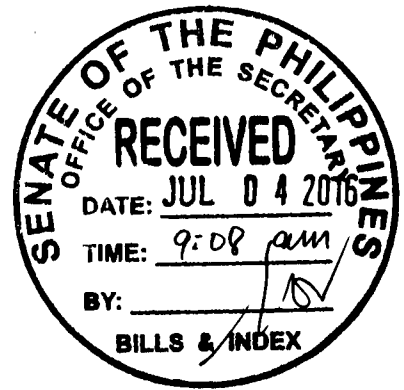


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

S. B. No. 276

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

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.

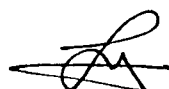
Based from 2003 figures of the National Statistical Office (NSO) and the National Statistical Coordination Board (NSCB), at least three out of every ten Filipinos are poor. Using self-rated methods, more than half of the almost 78 million Filipinos view themselves as *kabus, pobre, or mahirap* (the Visayan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

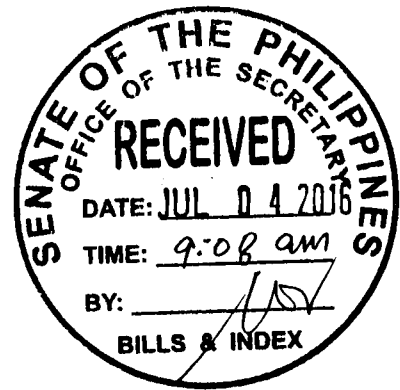


FRANCIS G. ESCUDERO

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AN ACT
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REPUBLIC ACT NOS. 7160 AND 8282

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

Title I
GENERAL PROVISIONS

Chapter I
Framework and Principles

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

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

5
6 (a) to promote and improve the total well-being of the poorest of the poor and
7 the marginalized low level income earners who engage in economic activities
8 under the informal sector;

9
10 (b) to nurture and protect the interests of the informal sector by providing them
11 with adequate and timely social, economic and legal services, as well as
12 mechanisms that shall protect their rights and promote benefits that ensure
13 their dignified existence and economic advancement;

14
15 (c) to recognize, promote, protect and fulfill the rights of every worker in the
16 informal sector including the right to self-organization, the right to decent
17 work, just and humane working conditions, access to social protection, and
18 the right to represent their organizations in a continuing process of
19 consultation and dialogue towards maximizing the provision of a
20 comprehensive package of reforms, interventions, and services in accordance
21 with their articulated needs and interests, with focus on the vulnerable
22 groups;

23
24 (d) to recognize the roles and contributions of workers in the informal sector and
25 make them visible in the national and local statistics;
26

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

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

- 41
42 (a) putting in place policies and programs that will bring marginalized workers
43 and economic units into the economic and social mainstream and spur
44 entrepreneurial or growth-oriented informal businesses to graduate to formal
45 status based on their own pace and self-determination;
46
47 (b) pursuing structural reforms in all relevant levels of government by creating
48 committees, special offices for development and protection of workers in the
49 informal sector and supporting their representational rights through their
50 organizations;
51
52 (c) extending coverage of accessible and affordable social security and health
53 care benefits to workers in the informal sector;

- 1
2 (d) implementing minimum and simplified regulation to encourage the
3 development of ingenuity and entrepreneurial spirit among workers in the
4 informal sector;
5
6 (e) encouraging the organization, establishment, strengthening and expansion of
7 the various business activities or enterprises under the informal sector in the
8 barangay level preferably unified under a municipality, provincial, regional
9 and national federation/association;
10
11 (f) exacting responsibility on the part of the informal sector workers provided
12 that the state shall recognize their rights and put in place responsive,
13 transparent and accountable mechanisms to ensure protection, promotion
14 and realization of those rights.
15

16 **SEC. 4. Definition of Terms.** As used in this Act, the following terms shall mean:
17

- 18 (a) *hazardous work or condition* refers to any activity or circumstance where a
19 worker is exposed to any risk which constitutes an imminent danger to
20 his/her health and safety.
21
22 (b) *ambulant vendors* or peddlers refer to vendors who ply their trades in search of
23 buyers.
24
25 (c) *street vendors* refer to vendors who sell their merchandise on streets and
26 sidewalk.
27
28 (d) *informal sector*
29 (1) For purposes of identification and coverage of the law, the informal sector
30 otherwise known as IS consists of "units", whether individual or group,
31 own-account/self-employed or micro-entrepreneur or livelihood
32 enterprises regularly employing family members, engaged in the
33 production of goods and services with the primary objective of generating
34 employment and incomes to the units concerned in order to earn a living.
35 These units typically operate at a low level of organization, with little or
36 no division between labor and capital as factors of production. It consists
37 of household enterprises that are market and non-market producers of
38 services.
39 (2) The category of individuals or organization of people involved in any
40 business activity or enterprise whose total assets, inclusive of the capital
41 investments, must not value more than the amount of:
42
43 i. One hundred fifty thousand pesos (P150,000.00) for small transport;
44 ii. One hundred fifty thousand pesos (P150,000.00) for marginalized
45 farmers;
46 iii. One hundred fifty thousand pesos (P150,000.00) for marginalized
47 fisherfolks;
48 iv. Fifty thousand pesos (P50,000.00) for home-based workers;
49 v. One hundred fifty thousand pesos (P150,000.00) for small vendors
50 with designated stalls;
51 vi. Fifteen thousand pesos (P15,000.00) for ambulant and street vendors.
52

1 The aforestated amount shall be adjusted every five years by the Informal
2 Sector Development Council (ISDC), which is created under this Act.
3 Adjustment of the aforestated amount shall be based on prevailing
4 poverty threshold and other established standards in determining
5 subsistence level of living.
6

7 For purposes of exclusion, corporations, quasi-corporations, units with
8 ten or more employees, corporate farms, commercial livestock raising
9 and commercial fishing are excluded from this definition of informal
10 sector.
11

12 (e) *worker* refers to a general term to mean either or both the micro-entrepreneur
13 or own-account/self-employed covered under the provision of this Act as
14 defined in the preceding paragraph.
15

16 (f) *pakyaw basis* refers to the pre-contracted wholesale mode of paying an
17 informal sector worker as bilaterally agreed by the contracting parties.
18

19 (g) *entrepreneurial or growth oriented informal business* refers to those which show
20 potential in increasing productivity, in hiring workers from outside the
21 household, in developing new competencies in areas of production and
22 operations.
23

24 (h) *informal sector sub-groups*- for purposes of this Act, refer to vendors, small
25 farmers, marginalized fisherfolks, small transport, home-based workers and
26 non-corporate construction workers and micro-informals and self/own
27 account.
28

29 (i) *small transport* refers to non-corporate operators of small marine boat or vessel
30 for transport, tricycle, pedicab, *habal-habal*, *calesa*, *kuliglig*, *balsa* or "trolley" and
31 or community-based mode of transportation
32
33

34 (i) *small farmer* refers to an individual engaged in subsistence farming including
35 the sale, barter, exchange of agricultural products or processing of
36 agricultural and other by-products produced by him/herself and his/her
37 immediate family, or rural workers who are tenants or sharecroppers or
38 contracted laborers provided they do not fall under the category of
39 agricultural workers under the Labor Code.
40

41 (j) *marginalized fisherfolks* refer to individuals engaged in subsistence fishing such
42 as but not limited to the use of fishing boats less than three (3) tons, use of
43 fishing gear which do not require boats, those who are without fishing boat
44 or gear but share in the first catch of individuals having fishing boats, those
45 engaged in subsistence aquaculture, or those engaged in the processing of
46 marine and other by products in subsistence level. This also includes
47 immediate family members, especially women, who engage in the
48 preparation of fishing gears and other needs before fishing activity and who
49 engage in the sale, barter or exchange of marine products produced. Also
50 included in this category are fishport workers, porters and batillo.
51

52 (k) *non-government organizations* (NGO) refers to any aggrupation of individuals,
53 not subsidized by government funds or organized for religious purposes or

1 partisan politics, and whose primary ends are advocacy of issues or the
2 realizations of specific developmental objectives for the community or a
3 sector thereof.

4
5 (l) *people's organization* (PO) refers to any cooperative, union, business group or
6 any aggrupation of at least twenty-five (25) individuals belonging to the same
7 sector or sharing a common interest, not subsidized by government funds or
8 organized for religious purposes or partisan politics, and whose primary
9 concern is the advocacy of sectoral issues; and/or the realization of specific
10 developmental objectives for their sector or the promotion of their common
11 interest.

12
13 (m) *Informal Sector One-Stop Shop Center* refers to the office at the local
14 government units (LGUs) where all transactions needed in the processing of
15 business permits and other business requirements of the Informal Sector
16 workers shall be conducted.

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

20
21
22 **Chapter II**
23 **Coverage, Qualifications and Accreditation**
24

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

29
30 For purposes of this Act, the term "informal sector" shall cover the following:

31
32 (a) micro-entrepreneurs and self-employed:

33 i. vendors, whether with stalls or without including ambulant vendors,
34 street vendors or those plying their goods and trades in streets and those
35 engaged in sari-sari stores which conform with the total asset value
36 requirements as mentioned in Section 4 (d) of this Act;

37 ii. small farmers;

38 iii. marginalized fisherfolks;

39 iv. home-based workers who are independent producers of goods or services
40 and whose total asset value conforms with that mentioned in Section 4 (d) of
41 this Act;

42 v. small transport such as but not limited to non-corporate operators of small
43 marine boat or vessel for transport, tricycle, pedicab, *habal-habal*, *calesa*,
44 *kuliglig*, *balsa* or "trolley" whose total asset value conform with the
45 requirement as mentioned in Section 4 (d) of this Act.

46
47 (b) own-account/self-employed:

48 i. on call domestic and service workers such as live-out cleaners, laundry
49 men and women and *plantsadora*;

50 ii. barbers, manicurists, pedicurists

51 iii. drivers of tricycle, pedicab, *habal-habal*, *kalesa*, *kuliglig*, "trolley" or small
52 marine vessel/boat;

- 1 iv. "barkers", fare collectors, dispatchers and other workers who share in the
- 2 income of the non-corporate operators;
- 3 v. welders and mechanics;
- 4 vi. non-corporate constructions workers such as but not limited to carpenters,
- 5 plumbers, electrician, mason or house painters;
- 6 vii. appliance technicians including but not limited to television, radio, air
- 7 conditioner, computer and refrigeration technicians;
- 8 viii. scavengers
- 9

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

17
18 Informal sector business activities or enterprises which are in operation and
19 registered, pursuant to applicable laws or local ordinance, prior to the enactment of this
20 Act shall be recognized as having complied with the registration requirement of this Act
21 and shall no longer be required to pay the registration fee as mentioned in the
22 preceding paragraph.

23
24 The registration shall entitle the informal sector business activities or enterprise
25 to development programs and benefits under this Act.

26
27 All local government units shall establish an Informal Sector One-Stop Shop
28 Center which shall handle all transactions and processing of the business permit
29 applications within their respective jurisdiction. The Center shall ensure that the
30 processing of the business permit of informal sector business activities or enterprises
31 shall be done on the day of their application and the registration shall be released
32 within thirty six (36) hours upon submission of the complete requirements based on its
33 checklist. To facilitate efficient and expeditious registration of informal sector business
34 activities or enterprise, the local government units shall formulate a uniform and simple
35 checklist of requirements for registration such us valid proof of identity (barangay
36 clearance, certificate of residency, etc.) and flowchart of the procedure of registration.
37 The local government must ensure the recognition and registration of women workers
38 in the informal sector through appropriate activities. The local government unit shall be
39 responsible in translating the checklist of requirements and flowchart of procedure of
40 registration in their own local dialect. The local government unit shall cause the posting
41 of the checklist and flowchart of procedure of registration in at least three (3)
42 conspicuous areas, preferably public areas, in the community and cause the publication
43 of the same in the local newspaper if there be any.

44
45 Further, the Center shall maintain a comprehensive database of informal sector
46 business activities and enterprises which have been issued licenses to operate. The
47 database shall take into account the different sub-classifications of informal sector in
48 terms of geography (urban or rural based), premises (home-based or non home-based),
49 gender (male or female), ethnicity (ethno-linguistic group or indigenous community),
50 vulnerability (children, elderly or person with disability), industry (industrial,
51 commercial, services or agricultural), occupation (fisherfolks, farmers, construction,
52 drivers, vendors, laborers or sales personnel), nature of employment (casual,
53 contractual, seasonal, permanent/regular or pakyaw/commission basis/boundary

1 system) and roles/functions (own-account/self-employed or subsistence/marginal
2 employment). The database shall also indicate those informal businesses which may be
3 categorized as livelihood enterprises and those entrepreneurial or growth oriented
4 informal business.

5
6 The aforesaid comprehensive database of the informal sector shall be a basis of
7 the assessment and monitoring of the growth of the informal sector.

8
9 **SEC. 7. Annual dues.** Informal sector business activities or enterprises shall pay
10 annual dues to the Informal Sector One-Stop Shop Center or Treasurer of the
11 municipality or city where they are registered and accredited, starting on their second
12 year of operations, based on the following schedule:

- 13
- | | |
|---|------------|
| (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 |

14
15
16 A financial statement as proof of the net worth must be provided.

17
18 The collected fee shall accrue exclusively to the municipality or city and shall be
19 used for informal sector development programs approved by the municipal or city
20 council.

21
22 Additional Sources of Funds for LGUs - The following shall be tapped by
23 LGUs as additional sources of funds for informal sector focused development
24 initiatives:

- 25
- 26 (a) ninety percent (90%) of fees and annual dues collected from small transport -
27 for programs for workers in the small transport industry;
- 28
- 29 (b) ninety percent (90%) of collected fees and annual dues from business
30 establishments and entrepreneurs falling under the category of informal
31 sector - for programs focusing on micro-entrepreneurs and their workers;
- 32
- 33 (c) ninety percent (90%) of collected fees and annual dues from small vendors -
34 for programs focusing on vendors;
- 35
- 36 (d) ninety percent (90%) of fees and annual dues collected from small farmers -
37 for programs focusing on small farmers;
- 38
- 39 (e) ninety percent (90%) of fees and annual dues collected from marginalized
40 fisherfolks - for programs focusing on marginalized fisherfolks.

1
2 (e) ninety percent (90%) of fees and annual dues collected from the Philippine
3 Amusement and Gaming Corporation (PAGCOR) and Philippine Charity and
4 Sweepstakes Office (PCSO).
5

6
7 An Informal Sector Development Fund shall be established in every municipality
8 and city for their supervision and management subject to accounting and auditing
9 procedures by the Commission on Audit (COA).
10

11 **SEC. 8. *Monitoring of growth.*** The local government unit in cooperation with the
12 Informal Sector Local Development Office shall monitor the growth of the informal
13 sector business activities or enterprises three (3) years after the enactment of this Act
14 and every three (3) years thereafter.
15

16
17
18
19 **Title II**
20 **RIGHTS AND BENEFITS OF WORKERS IN THE INFORMAL SECTOR**

21
22 **Chapter I**
23 **General Rights**
24

25 **SEC. 9. *Basic Rights.*** The rights of Informal Sector workers shall be actively
26 protected, promoted and upheld. These include the right to:
27

- 28 (a) self-organization to collectively negotiate with the government and other
29 entities in the promotion of their welfare and advancement of their interests
30 free from any political interference or favor;
31
- 32 (b) informed participation in decision-making processes relevant to the concerns
33 of Informal Sector workers through their legitimate organizations;
34
- 35 (c) equal treatment before the law;
36
- 37 (d) safe conditions in the workplace that will safeguard their general and
38 reproductive health;
39
- 40 (e) accessible and affordable medical care and reproductive health services;
41
- 42 (f) accessible social protection and basic services including but not limited to
43 health services and low-cost housing to enable Informal Sector members to
44 have a humane quality of life;
45
- 46 (g) equal access to education, skills training, and economic resources to develop
47 their self-reliance;
48
- 49 (h) equal access to information technology, especially those affecting their
50 welfare and interests;
51
- 52 (i) freedom from any form of discrimination, violence, sexual exploitation,
53 harassment and abuse;

- 1
2 (j) common workplaces, merchandising centers, and inventory bulk-buying
3 centers;
4
5 (k) freedom from deprivation of property without valid cause and due process of
6 the law;
7
8 (l) alternative dispute resolution mechanisms and processes; and
9
10 (m) equal access to justice through appropriate mechanisms.
11
12

13 **SEC. 10. *Rights to Medical Care and Humane Treatment.*** Every worker has a
14 right to good quality health care, without any discrimination and within the limits of
15 the resources available for health and medical care. Attention must be given to women's
16 health. In the course of such care, the human dignity, culture, convictions and integrity
17 of the informal sector workers shall be respected.
18

19 Any person who engages informal sector workers shall, at all times, treat the
20 latter in a just and humane manner. In no instance shall abusive language, physical
21 violence or any act which debases, degrades or demeans the intrinsic worth and dignity
22 of the worker as a human being be used upon the latter.
23

24 **SEC.11. *Progressive Land Tax.*** LGUs shall impose a progressive land tax to
25 landholdings above three (3) hectares. The collected progressive land tax shall be
26 allocated for the local agriculture support services. Public agricultural lands within the
27 territory of the LGU and/or all the LGU-owned agricultural lands beyond five (5)
28 hectares shall be distributed to small landless farmers in their territory.
29

30 **SEC. 12. *Local Fisheries Support Services.*** The Municipality/City shall provide
31 capacity building training, access to collateral-free and gender-balanced credit,
32 marketing assistance and infrastructure development for marginalized fisherfolks
33 within their jurisdiction. LGUs are mandated to establish a fishers' market or a *Bagsakan*
34 where the marginalized fisherfolks can directly sell their products to the public.
35

36 **Chapter II**
37 **Empowerment of Informal Sector Workers**
38

39 **SEC.13. *Informal Sector Workers' Organization.*** Informal Sector workers shall
40 be encouraged to organize themselves for their mutual aid, benefit and protection and
41 for other legitimate purposes. Towards this end, the government shall encourage and
42 assist the Informal Sector workers in the formation of their self-help organizations,
43 associations, federations and confederations. The government shall encourage the
44 formation of cooperatives among marginalized farmers, marginalized fisherfolks and
45 home-based workers, with attention to the organization and formation of women and
46 other vulnerable identities, in order to enable members to purchase inputs at lower cost
47 and obtain fair prices for their produce.
48

49 Informal Sector workers engaged in farming, fishing, manufacturing, transport,
50 retail and services are encouraged to form cooperatives in every municipality and city
51 to enable members to avail of credit assistance and skills training which will help
52 improve their quality of life.
53

1 **SEC. 14. Assistance to Informal Sector Workers' Organization.** All concerned
2 national government agencies, government financial institutions and local government
3 units shall include in their plans, programs, projects and activities efforts that are
4 supportive of the concerns of Informal Sector workers' organizations.
5

6 **SEC. 15. Representation in Policy Making Bodies.** It shall be the responsibility
7 of the local government units to ensure the participation of Informal Sector workers in
8 public decision-making processes. Informal Sector workers have the right to participate
9 at all levels of decision-making.
10

11 The State shall therefore ensure that Informal Sector workers shall be given
12 mandatory representation in policy-making bodies and other legislative councils.
13

14 For this purpose, Sections 446, 457 and 467 of the Republic 7160 is hereby
15 amended to read as follows:
16

17 **SEC. 446. Composition.**

18 (a) The sangguniang bayan, the legislative body of the municipality, shall be
19 composed of the municipal vice mayor as the presiding officer, the regular
20 sanggunian members, the president of the municipal chapter of the liga ng mga
21 barangay, the president of the pambayang pederasyon ng mga sangguniang
22 kabataan, and the sectoral representatives, as members.

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

29 (c) The regular members of the sangguniang bayan and the sectoral
30 representatives shall be elected in the manner as may be provided for by law.
31

32 xxx
33

34 **SEC. 457. Composition.**

35 (a) The sanggunian panglungsod, the legislative body of the city, shall be
36 composed of the city vice mayor as presiding officer, the regular sanggunian
37 members, the president of the city chapter of the liga ng mga barangay, the
38 president of the panlungsod na pederasyon ng mga sangguniang kabataan, and
39 the sectoral representatives, as members.

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

46 (c) The regular members of the sangguniang panlungsod and the sectoral
47 representatives shall be elected in the manner as may be provided for by law.
48

49 xxx
50

51 **SEC. 467. Composition.**

52 (a) The sangguniang panlalawigan, the legislative body of the province, shall be
53 composed of the provincial vice-governor as presiding officer, the regular

1 sanggunian members, the president of the provincial chapter of the liga ng mga
2 barangay, the president of the panlalawigang pederasyon ng mga sangguniang
3 kabataan, the president of the provincial federation of sanggunian members of
4 municipalities and component cities, and the sectoral representatives, as
5 members.

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

12 (c) The regular members of the sangguniang panlalawigan and the sectoral
13 representatives shall be elected in the manner as may be provided for by law.
14

15 **SEC. 16. *Enactment of ordinance.*** The Local Government units shall enact an
16 ordinance implementing Section 14 of this Act within three (3) years from the effectivity
17 thereof.
18
19
20

21 Chapter III 22 Social Protection 23

24 **SEC. 17. *Medical/Health Insurance.*** An accredited Informal Sector worker,
25 regardless of age and compensation level, shall be covered by 50 percent of the lowest
26 rate of medical/health insurance under the Philippine Health Insurance Corporation
27 (PHILHEALTH), and be entitled to all the benefits provided for under the law. The free
28 medical/health insurance coverage shall also extend to Informal Sector workers who
29 are contracted/self-employed, as defined herein, and who are earning below the
30 minimum wage.
31

32 **SEC. 18. *Social Security Coverage.*** An accredited Informal Sector worker,
33 regardless of age and compensation levels, shall be covered by social security and be
34 entitled to all the benefits provided under Republic Act No. 8282; provided, that the
35 corresponding monthly contributions of small farmers shall be remitted every six
36 months scheduled every post harvest of farm produce. For this purpose, Section 22-A
37 of Republic Act 8282 is hereby amended to read as follows:
38

39 **SEC. 22-A. *Remittance of Contributions of Self-employed Member.*** Self-employed
40 members shall remit their monthly contributions quarterly on such dates and
41 schedules as the Commission may specify through rules and regulations.
42 **HOWEVER, FARMERS ENROLLED AS SELF-EMPLOYED MEMBERS SHALL**
43 **REMIT THEIR MONTHLY CONTRIBUTIONS EVERY SIX MONTHS**
44 **SCHEDULED EVERY POST HARVEST OF FARM PRODUCE; provided, that no**
45 **retroactive payment of contributions shall be allowed, except as provided in this**
46 **Section.**
47

48 For purposes of this Section, the Social Security System shall, within ninety (90)
49 days from the effectivity of this Act, promulgate guidelines for the mechanism of
50 collecting the aforesaid premiums.
51

52 **SEC. 19. *Alternative Schemes of Providing Social Security.*** To further widen
53 access to social security of Informal Sector workers especially in poor urban and rural

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

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

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

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

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

23
24 **SEC. 21. *Prohibition Against Work to be Undertaken.*** Worker of minor age shall
25 not be allowed to render work beyond their mental and physical 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 made by
29 said worker with the person who contracted his/her services. Likewise, no person shall
30 be allowed to bind the worker to his/her continued employ as a form of payment for
31 any loan or advances which he/she may have made with the former. Should there be
32 an outstanding loan incurred and he/she decides to unilaterally terminate engagement,
33 said loan or advance shall be paid by him/her to the person who contracted his/her
34 services under the terms or conditions of their agreement.

35
36 **SEC. 23. *Prohibition Against Labor Sub-Contracting.*** In no instance shall the
37 person who engaged the services of an informal sector worker sub-contract the services
38 of the latter to any third party.

39
40 **SEC. 24. *Prohibition Against Recruitment or Finders' Fees.*** Regardless of
41 whether the worker was sourced either through an employment agency or a third
42 party, said worker shall neither be charged nor levied a recruitment fee or finder's fee
43 by the aforementioned employment agency or third party.

44
45 **SEC. 25. *Prohibition Against Hazardous Work and Conditions.*** Any worker
46 shall not be engaged to work in any hazardous work, activity or undertaking, and
47 neither shall he/she be exposed to hazardous working conditions.

48
49 For purposes of this Section, hazardous work or conditions shall include, but not
50 be limited to the following:

- 51
52 (a) any work which requires workers to render services beyond eight (8) hours
53 without commensurate compensation;

- 1
2 (b) any work or activity which exposes the worker to physical, emotional or
3 sexual abuse;
4
5 (c) any work which involves manual handling or transport of heavy loads;
6
7 (d) any work in an unhealthy environment which exposes workers to hazardous
8 substances, agents or processes, or to temperature, noise levels, or vibrations
9 damaging to their health;
10
11 (e) any work which requires workers to continuously render service during late
12 nights;
13
14 (f) any or all forms of slavery or practices similar to slavery, such as the sale and
15 trafficking of persons, forced or compulsory labor, debt bondage and
16 serfdom;
17
18 (g) any use, procuring or offering of the worker for prostitution or pornography;
19
20 (h) any use, procuring or offering of the worker for the commission of any
21 offense or crime, particularly for the production and trafficking of narcotic
22 drugs and substances as defined in the Dangerous Drugs Act;
23
24 (i) any other type of work or activity which, by its nature or the circumstances in
25 which it is carried out, is likely to jeopardize the health, safety, or morals of
26 the worker; and
27
28 (j) any other type of work, activity, condition or undertaking that maybe
29 hereinafter be defined as hazardous by the Department of Labor and
30 Employment.
31

32 **SEC. 26. *Prohibition Against Interference and Coercion.*** Any person is
33 prohibited from committing any of the following acts of interference and coercion:
34

- 35 (a) to prevent a worker from upholding or exercising his/her rights;
36
37 (b) to prevent workers from joining or assisting organizations for purposes not
38 contrary to law, in order to protect and defend their mutual interests and to
39 obtain redress of grievances through peaceful concerted efforts;
40
41 (c) to prevent a worker from carrying out his/her duties or functions in an
42 organization, or to penalize the same for any lawful action performed in that
43 capacity;
44
45 (d) to make calculated, serious and pre-meditated harassment and interference
46 with the intention of intimidating or preventing the worker from performing
47 his/her duties and functions;
48
49 (e) to make calculated, serious and pre-meditated harassment against, or to
50 transfer, penalize or terminate the services of a worker without valid or legal
51 ground; and
52

1 (f) to perform acts calculated to diminish the independence and freedom of
2 workers' organization to direct its own affairs.
3
4

5
6 **Chapter V**
7 **Security in the Workplace of Vendors**
8

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

18 Workplaces include markets, vacant areas within the vicinity of markets and
19 other vacant public spaces which may be designated as allowable vending sites.
20

21 The Municipal or City, within 60 days from the effectivity of this Act, shall cause
22 the conduct of a survey to identify vacant area(s) for vending in their respective locality.
23

24 The Sanggunian Panglungsod or Bayan shall, within 90 days after the survey and
25 pursuant to the recommendation of the Informal Sector Local Development Office, pass
26 an ordinance designating the workplace or workplaces. No workplace for vending
27 purposes, however, shall be designated as such without prior consultation with the
28 vendors, the affected inhabitants and other sectors.
29

30 Local Government Units which have already established or designated viable
31 workplaces for vendors prior to this Act is deemed to have complied with this
32 provision of the Act provided that the aforesaid establishment or designation of the
33 viable workplace have been undertaken after consultation with the vendors, the
34 affected community and other sectors or groups.
35

36 **SEC 28. Policy on Eviction and Demolition.** Registered vendors who have no
37 permanent or temporary vending site shall not be arbitrarily deprived of their
38 livelihood by being unjustly ejected from their workplaces nor their stalls demolished
39 without prior notice and consultation and provision of relocation to another viable
40 workplace. The local government units, government agencies and instrumentalities
41 shall not conduct demolition or eviction of the registered vendors without prior
42 designation of their viable workplace. In case demolition or eviction is conducted
43 without compliance with the requirements under this Section, the responsible person or
44 officer who conducted or ordered the conduct of the same shall be held
45 administratively liable under this Act. Any responsible person or officer who caused or
46 ordered the destruction of any goods or products during the demolition or eviction
47 shall also be administratively liable under this Act. In case demolition or eviction is
48 warranted, the person or officer who conducts the same shall issue receipt of the
49 itemized products, goods and other materials seized from the affected registered
50 vendor. Any person or officer who fails to issue receipt shall be administratively liable
51 under this Act. No violence or unreasonable force shall be committed against women,
52 children, senior citizens, persons with disabilities and other identities similarly situated
53 in the course of eviction or demolition. Nothing herein shall deprive the aggrieved

1 vendor the right to file criminal or civil action, whenever applicable, against the
2 responsible person or officer.

3
4 **SEC 29. *Relocation of Vendors.*** Before any public market is closed, sold or
5 demolished, all market vendors with stalls and market vendors without stalls shall first
6 be relocated by the city government or municipal government to a temporary or new
7 public market. Notice of the intention to close, sell, or demolish any public market shall
8 be made to all concerned vendors at least sixty (60) days before the actual transfer or
9 relocation to another market site. Within the sixty (60)-day period, the city government
10 or municipal government shall conduct consultations with the affected vendors on the
11 selection of the relocation site and the implementation of the relocation.

12
13 **SEC 30. *Temporary Vending Site.*** Pending the designation of a viable vending
14 area or areas, vendors occupying a public place or places not previously designated as
15 vending site or sites shall be provided with a viable temporary site or sites by the city
16 government or municipal government. Notice of temporary transfer shall be given to
17 the vendors at least fifteen (15) days before the actual transfer. This shall likewise cover
18 and apply to vendors who are granted with permits but whose workplaces are
19 withdrawn from the list of allowable vending sites. Any change in the list of allowable
20 vending sites shall only be done after consultations with the affected vendors.

21
22 **SEC 31. *Priority in the Assignment of Stalls.*** In the event that a new public
23 market is constructed in place of an old market that is closed, sold, or demolished,
24 market vendors with stalls displaced from their workplaces shall be given priority in
25 the assignment of stalls in the new market.

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

31
32
33
34 **Chapter VI**
35 **Security in the Workplace of Small Transport**
36

37 **SEC 33. *Designation of Workplaces.*** The Municipality or City, in coordination
38 with their respective Informal Sector Local Development Office, after consultation with
39 the small transport groups, the affected community, and other sectors or groups, shall
40 identify and designate viable routes and terminal of tricycle and pedicab within the
41 municipality or city. Municipalities where *habal habal* is the only mode of transportation
42 shall also designate viable routes and terminal for the same.

43
44 Viable terminal shall be in proximity to public buildings, public markets, private
45 markets, commercial districts or commercial establishments and other places which the
46 public frequently visits.

47
48 The Municipal or City shall, within 60 days from the effectivity of this Act shall
49 cause the conduct of a survey to identify vacant area(s) for terminals in their respective
50 locality.

51
52 For access and safety, specific lanes within the road and routes will be
53 designated for use by tricycle, pedicabs and padyak.

1
2 The Sanggunian Panglungsod or Bayan shall, within 90 days after the survey and
3 pursuant to the recommendation of the Informal Sector Local Development Office, pass
4 an ordinance designating the viable terminal of tricycle, pedicab, *habal-habal* and other
5 members of the small transport as specified in Section 7 (a) (v) of this Act. However, no
6 designation of terminal shall be conducted without prior consultation with the small
7 transport groups, the affected inhabitants and other sectors.

8
9 Local Government Units which have already established or designated routes
10 and terminals of tricycle and pedicab prior to this Act is deemed to have complied with
11 this provision of the Act provided that the aforesaid establishment or designation of
12 terminals have been undertaken after consultation with the small transport groups, the
13 affected community and other sectors or groups.

14
15 **SEC 34. Relocation of Terminals.** Designated terminals for tricycle and pedicab
16 shall not be arbitrarily relocated without prior notice and consultation with the small
17 transport groups, the affected community and other sectors or groups. Aside from the
18 aforementioned requirements, relocation of terminals shall only be effective if the same
19 is done through an ordinance. After the enactment of the ordinance relocating
20 terminals for tricycle and pedicab, notice of intention to relocate terminals shall be made
21 to all small transport groups and the affected community at least sixty (60) days before
22 the actual relocation.

23
24 **SEC 35. Policy on Impounding of Vehicle.** The tricycle, pedicab, *habal-habal* and
25 other similar mode of transportation shall not be impounded for mere violation of
26 license or registration or traffic rules and regulations unless the said vehicle was
27 utilized to perpetuate or in the conduct of criminal activity/ies. In case of mere
28 violation of traffic rules and regulations, a traffic violation ticket shall be issued to the
29 erring driver without impounding the said vehicle. The responsible person or officer
30 who violated this Section shall be administratively liable under this Act. Nothing
31 herein shall prohibit the aggrieved member of the informal sector from initiating a
32 criminal or civil action against the responsible person or officer whenever such action is
33 applicable.

34
35 **SEC. 36. Penalty for Non-compliance.** Failure to implement the foregoing
36 requirements and provisions of Sections 61 and 62 shall render the responsible official
37 administratively liable pursuant to Republic Act 7160 and other pertinent laws and
38 criminally liable whenever applicable.

39
40
41
42 **Chapter VII**
43 **Security in the Workplace of Home-Based Workers**
44

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

- 50
51 (a) notice upon the affected persons or entities at least thirty (30) days prior to the
52 date of eviction or demolition;

- 1 (b) adequate consultations on the matter of resettlement with the duly
2 designated representatives of the families to be resettled and the affected
3 communities in the areas where they are to be relocated;
- 4 (c) presence of local government officials or their representatives during eviction
5 or demolition;
- 6 (d) proper identification of all persons taking part in the demolition;
- 7 (e) execution of eviction or demolition only during regular office hours from
8 Mondays to Fridays and during good weather, unless the affected families
9 consent otherwise;
- 10 (f) no violence or unreasonable force shall be committed against women,
11 children, senior citizens, persons with disabilities and other identities
12 similarly situated in the course of eviction or demolition.
- 13 (g) no use of heavy equipment for demolition except for structures that are
14 permanent and of concrete materials;
- 15 (h) proper uniforms for members of the Philippine National Police (PNP) who
16 shall occupy the first line of law enforcement and observe proper disturbance
17 control procedures; and
- 18 (i) adequate relocation, whether temporary or permanent; provided, however,
19 that in cases of eviction and demolition pursuant to a court order involving
20 underprivileged and homeless citizens, relocation shall be undertaken by the
21 local government unit concerned and the National Housing Authority (NHA)
22 with the assistance of other government agencies within forty-five (45) days
23 from service of notice of final judgment by the court, after which period the
24 said order shall be executed; provided, further, that should relocation not be
25 possible within the said period, financial assistance in the amount equivalent
26 to the prevailing minimum daily wage multiplied by sixty (60) days shall be
27 extended to the affected families by the local government unit concerned.

28
29 **SEC. 38. *Penalty for Non-compliance.*** Failure to implement the foregoing
30 requirements and provision of Section 34 shall render the responsible official
31 administratively liable pursuant to Republic Act 7160 and other pertinent laws and
32 criminally liable whenever applicable.
33
34

35 Chapter VIII

36 **Rights and Benefits of Non-Corporate Construction Workers, Own Account or Self-** 37 **employed Informal Sector Workers** 38

39 **SEC. 39. *Right to Fees Earned.*** While there is no standard rate for the fees of
40 informal sector workers, the fees, in whatever mode it is made, shall not be below the
41 applicable minimum wage of the region where they are covered. Payment of fees shall
42 be made directly to the Informal Sector worker. No deductions from said fees shall be
43 made by the person who contracted the informal sector worker except those specifically
44 authorized by the latter. The expressed written consent of the informal sector worker
45 shall first be secured before any deduction is made.
46

47 For non-corporate construction workers, security in the workplace primarily
48 refers to the principle of First-Priority Hiring by the Municipal and City government for
49 infrastructure and construction activities and projects.
50

51 **SEC. 40. *Fees Rate.*** The Bureau of Working Conditions-DOLE shall develop and
52 implement capacity building program on the conduct of time and motion studies as a

1 basis of standardizing rates of fees. Likewise, the Regional Wage Boards shall do the
2 same to determine fees of workers of the informal sector micro-entrepreneurs.

3
4 **SEC. 41. Access to Education and Training.** An Informal Sector worker shall not
5 be deprived of formal or non-formal education during day-off or any other time
6 mutually agreed by the parties.

7
8 The Department of Education (DepEd) or Commission on Higher Education
9 (CHED) shall extend its services of Study-Now, Pay-Later Program to the Informal
10 Sector worker and his/her dependents.

11
12
13 **Chapter IX**
14 **Security in the Workplace of Small Farmers**

15
16 **SEC. 42. Protection of Agricultural Lands.** The Municipality/City in
17 coordination with the Department of Agrarian Reform shall protect all agricultural
18 lands from conversion or reclassification to non-agricultural uses. Special Economic
19 Zones Sites, Tourist Sites or Socialized Housing Sites shall not be allowed in irrigated
20 and irrigable lands. The Municipality/city shall include in their Comprehensive Land
21 Use Plan (CLUP) all the agricultural lands as protected zones.

22
23 **SEC. 43. Local Agriculture Support Services.** The Municipality/City shall
24 provide capacity building training, access to collateral-free and gender-balanced credit,
25 marketing assistance and infrastructure development for small farmers and agrarian
26 reform beneficiaries within their jurisdiction. LGUs are mandated to establish a farmers
27 market or a *Bagsakan* where the local farmers can directly sell their products to the
28 public.

29
30 **SEC. 44. Protection for Tenants.** The LGUs shall provide assistance and
31 protection to tenants in agricultural lands whose landowners are not following the
32 provision in RA 3844. There should be no eviction of tenants from the farm if the
33 landowner unilaterally denies or terminates the tenancy relationship. The LGUs shall
34 make an inventory of all agricultural lands under leasehold. LGUs shall enforce the
35 security of tenure of tenants, right of redemption and right of first refusal on the subject
36 land.

37
38 **SEC. 45. Promotion of Sustainable Agriculture.** LGUs shall encourage and
39 provide incentives to their constituents who want to engage or is engaging in
40 sustainable and/or organic farming. All idle private or public lands within their
41 jurisdiction shall be cultivated or planted with organic food crops like corn, root crops
42 or vegetables.

43
44
45 **Chapter X**
46 **Security in the Workplace of Marginalized Fisherfolks**

47
48 **SEC. 46. Establishment of Fisherfolk Settlement Areas.** LGUs in coordination
49 with NHA, shall establish and create fisherfolk settlement areas on private or public
50 lands, specifically near the fishing grounds, for municipal fisherfolk with security of
51 tenure.

1 7882. The aforementioned government financial institutions shall formulate
2 guidelines within ninety (90) days from the effectivity of this Act to facilitate
3 the application of informal sector business or enterprises of the aforesaid loan
4 portfolio. The guidelines shall provide simple procedure and requirements in
5 the application of informal sector business or enterprises in accordance with
6 the framework and principles of this Act.
7

8 (b) The Department of Social Welfare and Development (DSWD) shall strengthen
9 its Self-Employment Assistance Program (SEAP) to uplift and empower
10 women in poverty, particularly those in the informal economy, by adopting
11 an integrated, credit-plus approach to micro-finance.
12

13 (c) The Small Business Guarantee and Finance Corporation (SBGFC) created
14 under Republic Act (R.A.) No. 8289 shall assist in the sourcing and adopting
15 of development initiatives for competitive enterprises in terms of finance,
16 technology, production, management and business linkages. It shall also
17 provide and promote, develop and widen in both scope and service reach
18 various alternative modes of financing for informal economy business
19 activities or enterprises, including but not limited to: direct and indirect
20 project lending, venture capital, financial leasing, secondary mortgage
21 and/or rediscounting of loan papers to such business activities or enterprises,
22 and crop production financing. The Corporation shall guarantee loans
23 obtained by the qualified worker or business activity or enterprise, under
24 such terms and conditions adopted by its Board.
25

26 (d) The Department of Agriculture, through the Agricultural Credit Policy
27 Council (ACPC), created pursuant to Republic Act 7607, shall give subsidies
28 for the education and training of small farmers on credit awareness, loan
29 acquisition and loan repayment. Pursuant to aforesaid law, a portion of all
30 loanable agricultural funds shall be utilized for direct lending to small
31 farmers for their production, processing, post harvest and marketing
32 requirements.
33

34 (e) The Department of Trade and Industry (DTI) shall contribute to enable the
35 development of business environment that shall include initiatives such as
36 supply chain and market outlets, and schemes to develop Special Credit
37 Window/s to upscale informal sector enterprises.
38

39 (f) The Department of Science and Technology (DOST) shall support technology-
40 related initiatives for workers in the informal economy.
41

42 **SEC. 53. Eligibility for Government Assistance.** To qualify for assistance,
43 incentives and grants, a worker or business activity or enterprise should be:
44

45 (a) duly registered with the appropriate agency in the LGU where they are
46 actively operating and has paid the necessary fees for registration and
47 accreditation from the office of the municipal or city treasurer concerned;
48

49 (b) one hundred percent (100%) owned and capitalized by Filipino citizens, be it
50 single proprietorship or a partnership venture; and
51

52 (c) fall under the above-mentioned sub-categories of Informal Sector;
53

1 The Council shall be separate and distinct from the National Fisheries and
2 Aquatic Resources Management Council (NFARMC) created under Republic Act 8550.

3
4 **SEC. 59. Composition.** The Council shall be headed by the Director General of
5 the National Economic Development Authority (NEDA) as Chairperson, and elect from
6 among themselves a Vice-Chairperson to preside over the Council meetings in the
7 absence of the Chairperson. The members shall be the following:

8
9 *Ex Officio* members:

- 10
11 (a) Secretary of Department of Trade and Industry (DTI);
12 (b) Secretary of Department of Agriculture (DA);
13 (c) Secretary of Department of Labor and Employment (DOLE);
14 (d) Secretary of Department of Social Welfare and Development (DSWD);
15 (e) Secretary of the Department of Interior and Local Government (DILG);
16 (f) Secretary of Department of Science and Technology (DOST);
17 (g) Lead Convenor of the National Anti-Poverty Commission (NAPC);
18 (h) Director General of the Technical Education and Skills Development
19 Authority (TESDA);
20 (i) Director of the Bureau of Fisheries and Aquatic Resources (BFAR);
21 (j) Director General of National Statistics Office (NSO);
22 (k) Chairperson of the Social Security System (SSS);
23 (l) Chairperson of PhilHealth;
24 (m) Chairperson of the National Commission on the Role of Filipino Women
25 (NCRFW);
26 (n) Chairperson of the National Commission on Indigenous People (NCIP);
27 (o) Chairperson of the Philippine Commission on the Urban Poor (PCUP);

28
29
30
31 Regular members:

- 32
33 (p) Fifteen (15) representatives from People's Organizations (POs) of workers in
34 the informal sector, five (5) each to represent Luzon, Visayas and Mindanao
35 with representation of the informal sector subgroups of vendors, small
36 transport, marginalized farmers, marginalized fisherfolks and home-based
37 worker or non-corporate construction workers to be elected in a National
38 Assembly of informal sector organizations duly called for that purpose;
39 provided that at least fifty percent (50%) of the fifteen (15) representatives are
40 women;
41 (q) Six (6) representatives from non-government organizations (NGOs) working
42 with Informal Sector, two (2) each to represent Luzon, Visayas and Mindanao
43 to be appointed by the Chairperson from among those recommended by
44 members of the informal sector; provided that at least fifty percent (50%) of
45 the six (6) representatives are women; and
46 (r) One representative from the private sector at large who has a proven track
47 record in catering to the needs of the informal sectors and to be appointed by
48 the Chairperson from among those recommended by members of the
49 informal sector.

50
51 An *ex officio* member of the council who possesses a cabinet rank shall designate
52 an undersecretary or assistant secretary as his/her permanent alternate representative

1 in case he/she fails to attend meetings in the exigency of his/her official function in the
2 department.

3
4 The *ex officio* members of the council shall not have voting rights in any matter or
5 issue subjected to voting of the council as this is a right reserved only to regular
6 members of the council to ensure that decisions shall reflect the sentiments of the
7 informal sector themselves. However, the Chairperson or Vice-Chairperson, in the
8 absence of the former, shall have the right to vote in case of tie.

9
10 The regular members of the council may conduct a meeting excluding the *ex*
11 *officio* members for purposes of voting on matters concerning the informal sector.

12
13 Elected representatives of the private sector, non-government organizations and
14 informal sector organizations shall serve as regular members of the council for a term of
15 three (3) years without re-election. In case of vacancy for whatever cause or reason, the
16 Chairperson shall appoint a representative to fill the vacancy from among those
17 recommended by members of the informal sector. Appointment to any vacancy shall
18 be only for the unexpired term of the predecessor. Appointment for the unexpired term
19 shall not bar the appointee from running during the next regular election.

20
21 The representatives from the private sector, non-government organizations and
22 informal sector organizations' shall be entitled to receive a *per diem* of two thousand
23 pesos (P2,000.00) per meeting exclusive of expenses for transportation and
24 accommodation. The Council shall meet once every two months or it may call for
25 special meetings as the need may arise; provided, that the frequency of such special
26 meetings shall not exceed four (4) times annually.

27
28 The NEDA shall allocate five million pesos (P5,000,000) out of its savings for the
29 initial operating expenses of the Council, after which the Council's budget shall be
30 included in the department's annual appropriation.

31
32 The initial election of representatives of the informal sector shall be conducted
33 within six (6) months from the effectivity of this Act. The implementing rules and
34 regulations (IRR) of this Act shall contain the guidelines for the formation of members
35 of the council, the election process, the nomination process, recall procedures and such
36 other mechanisms to ensure accountability of the representatives.

37
38
39
40 **SEC. 60. Mandate of the Council.** The Council shall have the following
41 mandates:

- 42
43 (a) develop a system of registration and accreditation of members of the Informal
44 Sector, with attention to women workers, in accordance with the standards
45 and provisions of this Act;
46
47 (b) provide guidelines for the LGUs' implementation of a fair and credible
48 system of evaluation, accreditation, review and assessment, merit promotion,
49 rendering of grant and incentive awards and other policies relative to the
50 effective and efficient implementation of this Act;
51
52 (c) further develop the existing Philippine Country Program for the development
53 and protection of the Informal Sector workers towards institutionalizing

1 comprehensive, rights-based, gender-responsive and child friendly programs
2 and policies for the Informal Sector. Towards this end, the Council must
3 ensure government capacity to undertake and implement this program for
4 the Informal Sector;

5
6 (d) develop rights and gender-based monitoring and evaluation mechanisms to
7 ensure that programs and policies are implemented effectively and
8 efficiently; and ensure gender-responsiveness of interventions toward
9 harnessing full potentials of women Informal Sector workers;

10
11 (e) coordinate with LGUs for the development and implementation of periodic
12 evaluation of all accredited Informal Sector workers, taking into account their
13 accomplishments, capabilities and potentials, the results of which shall be
14 used as bases for evaluation, registration, accreditation for the grant of
15 awards and incentives, training and retraining;

16
17 (f) monitor the income of the LGUs generated from the members of the informal
18 sector through the LGUs' periodic report submitted to the Council;

19
20 (g) establish a performance appraisal system for all accredited Informal Sector
21 workers which shall be the basis for granting or renewal of incentives,
22 rewards and recognition, training and development, including adequate
23 mechanisms to ensure their active participation and involvement;

24
25 (h) ensure effective participation of the Informal Sector workers through the
26 establishment of regular consultations at the national, regional and provincial
27 level among the organizations of Informal Sector workers to determine
28 specific issues and problems affecting their sector and monitor/evaluate
29 implementation of programs and policies.

30
31 (i) establish and develop a centralized and sex-disaggregated database system to
32 effectively guide policy formulation relative to the Informal Sector workers.
33 The databank shall be available for public use and shall include but not be
34 limited to the following:

35
36 i.1. masterlist of workers in the informal sector classified according to
37 geography (urban or rural based), premises (home based or non home
38 based), gender (male, female), vulnerability (children, elderly or person
39 with disability), industry (industrial, commercial, services or
40 agricultural), occupation (fisherfolks, farmers, construction, drivers,
41 vendors, laborers or sales personnel), nature of employment (casual,
42 contractual, seasonal, permanent/regular or pakyaw/commission
43 basis/boundary system) and roles/functions (own-account/self-
44 employed or subsistence/marginal employment).

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

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

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

1 i.5. database of the needs and problems of the informal sector in general and
2 database of particular needs of women and children in the Informal
3 Sector; and

4 i.6. compilation of existing laws and programs affecting the interest and
5 welfare of the Informal Sector.
6

7 (j) develop and implement a communication plan including massive
8 information dissemination activities targeting Informal Sector workers in
9 various regions towards making them understand and appreciate the benefits
10 this Act may bring them;
11

12 (k) make necessary adjustment of the applicable amount of total asset value as
13 provided under Section 4 (d) after five (5) years from the enactment of this
14 Act and five (5) years thereafter, based on prevailing poverty threshold and
15 other established standards in determining subsistence level of living;
16

17 (l) formulate, implement, coordinate and monitor all non-financial government
18 programs, including fee-based services, to support and promote
19 entrepreneurial spirit among the poorest of the poor; and
20

21 (m) develop alternative conflict or dispute resolution systems and
22 mechanisms, which shall aim to promote dialogue, conciliation and
23 mediation while protecting the rights of Informal Sector workers.
24
25

26 **SEC. 61. Authority of the Council to Solicit Assistance form Various Agencies.**

27 The Council may, from time to time, call upon the participation of any government
28 agency or bureaucracy in its deliberations especially when such agency is directly or
29 indirectly concerned with and/or affecting the growth and development of the Informal
30 Sector in any manner.
31

32 **SEC. 62. Council Secretariat.** The Council, through the Chairperson, shall
33 designate, in his capacity as the Director of the NEDA, any division or bureau within
34 the NEDA to act as the Council Secretariat and shall have the following duties and
35 functions:
36

37 (a) to prepare in coordination with LGUs and other local government agencies,
38 and recommend annual as well as medium-term Informal Sector Enterprise
39 Development Plans for the approval of the Council;
40

41 (b) to coordinate the preparation of position papers and background materials
42 for discussion or approval during Council meetings;
43

44 (c) to assist the Council in coordinating and monitoring the policies, programs
45 and activities of all government agencies with respect to the implementation
46 of this Act;
47

48 (d) to prepare, collate, integrate all inputs to the Council's yearly report on the
49 status of the Informal Sector business activities or enterprises in the country;
50

51 (e) to submit periodic reports to the Council on the progress and
52 accomplishment of its work programs; and
53

1 (f) to perform *ad hoc* functions as authorized by the Council.
2

3 **SEC. 63. Rationalization of Programs.** The Council shall conduct continuing
4 review of government programs for the poorest of the poor and the Informal Sector and
5 submit to Congress and the President a report thereon together with its policy
6 recommendations.
7

8
9 **Chapter III**
10 **Informal Sector Local Development Office**
11

12 **SEC. 64. Informal Sector Local Development Office.** The Informal Sector Local
13 Development Office (ISLDO) shall be established in every province, municipality and
14 city to enhance the Informal Sector access to assistance and support.
15

16 For this purpose, the DTI, Technical Education and Skills Development
17 Authority (TESDA) and Technology and Livelihood and Resource Center (TLRC) shall
18 develop livelihood programs that will harness the skills of the Informal Sector workers.
19

20 The aforesaid agencies shall conduct human resource development program and
21 management in the following areas:
22

- 23 (a) adequate facilities and resources to render quality social service;
24
25 (b) opportunities for Informal Sector workers to grow and develop their
26 potentials and experience a sense of worth and dignity in their work;
27
28 (c) mechanisms for democratic consultations;
29
30 (d) upgrading of working conditions; and
31
32 (e) allocation of funds for the participation of Informal Sector workers in skills
33 training and workshops and other similar activities as part of their continuing
34 advancement.
35

36 **SEC. 65. Functions of Informal Sector Local Development Office.** The Informal
37 Sector Local Development Office shall have the following functions:
38

- 39 (a) prepare an over-all development plan and work program that will address
40 the needs, rights and capacities of the Informal Sector workers and
41 incorporate them in their respective provincial, municipal and city
42 development plans;
43
44 (b) in consultation with organizations of Informal Sector workers in the area,
45 identify specific needs of the sector and recommend appropriate measures to
46 be taken;
47
48 (c) ensure registration and accreditation of the Informal Sector workers,
49 especially women;
50
51 (d) monitor, assess and evaluate implementation of the plans and programs as
52 well as the performance of the sector in the areas;
53

- 1 (e) coordinate with other local offices, private sector and other organizations
2 with existing programs for the Informal Sector workers for integration and
3 convergence;
4
- 5 (f) conduct training programs which will provide new ideas to the Informal
6 Sector workers and upgrade the technical and entrepreneurial skills of others
7 who are already in the field;
8
- 9 (g) implement consciousness-raising and capability building activities to include
10 information on workers', women's and children's rights and leadership
11 training;
12
- 13 (h) provide technical support and access to credit, market, technology, social
14 security schemes, and training for micro-entrepreneurs, small transport, small
15 farmers, marginalized fisherfolks, non-corporate construction workers and
16 other skilled workers;
17
- 18 (i) train pools of community trainers in business counselling and awareness-
19 raising on occupational safety and health hazards, risks and social security;
20
- 21 (j) support organizing activities among Informal Sector workers;
22
- 23 (k) establish databanks on human resources and skills registry to be used as tools
24 for LGU planning and budgeting;
25
- 26 (l) provide offices and other necessary resources to support organizing,
27 advocacy, training and other activities of local organizations of Informal
28 Sector workers;
29
- 30 (m) train Informal Sector workers on negotiation skills and on the conduct of
31 time and motion studies to determine proper wages; and
32
- 33 (n) provide services, to include but not limited to counselling and legal assistance
34 for the furtherance of this Act,
35
- 36 (o) ensure that the LGU is capacitated to undertake and implement rights-based
37 and gender-responsive programs for the Informal Sector.
38

39 The Local Government Units shall annually allocate at least two hundred fifty
40 thousand pesos (P250,000.00) or at least five percent (5%) of the twenty percent (20%)
41 Development Fund of their Internal Revenue Allotment or whichever is higher for the
42 operations and maintenance of the ISLDO.
43

44 The LGUs shall submit to the ISDC the annual report of disbursement of the
45 fund allocations for Informal Sector as specified in this section and section 40 paragraph
46 (g) of this Act. In case of failure on the part of the LGU to submit the annual report to
47 the ISDC, the local chief executive and other officers of the LGU shall be held
48 administratively liable.
49

50 **SEC. 66. Composition.** The local chief executives shall act as the primary
51 overseers to the overall operations of ISLDO, while Informal Sector workers shall be
52 represented by at least five (5) representatives from POs of IS workers; provided that
53 each sub-group (vendor, small transport, small farmers, marginalized fishersfolks and

1 home-based workers/ non-corporate construction workers) shall have one (1)
2 representative each in the ISLDO, whenever applicable. However, in case of highly
3 urbanized cities, there shall be ten (10) representatives of informal sector in the ISLDO,
4 with two (2) representatives coming from each sub-group.
5

6 The representatives shall be elected in a general assembly of each sub-group duly
7 called for the purpose of election of a representative/s to the ISLDO. The elected
8 representatives shall serve as such for a term of three (3) years without re-election. In
9 case of vacancy for whatever cause or reason, the local chief executive shall appoint a
10 representative to fill the vacancy from among those recommended by members of the
11 informal sector. Appointment to any vacancy shall be only for the unexpired term of
12 the predecessor.
13

14
15 **Chapter IV**
16 **Informal Sector Comprehensive and Integrated Plan**
17 **And Inter-Agency Networking**
18

19 **SEC. 67. *Comprehensive Plan.*** The Informal Sector Development Council or
20 ISDC shall be tasked to formulate a Ten-Year Comprehensive and Integrated Plan on
21 the impact of globalization to the informal sector. It shall determine and recommend the
22 necessary safety nets needed by the informal sector to prepare them for the possible
23 effects of globalization.
24

25 **SEC. 68. *Inter-Agency Networking.*** The NEDA shall provide for and lead the
26 inter-agency networking system among the different departments and instrumentalities
27 of government, should the same be required in the continuing efforts to protect the
28 interests, rights and privileges of Informal Sector workers.
29

30 The Council in cooperation with the DepEd and CHED, shall design a
31 comprehensive and integrated program for Informal Sector workers to give them
32 opportunity to pursue free education.
33

34 The cooperatives, through the help of the Department of Trade and Industry
35 (DTI), TESDA and TLRC shall inform Informal Sector workers of opportunities for
36 market and technology access and the availability of livelihood training seminars to
37 respond to Informal Sector needs and potentials.
38

39 The DSWD shall, within a period of one (1) year from the date of effectivity of
40 this Act, institute a program designed specifically to provide emergency services
41 specifically to women and the minor Informal Sector worker who are in need of
42 custody, shelter, counseling, or medical, psychological, legal and rehabilitative services.
43

44 The DSWD shall, upon the recommendation of the DOLE, effect the repatriation
45 of minor-aged Informal Sector workers who voluntarily seek government protection
46 against abuse and exploitation or upon report or discovery of the same. The cost of such
47 repatriation shall be borne by the DSWD. The DSWD and DOLE shall formulate the
48 rules and regulations governing the emergency repatriation of the same.
49

50 For this purpose, a Repatriation Fund is hereby created and established under
51 the administration and control of the DSWD in the amount of five million pesos
52 (P5,000,000) to be taken from the President's Social Fund.
53

1
2 **SEC. 69. *Consultations with Informal Sector Organizations.*** The Informal Sector
3 Development Council or ISDC, in coordination with other concerned agencies and
4 LGUs through the Informal Sector Local Development Office, shall conduct annual
5 national, regional and provincial consultations among the Informal Sector organizations
6 to determine the specific issues and problems affecting their sector. The Council shall
7 channel Informal Sector concerns to the appropriate agencies and provide the necessary
8 recommendations to the executive and legislative departments.
9

10 **SEC. 70. *Establishment of Informal Sector Database.*** The Council, in
11 coordination with the National Statistical Coordination Board or NSCB, shall establish
12 and develop a centralized database system to effectively work on policy formulation
13 and policy concerns relative to the Informal Sector. The NSCB shall regularly update the
14 said centralized database system. The database shall include but is not limited to the
15 following:
16

- 17 (a) masterlist of workers in the informal sector classified according to geography
18 (urban or rural based), premises (home-based or non home-based), gender
19 (male, female), ethnicity (etcho-linguistic group or indigenous community)
20 vulnerability (children, elderly or person with disability), industry (industrial,
21 commercial, services or agricultural), occupation (fisherfolks, farmers,
22 construction, drivers, vendors, laborers or sales personnel), nature of
23 employment (casual, contractual, seasonal, permanent/regular or
24 pakyaw/commission basis/boundary system) and roles/functions (own-
25 account/self-employed or subsistence/marginal employment).
26
- 27 (b) List of government and non-governmental organizations which provide
28 educational, socio-economic and legal services to the Informal Sector;
29
- 30 (c) Sex-disaggregated statistical profile of various Informal Sector workers based
31 on age, location, type of work, average monthly income, number of hours
32 worked, and other statistical information;
33
- 34 (d) Statistical data on informal enterprises, including capitalization and sources
35 of capital, number and status of workers, average income;
36
- 37 (e) Database of the needs and problems of women and children in the Informal
38 Sector nationwide; and
39
- 40 (f) Compilation of existing laws and programs affecting the interest and welfare
41 of the Informal Sector.
42

43 The public shall be allowed to have access to the said data provided that they
44 shall abide with the regulations that will be set by the Council.
45

46 **SEC. 71. *Establishment of a Shared Government Information System for***
47 ***Informal Sector.*** An inter-agency committee, composed of the Department of
48 Agriculture (DA), Department of Interior and Local Government (DILG), the
49 Department of Labor and Employment DOLE), the National Statistics Office (NSO), the
50 Informal Sector Development Council, the Informal Sector Local Development Office,
51 shall be established to implement a shared government information system for the
52 informal sector. The inter-agency committee shall initially make available to itself the
53 information contained in existing data bases/files. The second phase shall involve

1 linking of computer facilities in order to allow free flow of data exchanges and
2 sharing among concerned agencies.

3
4 **Title IV**
5 **MISCELLANEOUS AND FINAL PROVISIONS**
6

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

11
12 Violations of the prohibited act mentioned in Section 20 shall be punished
13 pursuant to Republic Act 9208.

14
15 **SEC. 73. *Implementing Rules and Regulations.*** The departments and agencies
16 charged with carrying out the provisions of this Act shall, within ninety (90) days after
17 the effectivity of this Act, formulate the necessary rules and regulations for its effective
18 implementation.

19
20 **SEC. 74. *Repealing clause.*** All laws, decrees, executive orders, rules and
21 regulations, or parts thereof inconsistent with the provisions of this Act are hereby
22 repealed or modified accordingly.

23
24 **SEC. 75. *Separability of provisions.*** If, for any reason, any section or provision
25 of this Act is held unconstitutional or invalid, the other sections or provisions hereof
26 shall not be affected thereby.

27
28 **SEC. 76. *Effectivity Clause.*** - This Act shall take effect after fifteen (15) days
29 from its publication in the Official Gazette or in at least two (2) national newspapers of
30 general circulation whichever comes earlier.

31
32 *Approved,*