten million pesos (P10, 000,000.00) shall be
23 allocated from the Presidential discretionary fund for the initial operating expenses of the IEDC.

24 SECTION 38. *Executive Committee of the IEDC* – An Executive Committee of nine (9)
25 members shall be convened. Besides the Chair and Vice-Chair, the following shall be elected by
26 the IEDA members from among themselves or their duly designated alternate representatives:

1 four (4) representatives of WIE organizations, one (1) from the different leagues of local
2 officials, one (1) from the private sector, and one (1) from a national government agency,
3 provided, that at least three (3) members of the Executive Committee are women.

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

6 SECTION 39. *IEDC Secretariat.* The following secretariat functions shall be integrated
7 in the DOLE secretariat functions:

8 (a) Prepare and recommend, in coordination with LGUs and other government
9 agencies, annual, medium-term, and long-term Informal Economy Development Plans for
10 approval of the IEDC;

11 (b) Coordinate the preparation of position papers and background materials for
12 discussion or approval during IEDC and its Executive Committee meetings;

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

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

17 (e) Submit periodic reports to IEDC on the progress and accomplishments of its work
18 programs; and

19 (f) Perform other secretariat and administrative functions as authorized by the IEDC
20 or its Executive Committee.

21 SECTION 40. *Regional and Provincial IEDC Officers* – The DOLE Regional and
22 Provincial offices (NEDA Resolution) shall have Regional and Provincial IEDC Officers who
23 shall be appointed by the IEDC and shall have functions that include: monitoring and
24 coordinating of IEDC initiatives in the regions and Provinces; evaluation of policies programs
25 for workers in informal economy; providing technical assistance in the development of local
26 plans and programs; as well as other administrative functions necessary for the success of IEDC
27 initiatives in their jurisdiction.

1 IEDC Regional Officers shall have automatic seats in all Regional Development Councils
2 (RDCs).

3 SECTION 41. *Rationalization of Programs.* - IEDC shall conduct continuing review of
4 government programs for the poorest of the poor and the WIE and submit to Congress and the
5 President of the Philippines a report thereon together with its policy recommendations.

6 Chapter IX
7 Workers in Informal Employment Local Development Office (WIELDO)

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

12 (a) Prepare an overall development plan and work program that will address the
13 needs of the WIE, prioritizing the poorest and most vulnerable, and incorporate them in their
14 respective city, municipal, and barangay development plans;

15 (b) In consultation with WIE organizations in the area, identify specific needs of
16 various IE subsectors and recommend appropriate measures to be taken;

17 (c) Ensure accreditation of WIE, especially those with assets of P150,000 and below,
18 to facilitate their immediate access to benefits and services;

19 (d) Monitor, assess and evaluate implementation of the plans and programs as well as
20 the performance of informal workers, their economic activities and their organizations in the
21 areas;

22 (e) lead in the local implementation of Chapter VI (Security in the Workplace of
23 WIE) of this Act;

24 (f) Coordinate with other local offices, private sector and other organizations with
25 existing programs for WIE towards integration and convergence;

26 (g) Conduct education and training programs that will: raise their consciousness
27 especially on but not limited to workers', women's and children's rights; provide new ideas

1 especially to those with the least assets and formal education; and develop or upgrade technical,
2 entrepreneurial and leadership skills WIE;

3 (h) Provide technical support and facilitate access to credit, market, technology,
4 social protection schemes, and training for WIE;

5 (i) Train pools of community trainers in business counseling and awareness-raising
6 on occupational safety and health hazards, risks and social protection;

7 (j) Support organizing activities among WIE;

8 (k) Establish sex-disaggregated databank on human resources and skills registry to be
9 used as tools for LGU planning and budgeting;

10 (l) Provide offices and other necessary resources to support organizing, advocacy,
11 training and other activities of local organizations of WIE;

12 (m) Conduct specialized training such as negotiation skills and conduct of time and
13 motion studies to determine proper wages;

14 (n) Provide services, which shall include but not be limited to counseling,
15 conciliation, mediation, and legal assistance for the furtherance of this Act, prioritizing those
16 with the least access to justice; and

17 (o) Ensure that the LGU is capacitated to undertake and implement rights-based and
18 gender-responsive programs for WIE.

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

21 SECTION 43. *Composition.* - The Local Chief Executives (LCEs) shall be the primary
22 overseers of WIELDO's operations. The IRR of this Act shall provide for WIELDO's
23 composition provided that, informal workers' representatives shall form at least fifty percent
24 (50%) of WIELDO's decision-making body; Provided further, that IE representatives shall not
25 be less than five (5), and provided finally, that at least forty percent (40%) of the members of
26 WIELDO's decision-making body are women. Other relevant guidelines on WIELDO's
27 operations shall be included in the IRR of this Act.

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

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

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

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

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

14 (c) Annual allocations from LGUs Development Fund the percentage of which shall
15 be determined by LGUs.

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

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

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

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

26 (c) at least fifty percent (50%) of collected fees and annual dues from small vendors –
27 for programs focusing on vendors;

1 (d) at least fifty percent (50%) of fees and annual dues collected from marginalized
2 fisherfolks – for programs focusing on fisherfolk;

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

5 TITLE II
6 EMPLOYMENT OF WORKERS IN INFORMAL ECONOMY

7 Chapter I
8 Requisites for Employment Agreement

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

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

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

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

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

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

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

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

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

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

26 SECTION 48. *Payment of Wages.* – Payment derived from negotiated agreement shall be
27 made directly to the workers. No deductions from such payments shall be made by the employer

1 except those provided for by law. The expressed written consent of the worker shall be first
2 secured before deductions are made.

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

7 Chapter II
8 IE Workers of Minor Age

9 SECTION 49. *Allowable Employment of Workers of Minor Age.* – Children fifteen (15)
10 years up to seventeen (17) years of age may be employed; provided, that parental or legal
11 guardian consent is presented and attested to by any representative of the LGU or duly elected
12 Barangay official where the work is to be done. In no instance however, shall children below
13 fifteen (15) years old be engaged in whatever form of productive services.

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

17 TITLE III
18 FINAL PROVISIONS

19 SECTION 50. *Penal Provisions -*

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

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

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

5 (d) Failure to implement Sections 27 and 28 of this Act (Policy on Relocation of
6 Vending Sites and Policy on Relocation of Terminals) shall render the responsible official/s
7 administratively liable pursuant to Republic Act 7160 and other pertinent laws and criminally
8 liable whenever applicable.

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

12 SECTION 51. *Implementing Rules and Regulations (IRR)*. – The Implementing Rules
13 and Regulations (IRR) of this Act shall be formulated by a drafting committee composed of
14 representatives of offices that will be members of IEDC and WIE organizations provided that, at
15 least 30% of the drafting committee members shall come from the latter and provided further
16 that at least 30% of committee members are women. Said committee shall start work on the IRR
17 within three (3) months after the effectivity of this Act and finish within six (6) months
18 thereafter.

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

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

1 SECTION 54. *Effectivity.* – This Act shall take effect fifteen (15) days after its
2 publication in at least two (2) newspapers of general circulation.

Approved,