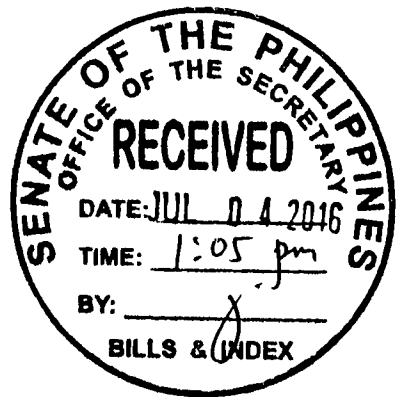


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

S.B. No. 309

Introduced by Senator SONNY ANGARA

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

EXPLANATORY NOTE

This bill seeks to provide an integrated, holistic, comprehensive, rights-based, gender-responsive, culturally-sensitive, and democratically policy instrument to empower the poor, marginalized, unprotected and underrepresented workers in informal employment and bring them into the mainstream of the Philippine economy. It is the culmination of persistent advocacy efforts involving informal workers' associations, women's groups, human rights and other civil society organizations stretching for more than a decade.

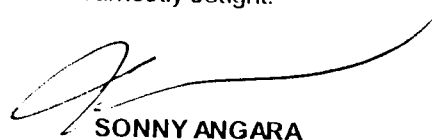
The informal economy is comprised of a wide variety of activities, enterprises and workers, which include, among others, micro-entrepreneurs, home-based workers, vendors, small transport operators, small and landless farmers, artisanal fisherfolk, non-corporate construction workers, waste pickers and recyclers, petty retailers, barter traders, small-scale miners and quarry workers, entertainers, beauticians, laundry persons, hairdressers, on-call domestic helpers, barangay health workers and other volunteer workers, barkers and unorganized cargo handlers. Most of the working poor, or those who are working but cannot work their way out of poverty because of very low earnings and very high risks, are in the informal economy. Many such workers live in substandard conditions and do not have the means to meet their basic needs.

Moreover, majority of informal workers are not covered by the Labor Code and other legislation that could protect their rights, making them vulnerable to exploitation by unscrupulous employers who make them work long hours and at very low wages, without benefits and under very poor working conditions. They have limited access to productive resources, justice, social protection, and preventive programs for work-related diseases and risks. These are further aggravated by their apparent underrepresentation in policy-making bodies relevant to their issues.

In view thereof, it is imperative to legislate a Magna Carta for informal workers that will recognize, defend, protect, promote and fulfill their rights through a continuous process of capacity-building and empowerment. This is in consonance with the Constitutional provision on social justice and with the country's adherence to the Universal Declaration of Human Rights (UDHR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the UN Convention on the Elimination of Discrimination of Women (CEDAW), and various ILO conventions upholding core labor standards and decent work.

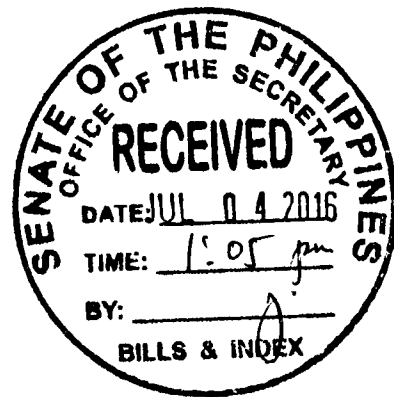
This Magna Carta shall provide informal workers access to social protection and justice; make them visible in statistics; simplify their accreditation; provide appropriate standards and regulations in their favor; develop and implement meaningful plans, policies and programs that will harness their full potential to become effective and productive economic actors. As embodied in the 2002 ILO document on the informal economy, government has the responsibility to bring informal workers into the economic and social mainstream, reduce their vulnerability and exclusion, ensure that they are covered by the legal and institutional framework, and support their representational rights through their legitimate, accessible, transparent and accountable membership-based organizations.

In view of the foregoing, early passage of this measure is earnestly sought.



SONNY ANGARA

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OTHER PURPOSES

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

TITLE I
GENERAL PROVISIONS

Chapter I
Framework and Principles

1
2
3
4
5
6
7
8
9
SEC. 1. Short Title. This Act shall be known as the "*Magna Carta of Workers in the Informal Economy.*"

10
11
SEC. 2. Declaration of Policy. It is hereby declared the policy of the State to:

- 12 (a) Promote a just and dynamic social order that will ensure that the prosperity and
13 independence of the nation and free the people from poverty through policies that
14 provide adequate social services, promotes decent and full employment, a rising
15 standard of living, and an improved quality of life for all;
- 16
17 (b) Protect, promote and fulfil the rights of every worker including the right to self-
18 organization, just and humane conditions of work, access to social protection, access to
19 justice, security off/in the workplaces, and the right to represent their organizations in a
20 continuing process of consultation, in the context of quadpartism towards maximizing the
21 provision of a comprehensive package of reforms, interventions, and services in
22 accordance with their articulated needs and interests;
- 23
24 (c) Recognize the role and give proper value to the contributions of workers in the informal
25 economy and informal economic units, and make them visible in all relevant national and
26 local statistics;
- 27
28 (d) Promote gender equity and equality by protecting women workers in the informal
29 economy against gender-based discrimination, exploitation and abuse, advancing
30 women's social, economic, political, and reproductive rights, and improving their access
31 to social protection and participation/representation in decision-making bodies and
32 processes;
- 33
34 (e) Establish an integrated and coherent policy at all levels of government of formalization,
35 inclusive development, and greater responsiveness to the needs of the workers and
36 enterprises in the informal economy;
- 37

1 exploitation, abuse and harassment, as well as from performing work hazardous to their
2 occupational, physical, mental, emotional, reproductive and spiritual health;

3
4 (g) Take measures that will ensure legal security of tenure of workers and the safety and
5 security of their workplaces, taking into account and including the physical environment,
6 services, processes and systems needed to enable workers to productively and safely
7 perform their work; and

8
9 (h) Update labor, employment and establishment statistics and align the segmentation of
10 assets by further segmenting the micro-enterprises to give preferential treatment to total
11 asset and capital of P150,000.00 pesos and below as defined under the Social Reform
12 Agenda of 1997 (RA 8425) and conduct periodic review of them.

13
14
15 **SEC. 3. Framework and Principles.** Article II, Section 9 of the Philippine Constitution declares
16 that "The State shall promote a just and dynamic social order that will ensure the prosperity and
17 independence of the nation and free the people from poverty through policies that provide
18 adequate social services, promote full employment, a rising standard of living, and an improved
19 quality of life for all." It shall give the highest priority to the enactment of measures that protect
20 and enhance the rights of all people to human dignity; reduce social, economic and political
21 inequalities; lessen vulnerabilities to risks including those brought about by environmental
22 degradation and natural disasters, remove cultural inequities by redistributing wealth and
23 political power for the common good; and to develop an enabling environment conducive to
24 responsible citizenship. Towards this end, in the context of social dialogue, the government at
25 all levels shall formulate and implement coherent and integrated strategies that are rights-
26 based, participatory, gender-responsive and sustainable. These strategies shall also be in
27 accordance with the most relevant and empowering provisions of International Labour
28 Organization (ILO) Recommendation No. 204 concerning the Transition from the Informal to the
29 Formal,

30
31 (a) Coherence of policies and programs established for the purpose of bringing vulnerable
32 workers and economic units into the economic and social mainstream, and spur
33 entrepreneurial or growth-oriented informal businesses to graduate to formal status;

34
35 (b) Coordination across a broad range of policy areas in facilitating the transition to the
36 formal economy including pre-employment macro-economic policies and labor market
37 policies to help low-income households, unemployed persons and other
38 disadvantaged persons escape poverty and access employment;

39
40 (c) Structural reforms in all relevant levels of government by creating committees and
41 special offices for the development and protection of workers in the informal economy
42 and supporting their representational, entrepreneurial, and other rights, through their
43 organizations, without being limited to tripartite structures and particular strategies;

44
45 (d) Accessible, affordable and effective promotion of social security, including labor
46 market interventions, occupational safety and health, and the extension of maternity
47 protection to women in the informal economy, social welfare programs and safety nets,
48 disaster risk reduction and management mechanisms, and adaptive measures to
49 respond to climate change;

50
51 (e) Regulated access for use of public spaces and regulated access to public natural
52 resources for subsistence livelihoods through policies, programs and interventions that
53 will ensure the security of workplaces of workers in the informal economic units,
54 including, among others, the "relocation before demolition" of vendors and small
55 transport terminals, towards a work environment that protects their rights and enables
56 them to achieve greater productivity.

57
58 (f) Minimum and simplified regulations to encourage the development of ingenuity and
59 entrepreneurial spirit among workers in the informal economy including property rights;

- 1 (g) Preservation and expansion, during the transition to the formal economy, of the
2 entrepreneurial potential, dynamism, skills and innovative capacities of workers and
3 economic units in the informal economy;
4
5 (h) A balanced approach combining incentives with compliance;
6
7 (i) The need to prevent deliberate avoidance of, or exit from, the formal economy for the
8 purpose of evading taxation or the application of social and labor laws and regulations;
9
10 (j) Tax reforms based on net income for informal economic units and application of tax
11 laws or incentives for the informal economy workers currently enjoyed by the formal
12 labor;
13
14 (k) Social Dialogue mechanisms whereby informal workers' organizations will participate
15 and be in tripartite consultation in designing, evaluating, and implementing policies and
16 programs of relevance to the informal economy.
17
18 (l) Support system to expand market for products, access loans for additional capital
19 requirement and simplify bureaucratic systems and procedures for the Micro, Small
20 and Medium Enterprises (MSMEs);
21
22 (m) Relaxation of the procurement procedures for the contracting micro-entrepreneurs of
23 the government;
24
25 (n) Review, amendment and efficient implementation of policies on sub-contracting such
26 as DOLE Department Order No. 5 on Industrial Homework and other relevant policies;
27 and
28
29 (o) A road map of development for both informal economy workers and economic units
30 shall guide the government in all levels in the context of social dialogue.
31
32 (p) After formalization, all laws applicable to formal labor and economic units shall apply.
33

34 **SEC. 4. Scope.** This Act shall apply to all workers and economic units – including enterprises,
35 entrepreneurs and households – in the informal economy, in particular:
36

- 37 (a) those in the informal economy who own and operate economic units,
38 including:
39 – own-account workers;
40 – employers; and
41 – members of cooperatives and of social and solidarity economy
42 units;
43
44 (b) contributing family workers, irrespective of whether they work in
45 economic units in the formal or informal economy;
46
47 (c) employees holding informal jobs in or for formal enterprises, or in or
48 for economic units in the informal economy, including but not limited
49 to those in subcontracting and in supply chains, or as paid domestic
50 workers employed by households; and
51
52 (d) workers in unrecognized or unregulated employment relationships.
53

54 **SEC. 5. Definition of Terms.** As used in this Act, the following terms shall mean:
55

- 56 (a) "*Basic sectors*" - Refer to the disadvantaged sectors of Philippine society, namely:
57 farmer-peasant, artisanal fisher folk, workers in the formal sector and migrant
58 workers, workers in the informal sector, indigenous peoples and cultural communities,
59 women, differently-abled persons, senior citizens, victims of calamities and disasters,
60 youth and students, children, and urban poor;
61

- 1 (b) "*Community Contracting*" - Refers to the process of concluding an agreement
2 between a *community* and a contracting authority, whereby the community (or a
3 section thereof) is responsible for the implementation of the work, and therefore,
4 functions as a contractor;
5
- 6 (c) "*Daily Basis*" - Refers to the per day mode of paying a worker, as bilaterally agreed
7 upon by *the* employer and worker.
8
- 9 (d) "*Hazardous Work Conditions*" - Refers to any activity or circumstance where a worker
10 is *exposed to* any risk which constitutes imminent danger to his or her health or
11 safety. This includes potential risks of disability, injury, illness or death due to the
12 presence of biologic agents, radiation, chemicals, substances, hazardous materials;
13 physical hazards in the work environment; or the nature of work, processes
14 performed, or equipment used therein.
15
- 16 (e) "*Informal Economy*" - based on the ILO Recommendation No. 204 concerning the
17 Transition from the Informal to the Formal, adopted during the 104th International
18 Labour Conference (ILC) in June, 2015 this refers to "all economic activities by
19 workers and economic units that are – in law or in practice – not covered or
20 insufficiently covered by formal arrangements".
21
- 22 (e1) "*Economic Units*" in the informal economy include:
23 – units that employ hired labour;
24 – units that are owned by individuals working on their own account, either alone
25 or with the help of contributing family workers; and,
26 – cooperatives and social and solidarity economy units;
27 – informal work that may be found across all sectors of the economy, in both
28 public and private spaces.
29
- 30 (f) "*Informal Economy Workers' Organization*" - Refers to a group or groups of informal
31 sector workers, whether formally constituted or otherwise, that are organized with the
32 primary objective of promoting the welfare of workers in informal economy.
33
- 34 (g) "*Monthly Basis*" - Refers to the per month mode of paying a worker as bilaterally
35 agreed upon by the employer and worker.
36
- 37 (h) "*Pakyaw Basis*" - Refers to the pre-contracted wholesale mode of paying a worker as
38 bilaterally agreed upon by the employer and worker.
39
- 40 (i) "*Piece rate*" – Refers to payment of products or services by piece of work or by
41 service rendered.
42
- 43 (j) "*Security of/in the Workplace*" - Refers to the right of every worker and informal
44 economic units to an enabling environment that guarantees and protects the spaces
45 to undertake their work, including the right to feel safe in one's own work space, legal
46 security of tenure and freedom from discrimination, risk, danger, doubt, anxiety, or
47 fear of being removed, evicted or prevented from working.
48
- 49 (k) "*Social Protection*" - Refers to policies, programs, and all other interventions that
50 support *communities*, households and individuals, both women and men, and aimed
51 at: reducing poverty through the promotion and sustenance of livelihood and
52 employment; preventing, managing and overcoming risks and vulnerabilities
53 throughout their life cycle, like protection against hazards and sudden loss of income;
54 and realizing their rights as citizens through their full participation in decision-making
55 affecting or may affect their access to and control over resources necessary to
56 maintain and sustain a decent and secure life.
57

58 Social protection schemes shall include labor market interventions, social insurance,
59 social welfare, safety nets, disaster risk reduction and management mechanisms,
60 adaptive measures in the context of climate change, affordable housing and other
61 provisions necessary for vulnerable groups to adequately address and manage risks.
62

- 1 (l) "Working Hours" - Refers to the period of time within which a worker is required to be
2 on call to perform any and all tasks that may be designated, regardless of whether
3 there are actual tasks being undertaken.
4
- 5 (m) "Volunteer workers of government instrumentalities" – Refers to workers in
6 government instrumentalities receive allowances or honoraria. These include but are
7 not limited to: barangay health workers (BHW), barangay tanod, barangay nutrition
8 scholars (BNS), barangay daycare workers, enumerators, and among others
9

10
11 **Chapter II**
12 **Coverage, Registration and Annual Dues**
13

14 **SEC. 6. Coverage.** This shall include all those defined in Section 4 of this Act, Informal
15 Economy (IE) businesses and enterprises, and organizations of workers in informal economy.
16

17 **SEC. 7. Registration.**
18

- 19 (a) *Workers.* There shall be a simple and standard system of registration in accordance
20 with the framework and principles of this Act. A one-time registration fee of not more
21 than Fifty pesos (P50.00) per individual worker, shall be paid to the municipality or
22 city where they reside.
23

24 Any IE worker registered in the local government provided for in this Act shall be
25 listed in the centralized database system, and shall be issued an identity card and a
26 record book that shall list all services and benefits availed of. These signify eligibility
27 to avail of development programs, provided, that the poorest and the most vulnerable
28 workers shall be given priority.
29

30 The concerned LGU shall review, revalidate and reassess such database as a tool
31 for local planning and for other purpose every two (2) years from the date of last
32 registration. Renewal of eligibility shall be in accordance with the merit and fitness
33 principle, and with the conditions that no child labor shall be used and no activities
34 harmful to the environment shall be implemented.
35

- 36 (b) *Informal Economic Unit.* A comprehensive database of all economic units shall be
37 developed and maintained. Such database shall take into account the different sub-
38 classifications in terms of asset size, number of workers, social insurance provided,
39 statutory benefits and wages, industry, geography, premises, sex, ethnicity,
40 vulnerability, and roles and functions. The database shall also indicate informal
41 economic units which may be categorized as livelihood enterprises and
42 entrepreneurial or growth oriented informal businesses. Further, the database shall
43 include information on payments collected from IE workers, Workers in the Informal
44 Economy (WIE) organizations and economic units. The Barangay Micro Business
45 Enterprise (BMBE) Registry, in general, shall include these informal economic units.
46

47 The aforesaid comprehensive database shall form part of the bases of assessment
48 and monitoring of the growth of informal economy.
49

50 All local government units shall formulate a uniform and simple checklist of
51 requirements for registration, and establish an IE One-Stop Shop Center which shall
52 handle all transactions and processing of business permit applications within their
53 respective jurisdiction and worker's registration. The Center shall ensure that
54 processing of the business permit of the informal economic units shall be expedited
55 within one day. The P150,000.00 asset size shall be given an affordable business
56 registration (Mayor's Permit) of P500.00 renewable annually until two (3) years of
57 operation after which, shall be subject to the regular business permit requirements of
58 the local government. The BIR shall also exempt from sales tax for the same period
59 of three (3) years the said asset size of economic unit renewable annually.
60

- 61 (c) *Informal Economy Organizations/Associations.* IEO/A shall register or accredit with
62 the Department of Labor and Employment (DOLE).

1 **SEC. 8. Annual Dues.** IE workers and organizations shall pay annual dues to be determined by
2 the Local Government Unit (LGU) concerned, in consultation with their respective Workers in
3 Informal Economy Local Development Office (WIELDO) referred to in Title I, Chapter IX of this
4 Act. In no case shall the annual dues to be paid by IE workers be more than 30% of the
5 prescribed daily minimum wage as determined by the Regional Tripartite Wages and
6 Productivity Board (RTWPB) in their respective regions or provinces.
7

8 These annual dues shall accrue to the respective LGU where they are accredited. The
9 accumulated funds from these dues shall be used for programs to benefit IE workers and
10 organizations/associations, business activities, enterprises and organizations, as recommended
11 by the WIELDO. Such programs and disbursement of funds shall be approved by the concerned
12 LGU Council in consultation with the local informal economy constituents.
13

14
15 **Chapter III**
16 **RIGHTS AND BENEFITS**
17

18 **SEC. 9.** Workers in the informal economy shall have the same basic rights accorded to all
19 workers, as enshrined in the Philippine Constitution, the Labor Code as amended, and relevant
20 international human rights instruments and labor Conventions. These include, but are not limited
21 to the rights to:
22

- 23 (a) Work, which includes the rights to: security of/in the workplace; make a living by work
24 freely chosen or accepted; and avail of technical and vocational guidance and training
25 programs;
26
- 27 (b) Enjoyment of just and favorable conditions of work;
28
- 29 (c) A living wage and equal remuneration for work of equal value without distinction of
30 any kind, in particular for women who shall be guaranteed equal wages for work
31 similar or equivalent to those done by men;
32
- 33 (d) Equal opportunity for promotion, subject to no other considerations than seniority and
34 competence;
35
- 36 (e) Safe and healthy working conditions safeguarding general, occupational and
37 reproductive health;
38
- 39 (f) Access to basic services including but not limited to affordable medical care,
40 reproductive and other health services, low-cost housing, water, sanitation, electricity
41 and transport;
42
- 43 (g) Rest, leisure and reasonable limitation of working hours, and periodic holidays with
44 pay, as well as remuneration for public holidays whenever applicable;
45
- 46 (h) Maternity and paternity benefits, as provided for by law;
47
- 48 (i) Equal access to education, skills training, and economic resources to develop self-
49 reliance, especially of children and young persons, without any discrimination;
50
- 51 (j) Self-organization to collectively negotiate with government and other entities in the
52 promotion of their welfare and advancement of their interests, free from any political
53 interference;
54
- 55 (k) An adequate standard of living for workers and their families, adequate food, clothing,
56 and shelter, and the continuous improvement of such standard;
57
- 58 (l) Freedom from any form of discrimination, violence, exploitation including sexual
59 exploitation, harassment, abuse, and any form of inhumane treatment which debases,
60 degrades or demeans the intrinsic worth and dignity of the worker as a human being;
61

- 1 (m) Accessible social protection, comprising mainly of, but not limited to labor market
2 programs, social security, health care and insurance, and social welfare interventions;
3
- 4 (n) Equal treatment before the law;
5
- 6 (o) Substantial participation in policy and decision-making processes, including access to
7 information and other resources relevant to the promotion and protection of their
8 rights and welfare through organizations that truly represent the sector;
9
- 10 (p) Equal access to justice through appropriate mechanisms, including, but not limited to,
11 alternative dispute resolution processes; and
- 12
- 13 (q) Access to public procurement including advice and reserving quotas for informal
14 economic units.
15

16 **SEC. 10.** Own-account workers as well as informal economic units, being the working poor's
17 primary instruments to address and overcome poverty, shall be accorded the following
18 preferential rights by the State:
19

- 20 (a) Infrastructure support such as farm to market roads, common, affordable and secure
21 workplaces and facilities, merchandising centers, farmers' markets or a *Bagsakan*
22 with proper storage facilities, and inventory bulk-buying centers;
23
- 24 (b) Policy support to promote and protect local and domestically-produced products and
25 services;
26
- 27 (c) Access to markets, including capacity-building to access E-marketing facilities;
28
- 29 (d) Access to affordable, appropriate and adequate financial services, including, among
30 others, collateral-free and gender-balanced credit at low interest;
31
- 32 (e) Access to appropriate and adequate machinery, equipment, and other technologies,
33 with the end in view of increasing productivity and growth;
34
- 35 (f) Protection from unjust dislocation from places where economic activities are
36 conducted with the "provision of relocation before demolition policies".
37
- 38 (g) Measures against racketeering, extortion, and harassment, by both State and non-
39 State elements;
40
- 41 (h) Fiscal relief, including among others exemption from taxes, fees and other
42 assessments, to be put into place by concerned national agencies and local
43 government units sixty (60) days after the effectivity of this Act;
44
- 45 (i) Common workplaces, common technology facilities, adequate and affordable
46 marketing facilities such as economic freedom parks, merchandising centers, and
47 inventory bulk-buying centers;
48
- 49 (j) Freedom from deprivation of property without valid cause and due process of law;
50 and,
51
- 52 (k) Affordable and customized social security and insurance programs.
53

54 **SEC. 11.** Organizations of workers in informal employment, including unions, cooperatives,
55 social and solidarity economic units/organizations and mutual benefit associations, shall have
56 the right to:
57

- 58 (a) Freely function and act as the representatives of their members in policy and
59 decision-making processes, collective negotiations, and other similar bodies and
60 processes in the context of tripartism and multi-sector;
61
- 62 (b) Establish national federations or confederations and to protect the right of the latter to

1 form or join local unions and international trade-union organizations;

- 2
- 3 (c) Access information from concerned government institutions and other parties that are
4 pertinent to the protection and promotion of the rights and welfare of their members;
5
- 6 (d) Own property, real or personal, for the use and benefit of their organizations and
7 members;
8
- 9 (e) Sue and be sued under their registered names;
- 10
- 11 (f) Undertake all other activities, not contrary to law, designed to benefit their
12 organizations and members; and
13
- 14 (g) Be accorded preferential option in the awarding of contracts for the undertaking of
15 national and local projects funded by either the National or local government units
16 including foreign-assisted projects. Guidelines for this shall be included in the
17 Implementing Rules and Regulations of this Act.
18

19 Notwithstanding any provision of a general or special law to the contrary, the income and
20 properties of legitimate workers' organizations, including grants, endowments, gifts, donations
21 and contributions they may receive from fraternal and similar organizations, local or foreign,
22 which are actually, directly and exclusively used for their lawful purposes, shall be free from
23 taxes, duties and other assessments. The exemptions provided herein may be withdrawn only
24 by a special law expressly repealing this provision.
25

26 **SEC. 12. Organizing Workers in Informal Economy.** WIE shall be encouraged to organize
27 themselves for their mutual benefit and protection, and for other legitimate purposes. Toward
28 this end, the State shall encourage and assist these workers in the formation of their self-help
29 organizations, associations, federations, and confederations.
30

31 The State shall encourage the formation of cooperatives among marginalized farmers, fisher-
32 folk, as well as manufacturing, transport, retail, services, and home-based workers to enable
33 members to: purchase inputs at lower cost, obtain fair prices for their produce, avail of credit
34 assistance and skills training, and share from collective gains of the cooperatives.
35

36 Attention will be given to organizing women and other vulnerable WIE.
37

38 **SEC. 13. Assistance to Organizations of Workers in the Informal Economy.** All concerned
39 national government agencies, government financial institutions and local government units
40 shall include in their plans, programs, projects and activities efforts that will support and address
41 concerns of organizations of WIE.
42

43 **SEC. 14. Monitoring of Growth.** The local government units (LGUs) shall supervise the
44 Workers in Informal Economy Local Development Office (WIELDO) as created by Chapter IX of
45 this Act, and monitor the growth of informal employment business activities or enterprises, three
46 (3) years after the enactment of this Act, and every three (3) years thereafter. The centralized
47 database referred to in Section 7 shall be the basis of this monitoring.
48
49

50 Chapter IV

51 Prohibited Acts Concerning Engagement of Workers in the Informal Economy

52

53 **SEC. 15. Prohibition Against Recruitment or Finders' Fees.** Regardless of whether the
54 workers was sourced either through an employment agency or a third party, WIE shall neither
55 be charged nor levied a recruitment fee or finders' fee by the aforementioned employment
56 agency or third party.
57

58 **SEC. 16. Prohibition Against Hazardous Work and Conditions.** Workers shall not be
59 engaged to do hazardous work, activity or undertaking, or be exposed to hazardous working
60 conditions.
61

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

- 3
- 4 (a) Any work which requires workers to render services beyond eight (8) hours without
5 commensurate compensation;
- 6
- 7 (b) Any work or activity which exposes the worker to physical, emotional or sexual abuse or
8 threat of such abuse;
- 9
- 10 (c) Any work which involves manual handling or transport of heavy loads;
- 11
- 12 (d) Any work in an unhealthy environment which exposes workers to hazardous substances,
13 agents or processes, or to temperature, noise levels, or vibrations damaging or
14 potentially damaging to their health;
- 15
- 16 (e) Any work which requires workers to continuously render service during late nights;
- 17
- 18 (f) Any and all forms of slavery or practices similar to slavery, such as the sale and
19 trafficking of persons, forced or compulsory labor, debt bondage and serfdom;
- 20
- 21 (g) Any use, procuring or offering of the worker for prostitution or pornography;
- 22
- 23 (h) Any use, procuring or offering of the worker for the commission of any offense or crime,
24 particularly for the production, trafficking, or sale of narcotic drugs and substances as
25 defined in the Dangerous Drugs Act;
- 26
- 27 (i) Any other type of work or activity which, by its nature or the circumstances in which it is
28 carried out, is likely to jeopardize the health, safety, or morals of the workers; and
- 29
- 30 (j) Any other type of work, activity, condition or undertaking that maybe hereinafter be
31 defined as hazardous by the Department of Labor and Employment.
- 32

33 **SEC. 17. Prohibition Against Interference and Coercion.** Any person is prohibited from
34 committing any of the following acts of interference and coercion:

- 35
- 36 (a) Preventing any worker from upholding or exercising his/her rights;
- 37
- 38 (b) Preventing any worker from joining or assisting organizations for purposes not contrary
39 to law;
- 40
- 41 (c) Preventing any worker from carrying out his/her duties or functions in an organization, or
42 to penalize the same for any lawful action performed in that capacity;
- 43
- 44 (d) Harassing, threatening, coercing or intimidating any worker that result in preventing him
45 or her from performing his or her duties and functions;
- 46
- 47 (e) Transferring, penalizing or terminating the services of a worker without valid or legal
48 ground; and
- 49
- 50 (f) Other acts calculated to diminish the independence and freedom of workers'
51 organization to direct its own affairs.
- 52

53

54 **Chapter V**

55 **SOCIAL PROTECTION**

56

57 Social protection as defined in Section 5 of this Act shall have the components enumerated and
58 discussed in this chapter.

59

60 **SEC. 18. Labor Market Programs.** The State shall provide adequate resources to sustain
61 labor market programs following decent work standards, including emergency and guaranteed
62 employment schemes, to ensure livelihood security and prevent or mitigate the effects of

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

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

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

15
16 In pursuit of decent work, the State in all its labor market programs, shall adopt a
17 comprehensive framework and plan on occupational safety and health that covers all workers,
18 formal and informal, and implemented at both national and local levels.

19
20 The State shall encourage entrepreneurship among the disadvantaged, especially women and
21 young people in informal employment, through simple and efficient procedures and the
22 provision of adequate and affordable marketing facilities such as those provided for by Section 9
23 (i) of this Act.

24
25 The State through LGUs shall promote community contracting to give preference to WIE and
26 their organizations in accessing employment opportunities and related benefits.

27
28 **SEC. 19. Social Security.** In the interest of equity, the State shall endeavor to extend social
29 security protection to all workers and their beneficiaries against the hazards of disability,
30 sickness, maternity, old age, death, unemployment, and other contingencies resulting in loss of
31 income or financial burdens. The State also, recognizing the intermittent nature of job and
32 income in the informal economy, shall subsidize the contributions of the workers in the informal
33 economy.

34
35 The Social Security System (SSS) shall ensure coverage for all workers, particularly the working
36 poor belonging to the informal economy. The SSS, in consultation with informal workers'
37 organizations, shall customize products and services for them that are accessible and
38 affordable. In the interest of equity, the State shall cover what should have been the employers'
39 share for contributions of informal workers, had they been formally employed.

40
41 The SSS shall develop schemes involving government subsidies and sponsorship programs to
42 assist those who cannot afford to enroll and sustain their membership.

43
44 To achieve universal coverage, the SSS shall facilitate the accreditation of cooperatives,
45 women's and people's organizations, trade unions and WIE associations, microfinance and
46 micro-insurance institutions and similar groups as collecting agents of premiums and facilitators
47 of claims with the least burdensome conditions and with appropriate incentives. It shall develop
48 effective partnerships with these organizations.

49
50 The SSS Commission, in the spirit of democracy, transparency, accountability, and equity, shall
51 be required to conduct regular consultations with and provide information and reports to its
52 membership. Both formal and informal workers shall be represented in the SSS Commission,
53 where gender balance shall also be observed.

54
55 The SSS in cooperation with other relevant national agencies and LGUs, shall support
56 indigenous and community-based social protection schemes which complements other needs in
57 times of risks such as *damayan*, *tulungan*, *saranay*, small mutual benefit associations, and
58 micro-finance organizations initiated or participated in by WIE so that these can be sustained,
59 systematized and up-scaled.

60
61 An enabling environment for such organizations and schemes shall also be developed. Toward
62 this end, the Insurance Commission (IC) and other relevant regulatory agencies are hereby

1 mandated to review their policies and framework to make them more developmental and
2 supportive of the alternative schemes outlined above.

3
4 **SEC. 20. *Social Security for Volunteers of Government Instrumentalities.*** Volunteer
5 workers of government instrumentalities as defined in Sec. 5 of this Act, shall be covered by the
6 Government Service Insurance System (GSIS) and be entitled to at least a minimum package of
7 customized products, services and benefits to be designed with their participation and with
8 adequate government subsidy.

9
10 **SEC 21. *Health Care System and Financing.*** The State shall establish a comprehensive and
11 integrated health care system that guarantees provision of service by duly-accredited and
12 adequately-furnished health facilities, with appropriately-educated and rationally-compensated
13 health personnel, to underserved areas all the way down to the barangay level. Provided that,
14 such healthcare system shall include reproductive health services, and provided finally, that
15 priority in the delivery of such services shall be the poor and marginalized.

16
17 The State shall ensure adequate resources to finance health care for all, by, among others,
18 progressively increasing the budget for health care until it meets the World Health Organization
19 recommendation of at least four percent (4%) of the Gross Domestic Product.

20
21 **SEC. 22. *Universal Health Insurance.*** The Philippine Health Insurance Corporation
22 (PhilHealth) shall ensure and substantiate universal, actual, active, and up to date coverage of
23 all Filipinos by 2015. To achieve this, PhilHealth with the participation of all stakeholders shall
24 critically review its current operations. It shall also ensure the provision of a minimum benefit
25 package which shall be periodically upgraded to meet the goal of universal coverage which is
26 affordable, accessible and appropriate to the needs of all.

27
28 Government subsidies for PhilHealth sponsorship programs shall be expanded to cover not only
29 the extremely poor, but also the working poor who mostly belong to the informal economy and
30 as defined in RA 8425 Basic Sectors. For the working poor, the supposed employer counterpart,
31 if they were enrolled as formally employed, shall be covered by government subsidies in the
32 interest of equity.

33
34 PhilHealth shall develop effective partnerships with organized groups, especially those
35 composed and led by informal workers, women, senior citizens, persons with disabilities,
36 persons with HIV and AIDS and other marginalized sectors, to better serve increasing numbers
37 of those in need. Organized groups with at least 500 members shall be allowed to be collecting
38 agents of premiums with incentives.

39
40 PhilHealth shall immediately extend its services to underserved areas by facilitating and
41 accelerating accreditation of hospitals and clinics, and by ensuring that these service providers
42 remain viable through immediate reimbursement.

43
44 PhilHealth, in accordance with its guiding principles, shall promote maximum community
45 participation and shall recognize the roles and strengths of the public and private sectors in
46 healthcare, including people's organizations and community-based health organizations.
47 PhilHealth shall extend appropriate recognition, technical assistance, and other forms of
48 material and non-material support to mutual benefit associations, microfinance organizations,
49 community-based health insurance and other indigenous schemes initiated and participated in
50 by WIE.

51
52 PhilHealth, with maximum participation of all stakeholders, shall review its benefit package in
53 order to cover WIE, senior citizens, indigenous peoples, persons with disabilities persons
54 with HIV and AIDS and other marginalized groups sustainably; emphasize preventive measures
55 such as annual physical and medical check-ups and other outpatient services; coverage of
56 workplace-related injuries and illnesses affecting both formal and informal workers, treatment of
57 chronic ailments such as hypertension and diabetes; and inclusion of hospital-based
58 reproductive health services, commodities and supplies.

59
60 **SEC. 23.** The State shall encourage provision of and access to affordable quality childcare and
61 other care services in order to promote gender equality in entrepreneurship and employment
62 opportunities and to enable the transition to formal economy.

1 **SEC. 24.** The State shall sustain, enhance, and institutionalize the Social Protection Floor
2 initiative through convergence of the resources of various agencies so that it can provide
3 continuous social security and health insurance subsidies to vulnerable and other informal
4 workers as well as initiate programs for the unemployed, children, and older persons based on
5 applicable and ever improving standards
6
7

8 **CHAPTER VI**
9 **Security in the Workplace of Workers in Informal Employment**

10 Security in the workplace as defined in Section 5 of this Act shall involve the following:
11

12
13 **SEC. 26. Designation of Workplaces.** The concerned Local Government Unit (LGU), in
14 coordination with their respective WIELDO, and after consultation with WIE, affected
15 communities, and other relevant groups, shall identify and designate viable workplaces for
16 informal workers; routes, terminals, and specific lanes for small transport workers; and design a
17 system of assigning these to accredited informal workers, These may include markets and
18 vacant areas near markets, vacant public spaces and other spaces which may be designated as
19 allowable workplaces for informal workers.
20

21 Should concerned WIE prefer to conduct their economic activities within an identified private
22 property, the LGU shall negotiate with the owner of the property for the possible use of such
23 property as WIE's workplace. The LGU shall likewise encourage and assist the parties in forging
24 a possible memorandum of agreement.
25

26 The LGUs, within 60 days from the effectivity of this Act, shall conduct a survey to identify viable
27 vacant areas suitable for routes, terminals, lanes, productivity and merchandizing centers and
28 workplaces for use of WIE in their respective localities.
29

30 The LGUs shall, within ninety (90) days after the survey and based on recommendations of
31 WIELDO and consultations with concerned WIE, affected inhabitants and relevant sectors, pass
32 an ordinance designating such workplaces.
33

34 **SEC. 27. Protection of Agricultural Lands and their Occupants.** The LGUs, in coordination
35 with the Department of Agrarian Reform (DAR) shall protect all agricultural lands from
36 conversion or reclassification to non-agricultural uses. Special Economic Zones Sites, Tourist
37 Sites or Socialized Housing Sites shall not be allowed in irrigated and irrigable lands.
38

39 The LGUs shall include in their Comprehensive Land Use Plan (CLUP) all the agricultural lands
40 as protected zones.
41

42 The LGUs shall make an inventory of all agricultural lands under leasehold and shall enforce the
43 security of tenure of tenants, right of redemption and right of first refusal on the subject land.
44 The LGUs shall provide assistance and protection to tenants in agricultural lands whose
45 landowners violate the provisions of R.A. No. 3844 or the Agricultural Land Reform Code.
46 Tenants shall not be evicted based on unilateral termination of the tenancy relationship by
47 landowners.
48

49 **SEC. 28. Use of Municipal Waters, Beach Fronts, and Foreshore Areas.** Municipal waters
50 shall be used exclusively by marginalized fisher-folk and allied workers. They shall be given
51 priority in the granting of permits and licenses for the establishment of fish pens, fish corrals,
52 fish traps, shellfish culture or similar structures for culture of marine products within the
53 municipal waters.
54

55 Beach fronts and foreshores are public domain and may be used by any person especially
56 marginalized fisher-folk. LGUs shall ensure that no beach within their jurisdiction is exclusive for
57 the use of resort guests or private persons.
58

59 LGUs in coordination with the National Housing Authority (NHA), shall establish and create
60 fisher-folk settlement areas on private or public lands, specifically those near the fishing
61 grounds, for municipal fisher-folk with security of tenure.

1 The consent of the affected fisher-folk shall be required before an area is declared a marine
2 protected area or a fish sanctuary by the national or local government unit.
3

4 **SEC. 29. Policy on Eviction and Demolition.** WIE shall not be evicted from their homes and
5 workplaces without legal ground as provided for R.A. No. 7279, otherwise known as the "Urban
6 Development and Housing Act of 1992". In cases where eviction or demolition is warranted
7 under Section 28 of RA 7279, the same shall be conducted upon compliance of the following:
8

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

35
36 **SEC. 30. Policy on Confiscation of Materials and Impounding of Vehicles.** In cases where
37 demolition or eviction is warranted, the person who conducts the same shall issue an itemized
38 receipt of all products, goods, and other materials seized from the affected WIE.
39

40 Tricycles, *pedicabs*, and other modes of transportation shall not be impounded for violations of
41 license, registration, or traffic regulations unless the said vehicles were utilized in the conduct of
42 criminal activities. In cases of mere violation of traffic regulations, a traffic violation ticket shall
43 be issued to the erring driver without impounding his/her vehicle.
44

45 **SEC. 31. Policy on Relocation of Vending Sites.** Before any public market is closed, sold or
46 demolished, all market vendors shall first be relocated by the LGU to a temporary or new public
47 market. Notice of the intention to close, sell, or demolish any public market shall be made to all
48 concerned vendors at least sixty (60) days before the actual transfer or relocation to another
49 market site. Within the sixty (60)-day period after issuance of notice, the LGU shall conduct
50 consultations with affected vendors on the selection of the relocation site and implementation of
51 the relocation.
52

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

1 In the event that a new public market is constructed in place of an old one, market vendors with
2 stalls displaced from their workplaces shall be given priority in the assignment of stalls in the
3 new market.
4

5 **SEC. 32. Policy on Relocation of Terminals.** Designated terminals for tricycles and *pedicabs*
6 shall not be arbitrarily relocated without prior notice and consultation with small transport
7 groups, affected community and other relevant sectors. Provided, that relocation of terminals
8 can only be effected through an Ordinance. Provided further, that after the enactment of such
9 ordinance, notice of intention to relocate terminals shall be made to all small transport groups
10 and affected community at least sixty (60) days before the actual relocation.
11

12
13 **Chapter VII**
14 **Special Allocations of Development Initiatives**
15

16 **SEC. 33. Special Allocations for Development Initiatives.** The development initiatives for
17 WIE shall form part of an integrated and convergent plan to address poverty and vulnerability.
18 The national and local government units shall work together in support of such plan to maximize
19 impact of meager resources.
20

- 21 (a) At least ten percent (10%) of the annual national budget shall be appropriated for
22 programs and services for WIE. These programs shall be implemented based on the
23 principles of merit and equity by the Department of Labor and Employment (DOLE) at
24 the national level and the WIELDO at the local level.
25
26 (b) For purposes of program implementation, the DOLE shall manage 30%, and WIELDO,
27 70% of the funds from the annual General Appropriations Act (GAA) as provided for in
28 the previous paragraph of this section.
29
30 (c) The Implementing Rules and Regulations (IRR) of this Act shall determine additional
31 guidelines on, among others, the use of such finances to ensure that programs and
32 services truly benefit WIE.
33

34 **SEC. 34. Sourcing and Adopting Development Initiatives.** Other sources of funds to be
35 used exclusively for initiatives addressing the needs and empowerment of WIE shall be
36 identified in the IRR of this Act and may include the following:
37

- 38 (a) Government financial institutions and mechanisms such as the Land Bank of the
39 Philippines (LBP), Development Bank of the Philippines (DBP), National Livelihood
40 Support Fund (NLSF), and Quedan Rural Credit and Guarantee Corporation shall set
41 aside a specific percentage of their loan portfolio to informal economy enterprises and
42 shall give priority to women-led informal economy enterprises by providing loans at an
43 interest of not more than twelve percent (12%) per annum consistent with the spirit of
44 R.A. No. 7882.
45
46 (b) The Department of Social Welfare and Development (DSWD) shall strengthen its Self-
47 Employment Assistance Program (SEAK) to uplift and empower women in poverty,
48 particularly those in the informal economy, by adopting an integrated, credit-plus
49 approach to micro-finance.
50
51 (c) The Small Business Guarantee and Finance Corporation (SBGFC) created under
52 Republic Act (R.A.) No. 8289 shall assist in the sourcing and adopting of development
53 initiatives for competitive enterprises in terms of finance, technology, production,
54 management and business linkages. It shall also provide and promote, develop and
55 widen in both scope and service reach various alternative modes of financing for
56 informal economy business activities or enterprises, including but not limited to: direct
57 and indirect project lending, venture capital, financial leasing, secondary mortgage
58 and/or rediscounting of loan papers to such business activities or enterprises, and crop
59 production financing. Further, the Corporation shall guarantee loans obtained by
60 qualified worker or business activity or enterprise, under such terms and conditions
61 adopted by its Board.
62

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

5
6 (e) The Department of Science and Technology (DOST) shall support technology-related
7 initiatives of workers and enterprises in the informal economy.
8

9 **SEC. 35. *Exclusivity of Government Programs.*** The government shall ensure that programs
10 of financing, grants and other similar incentives meant to benefit WIE shall be exclusively
11 extended to accredited workers, business activities, enterprises or organizations in the informal
12 economy.

13
14 **SEC. 36. *Inclusivity of Benefits.*** The exemptions and other benefits provided in this Act shall
15 apply for a period of not exceeding ten (10) years from the date of accreditation of such IE
16 worker, business activity, enterprise, or organization.
17

18 **Chapter VIII**
19 **Informal Economy Development Council (IEDC)**
20

21 **SEC. 37. *Creation of the Informal Economy Development Council (IEDC).*** There is hereby
22 created an Informal Economy Development Council, hereinafter referred to as the IEDC, which
23 shall be an agency within the Department of Labor and Employment (DOLE). The DOLE shall
24 institute appropriate reforms within its structure, programming and other processes, including
25 adjusting its human resource capabilities to ensure that WIE-focused programs are efficiently
26 and adequately implemented to address the needs of these workers. Likewise, an inter-agency
27 committee shall be formed to coordinate policies and programs of various government agencies
28 towards the transition of informal economic units to formal.
29

30 The IEDC shall be constituted within thirty (30) days after the approval of the IRR of this Act.
31

32 **SEC. 38. *Mandate and Functions of IEDC.*** The mandate and functions of IEDC shall include
33 the following:
34

- 35 (a) Develop and ensure implementation of a simple system of registration accreditation
36 for the IE workers, enterprises, and organizations in accordance with the standards
37 and provisions of this Act;
38
39 (b) Provide guidelines for the implementation by LGUs of a fair and credible system of
40 evaluation, accreditation, review and assessment, merit promotion, rendering of grant
41 and incentive awards and other policies relative to the effective and efficient
42 implementation of this Act;
43
44 (c) Develop and ensure implementation of annual, long-term and medium term plans for
45 the informal economy, the last of which should form part of the Medium Term
46 Philippine Development Plans (MTPDP) towards institutionalizing comprehensive,
47 rights-based, gender-responsive and child-friendly programs and policies for the IE;
48
49 (d) Develop and ensure effective implementation of labor standards covering WIE as
50 provided for by this Act;
51
52 (e) Develop and ensure implementation of gender-based monitoring and evaluation
53 mechanisms, efficient and effective programs and policies, and gender-
54 responsiveness of interventions toward harnessing the full potentials of women WIE;
55
56 (f) Coordinate with LGUs for the development and implementation of periodic evaluation
57 of all accredited IE members, enterprises and organizations – taking into account their
58 accomplishments, capabilities and potentials. The results of such evaluation shall be
59 used as bases for accreditation, the grant of awards and incentives, training and
60 retraining;
61

- 1 (g) Establish a performance appraisal system for all accredited workers, enterprises and
2 organizations in the informal economy which shall be the basis for granting or
3 renewal of incentives, rewards and recognition, training and development, including
4 adequate mechanisms to ensure their active participation and involvement;
5
- 6 (h) Ensure effective participation of WIE and their organizations through the
7 establishment of regular consultative mechanisms and processes. Annual national,
8 regional and provincial consultations among the organizations of WIE shall be
9 conducted to determine specific issues and problems affecting specific WIE sub-
10 sectors, and monitor and evaluate implementation of programs and policies.
11
- 12 (i) Establish and develop a centralized and sex-disaggregated database system to
13 effectively guide policy formulation and implementation relative to the WIE. The
14 databank shall be available for public use and shall include but not limited to the
15 following: statistical profile of WIE based on age, location, type of work, average
16 monthly incomes, work hours, and other relevant statistical information; data on
17 informal enterprises, including capitalization and sources of capital, number and
18 status of workers, average incomes; List and contact information of government and
19 non-government organizations (NGOs) that provide educational, socio-economic,
20 legal, and other services to WIE; Inventory of resolved and pending cases involving
21 activities of WIE; Database on the needs and problems of women and children in the
22 informal economy nationwide aimed at strengthening policies and programs against
23 child labor; and Compilation of international instruments, existing laws and programs
24 affecting the interest and welfare of WIE and information on how these workers may
25 use or avail of such instruments, laws and programs.
26
- 27 (j) Develop and ensure implementation of a communication plan including massive
28 information dissemination activities targeting WIE, their enterprises and organizations,
29 in the various regions towards a better understanding and appreciation of the benefits
30 this Act may bring them;
31
- 32 (k) Consistent with Section 2 (h) of this Act, to develop and ensure implementation of a
33 comprehensive plan to eliminate child labor;
34
- 35 (l) Monitor and coordinate implementation of policies and programs through the Regional
36 IEDC officers;
37
- 38 (m) Coordinate and harmonize all informal economy-related policies, programs, projects
39 and activities of various government agencies towards greater efficiency and
40 effectiveness;
41
- 42 (n) Monitor the LGU-generated incomes from informal employment through the LGUs'
43 periodic report submitted to the Council;
44
- 45 (o) After consultations with WIE organizations, develop and ensure implementation of
46 policies and programs that will address specific needs and ensure rights of WIE
47 subsectors;
48
- 49 (p) Develop and ensure implementation of accessible and just conflict resolution and
50 adjudication systems and mechanisms to promote dialogue, conciliation, mediation
51 and redress of grievances to protect the rights of WIE; and
52
- 53 (q) From time to time, call on the participation of any government agency or bureaucracy
54 in its deliberations especially when such agency is directly or indirectly concerned
55 with or affecting the growth and development of the IE.
56

57 **SEC. 39. Composition.** The Chair of the IEDC shall be the Secretary of Department of Labor
58 and Employment. IEDC members may elect from among themselves a Vice-Chair to preside
59 over meetings in the absence of the Chair. The members shall be the following:
60

- 61 (a) Secretary of the Department of Trade and Industry (DTI)
62 (b) Director General of the National Economic and Development Authority (NEDA);

- 1 (c) Secretary of Department of Agriculture (DA);
- 2 (d) Secretary of Department of Social Welfare and Development (DSWD);
- 3 (e) Secretary of the Department of Interior and Local Government (DILG);
- 4 (f) Chairperson of the Commission on Human Rights (CHR);
- 5 (g) Lead Convener of the National Anti-Poverty Commission (NAPC);
- 6 (h) Secretary of Department of Transportation and Communication (DOTC);
- 7 (i) Chairperson of the Social Security System (SSS);
- 8 (j) Chairperson of Philippine Health Insurance Corporation (PhilHealth);
- 9 (k) Chairperson of the Philippine Commission on Women (PCW);
- 10 (l) Secretary of the Department of Public Works and Highways (DPWH);
- 11 (m) One (1) representative from the private sector;
- 12 (n) One (1) representative each from the League of Cities, League of Municipalities,
- 13 League of Provinces and League of Councilors;
- 14 (o) The incumbent NAPC Informal Sector Sectoral Representative;
- 15 (p) At least 30% of total membership of IEDC shall come from organizations of workers in
- 16 the informal economy accredited with DOLE and DA. Guidelines for the selection of
- 17 non-government IEDC members, including processes and mechanics shall be
- 18 determined by the IRR of this Act. *Provided, further,* That at least 40 percent of the 30
- 19 percent are women.
- 20

21 Representatives from the Social Partners, private sector, NGOS and WIE organizations shall
22 serve as IEDC members for a term of three (3) years without re-election and shall be subject to
23 terms and conditions provided for by the IRR.

24
25 The private sector, workers in informal economy and women's organizations' representatives to
26 the IEDA shall be entitled to receive Per Diem of at least Two Thousand Five Hundred Pesos
27 (P2, 500.00) per meeting.

28
29 **SEC. 40. IEDC Meetings.** The IEDC shall meet once every two (2) months and may call for
30 special meetings as the need arises; provided, that the frequency of such special meetings shall
31 not exceed four (4) times annually.

32
33 **SEC. 41. Initial IEDC Funds.** Ten million pesos (P10, 000,000.00) shall be allocated from the
34 Presidential discretionary fund for the initial operating expenses of the IEDC.

35
36 **SEC. 42. Executive Committee of the IEDC.** An Executive Committee of nine (9) members
37 shall be convened. Besides the Chair and Vice-Chair, the following shall be elected by the IEDA
38 members from among themselves or their duly designated alternate representatives: four (4)
39 representatives of WIE organizations, one (1) from the different leagues of local officials, one (1)
40 from the private sector, and one (1) from a national government agency, provided, that at least
41 three (3) members of the Executive Committee are women.

42
43 The Executive Committee shall have the authority to act for and in behalf of IEDC during
44 intervals of meetings, and only within the specific authority granted by the IEDC.

45
46 **SEC. 43. IEDC Secretariat.** The following secretariat functions shall be integrated in the DOLE
47 secretariat functions:

- 48 (a) Prepare and recommend, in coordination with LGUs and other government agencies,
49 annual, medium-term, and long-term Informal Economy Development Plans for
50 approval of the IEDC;
- 51
52 (b) Coordinate the preparation of position papers and background materials for discussion
53 or approval during IEDC and its Executive Committee meetings;
- 54
55 (c) Assist in coordinating and monitoring policies, programs and activities of all
56 government agencies with respect to the implementation of this Act;
- 57
58 (d) Prepare, collate, and integrate all inputs to the IEDC's yearly report on the status of
59 WIE, business activities or enterprises in the country, or other matters as directed by
60 IEDA;
- 61
62

- 1 (e) Submit periodic reports to IEDC on the progress and accomplishments of its work
2 programs; and
3
4 (f) Perform other secretariat and administrative functions as authorized by the IEDC or its
5 Executive Committee.
6

7 **SEC 44. Regional and Provincial IEDC Officers.** The DOLE Regional and Provincial offices
8 (NEDA Resolution) shall have Regional and Provincial IEDC Officers who shall be appointed by
9 the IEDC and shall have functions that include: monitoring and coordinating of IEDC initiatives
10 in the regions and Provinces; evaluation of policies programs for workers in informal economy;
11 providing technical assistance in the development of local plans and programs; as well as other
12 administrative functions necessary for the success of IEDC initiatives in their jurisdiction.
13

14 IEDC Regional Officers shall have automatic seats in all Regional Development Councils
15 (RDCs).
16

17 **SEC. 45. Rationalization of Programs.** IEDC shall conduct continuing review of government
18 programs for the poorest of the poor and the WIE and submit to Congress and the President of
19 the Philippines a report thereon together with its policy recommendations.
20
21

22 Chapter IX

23 Workers in Informal Employment Local Development Office (WIELDO) 24

25 **SEC. 46. Workers in Informal Employment Local Development Office (WIELDO).** The
26 Workers in Informal Employment Local Development Office (WIELDO) shall be established in
27 every city and municipality to perform functions that shall include but not limited to the following:
28

- 29 (a) Prepare an overall development plan and work program that will address the needs of
30 the WIE, prioritizing the poorest and most vulnerable, and incorporate them in their
31 respective city, municipal, and barangay development plans;
32
33 (b) In consultation with WIE organizations in the area, identify specific needs of various
34 IE subsectors and recommend appropriate measures to be taken;
35
36 (c) Ensure accreditation and registration of WIE, especially those with assets of
37 P150,000 and below, to facilitate their immediate access to benefits and services;
38
39 (d) Monitor, assess and evaluate implementation of the plans and programs as well as
40 the performance of informal workers, their economic activities and their organizations
41 in the areas;
42
43 (e) Lead in the local implementation of Chapter VI (Security in the Workplace of WIE) of
44 this Act;
45
46 (f) Coordinate with other local offices, private sector and other organizations with existing
47 programs for WIE towards integration and convergence;
48
49 (g) Conduct education and training programs that will: raise their consciousness
50 especially on but not limited to workers', women's and children's rights; provide new
51 ideas especially to those with the least assets and formal education; and develop or
52 upgrade technical, entrepreneurial and leadership skills WIE;
53
54 (h) Provide technical support and facilitate access to credit, market, technology, social
55 protection schemes, and training for WIE;
56
57 (i) Train pools of community trainers in business counseling and awareness-raising on
58 occupational safety and health hazards, risks and social protection;
59
60 (j) Support organizing activities among WIE;
61

- 1 (k) Establish sex-disaggregated databank on human resources and skills registry to be
2 used as tools for LGU planning and budgeting;
- 3
- 4 (l) Provide offices and other necessary resources to support organizing, advocacy,
5 training and other activities of local organizations of WIE;
- 6
- 7 (m) Conduct specialized training such as negotiation skills and conduct of time and
8 motion studies to determine proper wages;
- 9
- 10 (n) Provide services, which shall include but not be limited to counseling, conciliation,
11 mediation, and legal assistance for the furtherance of this Act, prioritizing those with
12 the least access to justice; and
- 13
- 14 (o) Ensure that the LGU is capacitated to undertake and implement rights-based and
15 gender-responsive programs for WIE.
- 16

17 The local government shall encourage organization of economic units and set respective rules
18 and regulations towards smooth interventions to support MSME informal enterprise
19 development towards transitioning to formality.

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

23
24 **SEC. 47. Composition.** The Local Chief Executives (LCEs) shall be the primary overseers of
25 WIELDO's operations. The IRR of this Act shall provide for WIELDO's composition provided
26 that, informal workers' representatives shall form at least fifty percent (50%) of WIELDO's
27 membership. Provided further, that IE representatives shall not be less than five (5), and
28 provided finally, that at least forty percent (40%) of all WIELDO's members are women. Other
29 relevant guidelines on WIELDO's operations shall be included in the IRR of this Act.

30
31 **SEC. 48. Local Government Unit Informal Economy Development Fund (LGU-IEDF).** An
32 Informal Economy Development Fund shall be established by every municipality and city. Such
33 fund will be supervised and managed by the concerned LGU through the WIELDO but subject
34 to audit by the Commission on Audit (COA).

35
36 For the establishment and initial operations of WIELDO, each LGU shall allocate at least three
37 per cent (3%) of their twenty percent (20%) Development Fund from their IRA. HB 768 Section
38 38 with modifications

39
40 Thereafter, the LGU-IEDF shall be funded using:

- 41
- 42 (a) Registration fees and annual dues paid by individual workers in the informal economy,
43 their livelihood activities, and organizations and associations as provided for by
44 Sections 6 and 7 of this Act;
- 45
- 46 (b) Shares from the 70% of the at least 10% funds from the Annual General
47 Appropriations Act as provided for by Chapter VII, Section 29 (a) and (b) of this Act;
48 and
- 49
- 50 (c) Annual allocations from LGUs Development Fund the percentage of which shall be
51 determined by LGUs.
- 52

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

56
57 **SEC. 49. Additional Sources of Funds.** The following may tapped by LGUs as additional
58 sources of funds for WIELDO initiatives:

- 59
- 60 (a) at least fifty percent (50%) of fees and annual dues collected from small transport –
61 for programs for workers in the small transport industry;
- 62

- 1 (b) at least fifty percent (50%) of collected fees and annual dues from business
2 establishments and entrepreneurs falling under the category of informal sector – for
3 programs focusing on micro-entrepreneurs and their workers;
4
5 (c) at least fifty percent (50%) of collected fees and annual dues from small vendors – for
6 programs focusing on vendors;
7
8 (d) at least fifty percent (50%) of fees and annual dues collected from marginalized
9 fisherfolks – for programs focusing on fisherfolk.
10
11 (e) at least ten percent (10%) of funds from the Philippine Amusement and Gaming
12 Corporation (PAGCOR) and Philippine Charity and Sweepstakes Office (PCSO).
13
14

15 **TITLE II**
16 **EMPLOYMENT OF WORKERS IN INFORMAL ECONOMY**

17 **Chapter I**
18 **Requisites for Employment Agreement**

19
20
21 **SEC. 50. *Minimum Standards.*** All working arrangements entered into by WIE shall be in
22 accordance with the minimum applicable labor and social standards as contained in Title II of
23 this Act.
24

25 These standards shall be strictly enforced in informal economic enterprises supplying or doing
26 outsourcing work for exporters, investors-locators in export processing zones or industrial parks
27 licensed by the Export Processing Zone, and domestic formal sector manufacturers and
28 retailers-distributors.
29

30 For workers engaged by independent informal economic enterprises, DOLE, in coordination
31 with IEDA shall audit the capacity of these enterprises to comply with these standards. Those
32 incapable of meeting the standards shall be assisted to upgrade their capacity to improve their
33 businesses, as well as the capacity comply with relevant labor and social standards.
34

35 **SEC. 51. *Provisions of Employment Agreement.*** The employment contract shall be in written
36 form. However, the absence of a written agreement does not mean the absence of an
37 employment relationship. As a matter of right, WIE can insist on a written agreement based on
38 minimum standards
39

40 In cases wherein minors are contracted with, the said negotiated contract shall be signed on
41 his/her behalf by either parent or legal guardian, with the expressed written consent of the said
42 minor.
43

44 In cases wherein illiterate workers are contracted with, the said contract shall be explained to
45 the worker concerned and attested to by a representative from the LGU or an elected Barangay
46 official in the city or municipality where the worker is designated to work.
47

48 Each of the contracting parties shall be provided with a full set of the duly signed agreement
49 which shall include the following basic provisions:
50

- 51 (a) working arrangement/mode;
52
53 (b) period/duration of employment;
54
55 (c) compensation, which shall not be below the minimum standard, and mode of
56 payment;
57
58 (d) computation of contributions for social security and medical insurance including for
59 those who fall under DOLE Department Order No. 5;
60
61 (e) duties and responsibilities;
62

- 1 (f) working hours and day-off schedules;
2
3 (g) living quarters or sleeping arrangements (for live-in workers);
4
5 (h) the date, term and mode of delivery or date of completion;
6
7 (i) minimum of twenty percent (20%) down payment for labor cost and services and
8 minimum of 50% for inventory of raw materials used in the production for
9 homeworkers per DOLE Order No.5.

10
11 Minimum standard compensation referred to above shall be determined by the Regional Wage
12 Boards per subsector of WIE. In the case of piece rates, this shall be based on the conduct of
13 time and motion studies facilitated by the DOLE Bureau of Working Conditions. While there are
14 no standardized rates for workers in informal economy jobs, the basis of computation shall not
15 be below the applicable minimum wage of the region where they are covered.

16
17 Enforcement of the standard compensation rates shall be in accordance with the capability to
18 comply as explained in Section 40 of this Act.

19
20 **SEC. 52. Payment of Wages.** Payment derived from negotiated agreement shall be made
21 directly to the workers. No deductions from such payments shall be made by the employer
22 except those provided for by law. The expressed written consent of the worker shall be first
23 secured before deductions are made.

24
25 No parent, guardian, relative or any other person shall be allowed to take a loan against the
26 compensation of his or her relative-worker without the express written consent of the concerned
27 worker. Neither shall a worker of minor age be mandated to work in payment of loan or liability
28 incurred by a parent, guardian, relative, or any other person.

29
30 **Chapter II**
31 **IE Workers of Minor Age**

32
33 **SEC. 53. Allowable Employment of Workers of Minor Age.** Children fifteen (15) years but
34 below eighteen (18) years of age may be employed; provided, that parental or legal guardian
35 consent is presented and attested to by any representative of the LGU or duly elected Barangay
36 official where the work is to be done. In no instance however, shall children below fifteen (15)
37 years old be engaged in whatever form of productive services.

38
39 Further, workers of minor age shall not be allowed to render work for more than four (4) hours,
40 five (5) days a week, exclusive of one (1) hour break for breakfast or lunch whichever is
41 applicable.

42
43
44 **TITLE III**
45 **FINAL PROVISIONS**

46
47 **SEC. 54. Penal Provision.**

- 48
49 (a) Any person who shall willfully interfere with, restrain or coerce a worker in the
50 exercise of his or her rights or shall in any manner commit any act in violation of any
51 of the provisions of this Act shall, upon conviction, be punished by a fine of not less
52 than Twenty Thousand Pesos (P20, 000.00) or imprisonment of one (1) to six (6)
53 years or both fine and imprisonment at the discretion of the Court.
54
55 (b) If the offender is a public official or, the Court, in addition to the penalties provided in
56 the preceding paragraph, may impose the additional penalty of disqualification from
57 public office.
58
59 (c) Any person who violates Section 26 of this Act (Policy on Confiscation of Materials
60 and Impounding of Vehicles) shall be liable. Nothing herein shall prohibit the
61 aggrieved WIE from initiating a criminal or civil action against the responsible person
62 or officer applicability.

1
2 (d) Failure to implement Sections 27 and 28 of this Act (Policy on Relocation of Vending
3 Sites and Policy on Relocation of Terminals) shall render the responsible official/s
4 administratively liable pursuant to Republic Act 7160 and other pertinent laws and
5 criminally liable whenever applicable.
6

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

11 **SEC. 55. *Implementing Rules and Regulations (IRR)*.** The Implementing Rules and
12 Regulations (IRR) of this Act shall be formulated by a drafting committee composed of
13 representatives of offices that will be members of IEDA and WIE organizations provided that, at
14 least 30% of the drafting committee members shall come from the latter and provided further
15 that at least 30% of committee members are women. Said committee will start work on the IRR
16 within three (3) months after the effectivity of this Act and finish within six (6) months thereafter.
17

18 **SEC. 56. *Separability Clause*.** If any provision of this Act is declared unconstitutional or
19 invalid, the provisions not affected shall continue to be in full force and effect.
20

21 **SEC. 57. *Repealing Clause*.** All laws, decrees, orders, rules and regulations or other
22 issuances inconsistent with the provisions of this Act are hereby repealed, amended or modified
23 accordingly.
24

25 **SEC. 58. *Effectivity*.** This Act shall take effect fifteen (15) days after its publication in at least
26 two (2) newspapers of general circulation or the Official Gazette, whichever comes first.
27

28 Approved,