

'16 SEP 13 P4:45

SENATE  
S. B. No. **1135**

Re: \_\_\_\_\_ by: 

Introduced by Senator Poe

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

*Explanatory Note*

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

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

It can be inferred that workers in the informal economy account for a large portion of the labor force and for a substantial portion of GDP, acting as a “sponge” for individuals who

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

<sup>2</sup> Sibál, J.V. “Measuring the Informal Sector in the Philippines and the Trends in Asia” Paper presented at the 10<sup>th</sup> National Convention on Statistics (2007). Retrieved from <http://www.nscb.gov.ph/ncs/10thncs/papers/invited%20papers/ips-22/ips22-03.pdf>

<sup>3</sup> Philippine Statistics Authority (PSA). “Informal sector operators counted at 10.5 million (Results from the 2008 Informal Sector Survey)” (01/14/09). Retrieved from <https://psa.gov.ph/content/informal-sector-operators-counted-105-million-results-2008-informal-sector-survey>

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

could not enter the formal economy. However, despite their substantial share in employment and economic growth, workers in the informal economy are not provided adequate social protection or assistance. Around 70.6 percent of workers in the informal economy rely on their savings as their primary source of capital,<sup>5</sup> while 48.6 percent lack access to capital and markets,<sup>6</sup> and 98.5 percent do not receive any loan assistance.<sup>7</sup> Workers in the informal economy are generally not members of the Social Security System.

Congress has yet to enact a measure that would adequately protect workers in the informal economy. Various laws protect subsectors of the informal economy. However, the informal sector as a whole is not provided with sufficient protection.<sup>8</sup> This contradicts the social justice provisions of the 1987 Constitution, foremost of which is Article XIII, Section, which states: "The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good."

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

1. Defining who workers, businesses and organizations in the informal economy are and specifying their rights and benefits.
2. Creating the following institutional mechanisms:
  1. The Informal Economy Development Council, which serves as the policy making body for IE workers, businesses and organizations on the national level. The IEDC's powers and functions include, but are not limited to, the following:
    - a. Developing a simple registration system for IE workers, enterprises, and organizations;

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<sup>5</sup> *Op. Cit.*

<sup>6</sup> *Ibid.*

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

<sup>8</sup> Tolentino, M., Sibal, J.V. *et.al.*. "Survey and Assessment of Laws on the Informal Sector" *Philippine Journal of Development* Number 51: Vol. 27, No. 1 (2001). Retrieved from <http://dirp3.pids.gov.ph/ris/pjd/pidspjd01-linfosector.pdf>



- b. Crafting, implementing and monitoring plans for the informal economy, which shall be part of the NEDA's Medium Long-Term; and
  - c. Ensuring the protection of the rights of informal economy workers, enterprises and organizations.
2. Workers in Informal Employment Local Development Offices (WIELDO) in every city and municipality. WIELDOs shall lead the implementation of this measure on the local level.

Immediate approval of this measure is eagerly sought.

  
GRACE POE

SEVENTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session



Senate  
Office of the Secretary

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SENATE  
S.B. No. 1135

RECEIVED BY: 

Introduced by Senator Poe

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

**SECTION. 1.** *Short Title.* – This Act shall be known as the “*Informal Economy  
Transition Act of 2016.*”

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

- a) Promote a just and dynamic social order that will ensure that the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promotes decent and full employment, a rising standard of living, and an improved quality of life for all;
- b) Protect, promote and fulfil the rights of every worker including the right to self-organization, just and humane conditions of work, access to social protection, access to justice, security of/in the workplaces, and the right to represent their



1 organizations in a continuing process of consultation, in the context of tripartism,  
2 towards maximizing the provision of a comprehensive package of reforms,  
3 interventions, and services in accordance with their articulated needs and interests;  
4

5 c) Recognize the role and give proper value to the contributions of workers in the  
6 informal economy and informal economic units, and make them visible in all  
7 relevant national and local statistics;  
8

9 d) Promote gender equity and equality by protecting women workers in the informal  
10 economy against gender-based discrimination, exploitation and abuse; advancing  
11 women's social, economic, political, and reproductive rights; and improving their  
12 access to social protection and substantial participation and representation in  
13 decision-making bodies and processes;  
14

15 e) Establish an integrated and coherent policy at all levels of government of  
16 formalization, inclusive development, and greater responsiveness to the needs of  
17 the workers and enterprises in the informal economy;  
18

19 f) Protect vulnerable workers from among the "Basic Sectors," as defined under  
20 Republic Act (R.A.) No. 8425, and people living with HIV and AIDS, from  
21 discrimination, exploitation, abuse and harassment, as well as from performing  
22 work hazardous to their occupational, physical, mental, emotional, reproductive  
23 and spiritual health;  
24

25 g) Take measures that will ensure legal security of tenure of workers and the safety  
26 and security of their workplaces, taking into account and including the physical  
27 environment, services, processes and systems needed to enable workers to  
28 productively and safely perform their work; and  
29

30 h) Update labor, employment and establishment statistics and align the segmentation  
31 of assets by further segmenting the micro-enterprises to give preferential treatment  
32 to total asset and capital of P150,000.00 pesos and below as defined under the  
33 Social Reform Agenda of 1997 (RA 8425) and conduct periodic review of them.  
34

- 1 i) Promote and strengthen regular employment by prohibiting contractualization and  
2 other non-standard forms of employment under the Labor Code and ensuring that  
3 outsourcing and contracting arrangements are compliant with decent work  
4 standards;

5  
6 **SEC. 3. *Framework and Principles.*** – Article II, Section. 9 of the Philippine  
7 Constitution declares that “The State shall promote a just and dynamic social order that will  
8 ensure the prosperity and independence of the nation and free the people from poverty  
9 through policies that provide adequate social services, promote full employment, a rising  
10 standard of living, and an improved quality of life for all.” It shall give the highest priority to  
11 the enactment of measures that protect and enhance the rights of all people to human dignity;  
12 reduce social, economic and political inequalities; lessen vulnerabilities to risks including  
13 those brought about by environmental degradation and natural disasters, remove cultural  
14 inequities by redistributing wealth and political power for the common good; and to develop  
15 an enabling environment conducive to responsible citizenship. Towards this end, in the  
16 context of social dialogue, the government at all levels shall formulate and implement  
17 coherent and integrated strategies that are rights-based, participatory, gender-responsive and  
18 sustainable. These strategies shall also be in accordance with the most relevant and  
19 empowering provisions of ILO recommendation 204 concerning the transition from informal  
20 to formal economy:

- 21  
22 a) Coherence of policies and programs established for the purpose of bringing  
23 vulnerable workers and economic units into the economic and social mainstream,  
24 and spur entrepreneurial or growth-oriented informal businesses to graduate to  
25 formal status;
- 26  
27 b) Coordination across a broad range of policy areas in facilitating the transition to  
28 the formal economy including pre-employment macro-economic policies and  
29 labor market policies to help low-income households, unemployed persons and  
30 other disadvantaged persons escape poverty and access employment;
- 31  
32 c) Structural reforms in all relevant levels of government by creating committees and  
33 special offices for the development and protection of workers in the informal  
34 economy and supporting their representational, entrepreneurial, and other rights,



1 through their organizations, without being limited to tripartite structures and  
2 particular strategies;

3  
4 d) Accessible, affordable and effective promotion of social security, including labor  
5 market interventions, occupational safety and health, and the extension of  
6 maternity protection to women in the informal economy, social welfare programs  
7 and safety nets, disaster risk reduction and management mechanisms, and adaptive  
8 measures to respond to climate change;

9  
10 e) Regulated access for use of public spaces and regulated access to public natural  
11 resources for subsistence livelihoods through policies, programs and interventions  
12 that will ensure the security of workplaces of workers in the informal economic  
13 units, including, among others, the “relocation before demolition” of vendors and  
14 small transport terminals, towards a work environment that protects their rights  
15 and enables them to achieve greater productivity.

16  
17 f) Minimum and simplified regulations to encourage the development of ingenuity  
18 and entrepreneurial spirit among workers in the informal economy including  
19 property rights;

20  
21 g) Preservation and expansion, during the transition to the formal economy, of the  
22 entrepreneurial potential, dynamism, skills and innovative capacities of workers  
23 and economic units in the informal economy;

24  
25 h) A balanced approach combining incentives with compliance;

26  
27 i) The need to prevent deliberate avoidance of, or exit from, the formal economy for  
28 the purpose of evading taxation or the application of social and labor laws and  
29 regulations;

30  
31 j) Tax reforms based on net income for informal economic units and application of  
32 tax laws or incentives for the informal economy workers currently enjoyed by the  
33 formal labor;

- 1 k) Social Dialogue mechanisms whereby informal workers' organizations will  
2 participate and be in tripartite consultation in designing, evaluating, and  
3 implementing policies and programs of relevance to the informal economy.  
4
- 5 l) Support system to expand market for products, access loans for additional capital  
6 requirement and simplify bureaucratic systems and procedures for the Micro,  
7 Small, and Medium Enterprises (MSMEs);  
8
- 9 m) Relaxation of procurement procedures for the contracting micro-entrepreneurs by  
10 the government;  
11
- 12 n) Review, amendment and efficient implementation of relevant policies on sub-  
13 contracting such as DOLE Department Order No. 5 on Industrial Homework;  
14
- 15 o) A road map of development for both informal economy workers and economic  
16 units shall guide the government in all levels in the context of social dialogue; and  
17
- 18 p) After formalization, all laws applicable to formal labor and economic units shall  
19 apply.  
20

21 **SEC. 4. Scope.** – This Act shall apply to all workers and economic units – including  
22 enterprises, entrepreneurs and households – in the informal economy, in particular:  
23

- 24 a) Those in the informal economy who own and operate economic units,  
25 including:  
26
- 27 1. Own-account workers;  
28 2. employers; and  
29 3. members of cooperatives and of social and solidarity economy  
30 units;  
31
- 32 b) Contributing family workers, irrespective of whether they work in  
33 economic units in the formal or informal economy;  
34



1 c) Employees holding informal jobs in or for formal enterprises, or in or  
2 for economic units in the informal economy, including but not limited  
3 to those in subcontracting, and in supply chains, or as paid domestic  
4 workers employed by households; and

5  
6 d) Workers in unrecognized or unregulated employment relationships  
7

8 **SEC. 5. *Definition of Terms.*** – As used in this Act, the following terms shall mean:  
9

10 a) "*Basic sectors*" - Refer to the disadvantaged sectors of Philippine society, namely:  
11 farmer-peasant, artisanal fisherfolk, workers in the formal sector and migrant  
12 workers, workers in the informal sector, indigenous peoples and cultural  
13 communities, women, differently-abled persons, senior citizens, victims of  
14 calamities and disasters, youth and students, children, and urban poor;  
15

16 b) "*Community Contracting*" - Refers to the process of concluding an agreement  
17 between a *community* and a contracting authority, whereby the community (or a  
18 section thereof) is responsible for the implementation of the work, and therefore,  
19 functions as a contractor;  
20

21 c) "*Daily Basis*" - Refers to the per day mode of paying a worker, as bilaterally  
22 agreed upon by *the* employer and worker.  
23

24 d) "*Hazardous Work Conditions*" - Refers to any activity or circumstance where a  
25 worker is *exposed to* any risk which constitutes imminent danger to his or her  
26 health or safety. This includes potential risks of disability, injury, illness or death  
27 due to the presence of biologic agents, radiation, chemicals, substances, hazardous  
28 materials; physical hazards in the work environment; or the nature of work,  
29 processes performed, or equipment used therein.  
30

31 e) "*Informal Economy*" - based on the ILO Recommendation No. 204 Concerning  
32 the Transition From the Informal to the Formal, adopted during the 104<sup>th</sup>  
33 International Labor Conference (ILC) in June, 2015 this refers to "all economic  
34 activities by workers and economic units that are – in law or in practice – not

covered or insufficiently covered by formal arrangements". "Economic Units" in the informal economy include:

1. Units that employ hired labor;
2. Units that are owned by individuals working on their own account, either alone or with the help of contributing family workers;
3. Cooperatives and social and solidarity economy units; and
4. Informal work may be found across all sectors of the economy, in both public and private spaces.

- f) "*Informal Economy Workers' Organization*" - Refers to a group or groups of informal sector workers, whether formally constituted or otherwise, that are organized with the primary objective of promoting the welfare of workers in informal economy.
- g) "*Monthly Basis*" - Refers to the per month mode of paying a worker as bilaterally agreed upon by the employer and worker.
- h) "*Pakyaw Basis*" - Refers to the pre-contracted wholesale mode of paying a worker as bilaterally agreed upon by the employer and worker.
- i) "*Piece rate*" - Refers to payment of products or services by piece of work or by service rendered.
- j) "*Security off/in the Workplace*" - Refers to the right of every worker and informal economic units to an enabling environment that guarantees and protects the spaces to undertake their work, including the right to feel safe in one's own work space, legal security of tenure and freedom from discrimination, risk, danger, doubt, anxiety, or fear of being removed, evicted or prevented from working. It shall include the components listed in Chapter VI of this Act.



1 k) "*Social Protection*" - Refers to policies, programs, and all other interventions that  
2 support communities, households and individuals, both women and men, and  
3 aimed at: reducing poverty through the promotion and sustenance of livelihood  
4 and employment; preventing, managing and overcoming risks and vulnerabilities  
5 throughout their life cycle, like protection against hazards and sudden loss of  
6 income; and realizing their rights as citizens through their full participation in  
7 decision-making affecting or may affect their access to and control over resources  
8 necessary to maintain and sustain a decent and secure life.

9  
10 Social protection schemes shall include labor market interventions, social  
11 insurance, social welfare, safety nets, disaster risk reduction and management  
12 mechanisms, adaptive measures in the context of climate change, affordable  
13 housing and other provisions necessary for vulnerable groups to adequately address  
14 and manage risks.

15  
16 Social protection shall have the components enumerated and discussed in chapter  
17 V of this Act.

18  
19 l) "*Working Hours*" - Refers to the period of time within which a worker is required to  
20 be on call to perform any and all tasks that may be designated, regardless of  
21 whether there are actual tasks being undertaken.

22  
23 m) "*Volunteer workers of government instrumentalities*" – Refers to workers in  
24 government instrumentalities receive allowances or honoraria. These include but  
25 are not limited to: barangay health workers (BHW), barangay tanod, barangay  
26 nutrition scholars (BNS), barangay daycare workers, enumerators, and among  
27 others

## 28 29 **Chapter II**

### 30 **Coverage, Registration and Annual Dues**

31  
32 **SEC. 5. Coverage.** – This shall include all those defined in Section 4 of this Act, IE  
33 businesses and enterprises, and organizations of workers in informal economy.  
34

1           **SEC. 6. Registration. –**

- 2
- 3           a) *Workers.* There shall be a simple and standard system of registration in
- 4           accordance with the framework and principles of this Act. A one-time registration
- 5           fee of not more than Fifty pesos (P50.00) per individual worker shall be paid to
- 6           the municipality or city where they reside.

7

8           Any IE worker registered in the local government provided for in this Act shall be

9           listed in the centralized database system, and shall be issued an identity card and a

10          record book that shall list all services and benefits availed of. These signify

11          eligibility to avail of development programs, provided, that the poorest and the

12          most vulnerable workers shall be given priority.

13

14          The concerned LGU shall review, revalidate and reassess such database as a tool

15          for local planning and for other purpose every two (2) years from the date of last

16          registration. Renewal of eligibility shall be in accordance with the merit and

17          fitness principle, and with the conditions that no child labor shall be used and no

18          activities harmful to the environment shall be implemented.

- 19
- 20          b) *Informal Economic Unit.* A comprehensive database of all economic units shall be
- 21          developed and maintained. Such database shall take into account the different sub-
- 22          classifications in terms of asset size, number of workers, social insurance
- 23          provided, statutory benefits and wages, industry, geography, premises, sex,
- 24          ethnicity, vulnerability, and roles and functions. The database shall also indicate
- 25          informal economic units which may be categorized as livelihood enterprises, and
- 26          entrepreneurial or growth oriented informal businesses. Further, the database shall
- 27          include information on payments collected from IE workers, WIE organizations
- 28          and economic units. The BMBE Registry, in general, shall include these informal
- 29          economic units.

30

31          The aforesaid comprehensive database shall form part of the bases of assessment

32          and monitoring of the growth of informal economy.

33



1 All local government units shall formulate a uniform and simple checklist of  
2 requirements for registration, and establish an IE One-Stop Shop Center which  
3 shall handle all transactions and processing of business permit applications within  
4 their respective jurisdiction and worker's registration. The Center shall ensure that  
5 processing of the business permit of the informal economic units shall be  
6 expedited within one day. The P150,000.00 asset size shall be given an affordable  
7 business registration (Mayor's Permit) of P500.00 renewable annually until two  
8 (3) years of operation after which, shall be subject to the regular business permit  
9 requirements of the local government.

10  
11 c) *Informal Economy Organizations/Associations.* IEO/A shall register or accredit  
12 with the Department of Labor and Employment (DOLE).  
13

14 **SEC. 7. Annual Dues.** – IE workers and organizations shall pay annual dues to be  
15 determined by the Local Government Unit (LGU) concerned, in consultation with their  
16 respective Workers in Informal Economy Local Development Office (WIELDO) referred to  
17 in Title I, Chapter IX of this Act. In no case shall the annual dues to be paid by IE workers be  
18 more than 30% of the prescribed daily minimum wage as determined by the Regional  
19 Tripartite Wages and Productivity Board (RTWPB) in their respective regions or provinces.  
20

21 These annual dues shall accrue to the respective LGU where they are accredited. The  
22 accumulated funds from these dues shall be used for programs to benefit IE workers and  
23 organizations/associations, business activities, enterprises and organizations, as  
24 recommended by the WIELDO. Such programs and disbursement of funds shall be approved  
25 by the concerned LGU Council in consultation with the local informal economy constituents.  
26

### 27 Chapter III 28 RIGHTS AND BENEFITS 29

30 **SEC. 8. Rights and Benefits of Workers in the Informal Economy.** – Workers in the  
31 informal economy shall have the same basic rights accorded to all workers, as enshrined in  
32 the Philippine Constitution, the Labor Code as amended, and relevant international human  
33 rights instruments and labor Conventions. These include, but are not limited to the rights to:  
34

- a) Work, which includes the rights to: security of/in the workplace; make a living by work freely chosen or accepted; and avail of technical and vocational guidance and training programs;
- b) Enjoyment of just and favorable conditions of work;
- c) A living wage and equal remuneration for work of equal value without distinction of any kind, in particular for women who shall be guaranteed equal wages for work similar or equivalent to those done by men;
- d) Equal opportunity for promotion, subject to no other considerations than seniority and competence;
- e) Safe and healthy working conditions safeguarding general, occupational and reproductive health;
- f) Access to basic services including but not limited to affordable medical care, reproductive and other health services, low-cost housing, water, sanitation, electricity and transport;
- g) Rest, leisure and reasonable limitation of working hours, and periodic holidays with pay, as well as remuneration for public holidays whenever applicable;
- h) Maternity and paternity benefits, as provided for by law;
- i) Equal access to education, skills training, and economic resources to develop self-reliance, especially of children and young persons, without any discrimination;
- j) Self-organization to collectively negotiate with government and other entities in the promotion of their welfare and advancement of their interests, free from any political interference;
- k) An adequate standard of living for workers and their families, adequate food, clothing, and shelter, and the continuous improvement of such standard;



- 1
- 2 l) Freedom from any form of discrimination, violence, exploitation including sexual
- 3 exploitation, harassment, abuse, and any form of inhumane treatment which
- 4 debases, degrades or demeans the intrinsic worth and dignity of the worker as a
- 5 human being;
- 6
- 7 m) Accessible social protection, comprising mainly of, but not limited to labor market
- 8 programs, social security, health care and insurance, and social welfare
- 9 interventions;
- 10
- 11 n) Equal treatment before the law;
- 12
- 13 o) Substantial participation in policy and decision-making processes, including
- 14 access to information and other resources relevant to the promotion and protection
- 15 of their rights and welfare through organizations that truly represent the sector;
- 16
- 17 p) Equal access to justice through appropriate mechanisms, including, but not limited
- 18 to, alternative dispute resolution processes; and
- 19
- 20 q) Access to public procurement including advice and reserving quotas for informal
- 21 economic units.
- 22

23 **SEC. 9. *Rights of Own-account workers.*** – Own-account workers as well as informal

24 economic units, being the working poor's primary instruments to address and overcome

25 poverty, shall be accorded the following preferential rights by the State:

26

- 27 a) Infrastructure support such as farm to market roads, common, affordable and
- 28 secure workplaces and facilities, merchandising centers, farmers' markets or a
- 29 *Bagsakan* with proper storage facilities, and inventory bulk-buying centers;
- 30
- 31 b) Policy support to promote and protect local and domestically-produced products
- 32 and services;
- 33
- 34 c) Access to markets, including capacity-building to access E-marketing facilities;

- 1
- 2 d) Access to affordable, appropriate and adequate financial services, including,
- 3 among others, collateral-free and gender-balanced credit at low interest;
- 4
- 5 e) Access to appropriate and adequate machinery, equipment, and other
- 6 technologies, with the end in view of increasing productivity and growth;
- 7
- 8 f) Protection from unjust dislocation from places where economic activities are
- 9 conducted with the provision of relocation before demolition policies;
- 10
- 11 g) Measures against racketeering, extortion, and harassment, by both State and non-
- 12 State elements;
- 13
- 14 h) Fiscal relief, including among others exemption from taxes, fees and other
- 15 assessments, to be put into place by concerned national agencies and local
- 16 government units sixty (60) days after the effectivity of this Act;
- 17
- 18 i) Common workplaces, common technology facilities, adequate and affordable
- 19 marketing facilities such as economic freedom parks, merchandising centers, and
- 20 inventory bulk-buying centers;
- 21
- 22 j) Freedom from deprivation of property without valid cause and due process of law;
- 23 and
- 24
- 25 k) Affordable and customized social security and insurance programs.
- 26

27 **SEC. 10.** *Rights of Workers Organizations in the Informal Economy.* – Organizations

28 of workers in informal employment, including unions, cooperatives, social and solidarity

29 economic units/organizations and mutual benefit associations, shall have the right to:

30

- 31 a) Freely function and act as the representatives of their members in policy and
- 32 decision-making processes, collective negotiations, and other similar bodies and
- 33 processes in the context of tripartism and multi-sector;
- 34



- 1 b) Establish national federations or confederations and to protect the right of the  
2 latter to form or join local unions and international trade-union organizations;  
3  
4 c) Access information from concerned government institutions and other parties that  
5 are pertinent to the protection and promotion of the rights and welfare of their  
6 members;  
7  
8 d) Own property, real or personal, for the use and benefit of their organizations and  
9 members;  
10  
11 e) Sue and be sued under their registered names;  
12  
13 f) Undertake all other activities, not contrary to law, designed to benefit their  
14 organizations and members; and  
15  
16 g) Be accorded preferential option in the awarding of contracts for the undertaking of  
17 national and local projects funded by either the National or local government units  
18 including foreign-assisted projects. Guidelines for this shall be included in the  
19 Implementing Rules and Regulations of this Act.  
20

21 **SEC. 11. *Organizing Workers in Informal Economy.*** – WIE shall be encouraged to  
22 organize themselves for their mutual benefit and protection, and for other legitimate  
23 purposes. Toward this end, the State shall encourage and assist these workers in the formation  
24 of their self-help organizations, associations, federations, and confederations.  
25

26 The State shall encourage the formation of cooperatives among marginalized farmers,  
27 fisher-folk, as well as manufacturing, transport, retail, services, and home-based workers to  
28 enable members to: purchase inputs at lower cost, obtain fair prices for their produce, avail of  
29 credit assistance and skills training, and share from collective gains of the cooperatives.  
30

31 Attention will be given to organizing women and other vulnerable WIE.  
32

33 **SEC. 12. *Assistance to Organizations of Workers in the Informal Economy.*** – All  
34 concerned national government agencies, government financial institutions and local

1 government units shall include in their plans, programs, projects and activities efforts that  
2 will support and address concerns of organizations of WIE.

3  
4 **SEC. 13. *Monitoring of growth.*** – The local government units (LGUs) shall supervise  
5 the Workers in Informal Economy Local Development Office (WIELDO) as created by  
6 Chapter IX of this Act, and monitor the growth of informal employment business activities or  
7 enterprises, three (3) years after the enactment of this Act, and every three (3) years  
8 thereafter. The centralized database referred to in Section 6 shall be the basis of this  
9 monitoring.

#### 11 **Chapter IV**

#### 12 **Prohibited Acts Concerning Engagement of Workers in the Informal Economy**

13  
14 **SEC. 14. *Prohibition Against Recruitment or Finders' Fees.*** – Regardless of whether  
15 the workers was sourced either through an employment agency or a third party, WIE shall  
16 neither be charged nor levied a recruitment fee or finders' fee by the aforementioned  
17 employment agency or third party.

18  
19 **SEC. 15. *Prohibition Against Hazardous Work and Conditions.*** – Workers shall not  
20 be engaged to do hazardous work, activity or undertaking, or be exposed to hazardous  
21 working conditions.

22  
23 For purposes of this Section, hazardous work or conditions shall include, but not be  
24 limited to the following:

- 25
- 26 a) Any work which requires workers to render services beyond eight (8) hours  
27 without commensurate compensation;
  - 28
  - 29 b) Any work or activity which exposes the worker to physical, emotional or sexual  
30 abuse or threat of such abuse;
  - 31
  - 32 c) Any work which involves manual handling or transport of heavy loads;
  - 33



- d) Any work in an unhealthy environment which exposes workers to hazardous substances, agents or processes, or to temperature, noise levels, or vibrations damaging or potentially damaging to their health;
- e) Any work which requires workers to continuously render service during late nights;
- f) Any and all forms of slavery or practices similar to slavery, such as the sale and trafficking of persons, forced or compulsory labor, debt bondage and serfdom;
- g) Any use, procuring or offering of the worker for prostitution or pornography;
- h) Any use, procuring or offering of the worker for the commission of any offense or crime, particularly for the production, trafficking, or sale of narcotic drugs and substances as defined in the Dangerous Drugs Act;
- i) Any other type of work or activity which, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of the workers; and
- j) Any other type of work, activity, condition or undertaking that maybe hereinafter be defined as hazardous by the Department of Labor and Employment.

**SEC. 16. *Prohibition Against Interference and Coercion.*** – Any person is prohibited from committing any of the following acts of interference and coercion:

- a) Preventing any worker from upholding or exercising his/her rights;
- b) Preventing any worker from joining or assisting organizations for purposes not contrary to law;
- c) Preventing any worker from carrying out his/her duties or functions in an organization, or to penalize the same for any lawful action performed in that capacity;

- 1
- 2 d) Harassing, threatening, coercing or intimidating any worker that result in
- 3 preventing him or her from performing his or her duties and functions;
- 4
- 5 e) Transferring, penalizing or terminating the services of a worker without valid or
- 6 legal ground; and
- 7
- 8 f) Other acts calculated to diminish the independence and freedom of workers'
- 9 organization to direct its own affairs.
- 10

11 **Chapter V**

12 **SOCIAL PROTECTION**

13

14 **SEC.17. *Labor Market Programs.*** – The State shall provide adequate resources to

15 sustain labor market programs following decent work standards, including emergency and

16 guaranteed employment schemes, to ensure livelihood security and prevent or mitigate the

17 effects of sudden loss of income in the context of sustainable development and developing

18 local economies in both rural and urban areas.

19

20 The State shall ensure that these schemes are labor-intensive, developmental,

21 sustainable, and engage women, men, the youth, and older people in building infrastructure,

22 socialized housing, social forestry focusing on the planting of traditional trees, organic

23 farming, and food production programs.

24

25 LGUs shall encourage and provide incentives to constituents who want to engage or

26 are engaged in sustainable and/or organic farming. All idle private or public lands within

27 their jurisdiction shall be cultivated or planted with organic food crops like corn, root crops or

28 vegetables. If applicable, LGUs must allocate a portion of their local funds for mangrove

29 reforestation and prohibit conversion of any mangrove forest to residential, commercial or

30 industrial use.

31

32 In pursuit of decent work, the State in all its labor market programs, shall adopt a

33 comprehensive framework and plan on occupational safety and health that covers all workers,

34 formal and informal, and implemented at both national and local levels.



1  
2       The State shall encourage entrepreneurship among the disadvantaged, especially  
3 women and young people in informal employment, through simple and efficient procedures  
4 and the provision of adequate and affordable marketing facilities such as those provided for  
5 by Section 9 (i) of this Act.  
6

7       The State through LGUs shall promote community contracting to give preference to  
8 WIE and their organizations in accessing employment opportunities and related benefits.  
9

10       **SEC. 18. *Social Security.*** – In the interest of equity, the State shall endeavor to  
11 extend social security protection to all workers and their beneficiaries against the hazards of  
12 disability, sickness, maternity, old age, death, unemployment, and other contingencies  
13 resulting in loss of income or financial burdens. The State also, recognizing the intermittent  
14 nature of job and income in the informal economy, shall subsidize the contributions of the  
15 workers in the informal economy.  
16

17       The Social Security System (SSS) shall ensure coverage for all workers, particularly  
18 the working poor belonging to the informal economy. The SSS, in consultation with informal  
19 workers' organizations, shall customize products and services for them that are accessible  
20 and affordable. In the interest of equity, the State shall cover what should have been the  
21 employers' share for contributions of informal workers, had they been formally employed.  
22

23       The SSS shall develop schemes involving government subsidies and sponsorship  
24 programs to assist those who cannot afford to enroll and sustain their membership.  
25

26       To achieve universal coverage, the SSS shall facilitate the accreditation of  
27 cooperatives, women's and people's organizations, trade unions and WIE associations,  
28 microfinance and micro-insurance institutions and similar groups as collecting agents of  
29 premiums and facilitators of claims with the least burdensome conditions and with  
30 appropriate incentives. It shall develop effective partnerships with these organizations.  
31

32       The SSS Commission, in the spirit of democracy, transparency, accountability, and  
33 equity, shall be required to conduct regular consultations with and provide information and  
34 reports to its membership. Both formal and informal workers shall be represented in the SSS

1 Commission, where gender balance shall also be observed.

2  
3 The SSS in cooperation with other relevant national agencies and LGUs, shall support  
4 indigenous and community-based social protection schemes which complements other needs  
5 in times of risks such as *damayan*, *tulungan*, *saranay*, small mutual benefit associations, and  
6 micro-finance organizations initiated or participated in by WIE so that these can be sustained,  
7 systematized and scaled up.

8  
9 An enabling environment for such organizations and schemes shall also be developed.  
10 Toward this end, the Insurance Commission (IC) and other relevant regulatory agencies are  
11 hereby mandated to review their policies and framework to make them more developmental  
12 and supportive of the alternative schemes outlined above.

13  
14 **SEC. 19.** *Social Security for Volunteers of Government Instrumentalities.* –  
15 Volunteer workers of government instrumentalities as defined in Sec. 5 of this Act, shall be  
16 covered by the Government Service Insurance System (GSIS) and be entitled to at least a  
17 minimum package of customized products, services and benefits to be designed with their  
18 participation and with adequate government subsidy.

19  
20 **SEC 20.** *Health Care System and Financing.* – The State shall establish a  
21 comprehensive and integrated health care system that guarantees provision of service by  
22 duly-accredited and adequately-furnished health facilities, with appropriately-educated and  
23 rationally-compensated health personnel, to underserved areas all the way down to the  
24 barangay level. Provided that, such healthcare system shall include reproductive health  
25 services, and provided finally, that priority in the delivery of such services shall be the poor  
26 and marginalized.

27  
28 The State shall ensure adequate resources to finance health care for all, by, among  
29 others, progressively increasing the budget for health care until it meets the World Health  
30 Organization recommendation of at least four percent (4%) of the Gross Domestic Product.

31  
32 **SEC. 21.** *Universal Health Insurance.* – The Philippine Health Insurance  
33 Corporation (PhilHealth) shall ensure and substantiate universal, actual, active, and up to date  
34 coverage of all Filipinos by 2015. To achieve this, PhilHealth with the participation of all



1 stakeholders shall critically review its current operations. It shall also ensure the provision of  
2 a minimum benefit package which shall be periodically upgraded to meet the goal of  
3 universal coverage which is affordable, accessible and appropriate to the needs of all.  
4

5 Government subsidies for PhilHealth sponsorship programs shall be expanded to  
6 cover not only the extremely poor, but also the working poor who mostly belong to the  
7 informal economy and as defined in RA 8425 Basic Sectors. For the working poor, the  
8 supposed employer counterpart, if they were enrolled as formally employed, shall be covered  
9 by government subsidies in the interest of equity.  
10

11 PhilHealth shall develop effective partnerships with organized groups, especially  
12 those composed and led by informal workers, women, senior citizens, persons with  
13 disabilities, persons with HIV and AIDS and other marginalized sectors, to better serve  
14 increasing numbers of those in need. Organized groups with at least 500 members shall be  
15 allowed to be collecting agents of premiums with incentives.  
16

17 PhilHealth shall immediately extend its services to underserved areas by facilitating  
18 and accelerating accreditation of hospitals and clinics, and by ensuring that these service  
19 providers remain viable through immediate reimbursement.  
20

21 PhilHealth, in accordance with its guiding principles, shall promote maximum  
22 community participation and shall recognize the roles and strengths of the public and private  
23 sectors in healthcare, including people's organizations and community-based health  
24 organizations. PhilHealth shall extend appropriate recognition, technical assistance, and  
25 other forms of material and non-material support to mutual benefit associations, microfinance  
26 organizations, community-based health insurance and other indigenous schemes initiated and  
27 participated in by WIE.  
28

29 PhilHealth, with maximum participation of all stakeholders, shall review its benefit  
30 package in order to cover WIE, senior citizens, indigenous peoples, persons with  
31 disabilities persons with HIV and AIDS and other marginalized groups sustainably;  
32 emphasize preventive measures such as annual physical and medical check-ups and other  
33 outpatient services; coverage of workplace-related injuries and illnesses affecting both formal  
34 and informal workers, treatment of chronic ailments such as hypertension and diabetes; and

1 inclusion of hospital-based reproductive health services, commodities and supplies.

2  
3 **SEC. 22.** *Women, Family and Children's Health Care Program.* – The State shall  
4 encourage provision of and access to affordable quality childcare and other care services in  
5 order to promote gender equality in entrepreneurship and employment opportunities and to  
6 enable the transition to formal economy.

7  
8 **SEC. 23.** The State shall sustain, enhance, and institutionalize the Social Protection  
9 Floor initiative through convergence of the resources of various agencies so that it can  
10 provide continuous social security and health insurance subsidies to vulnerable and other  
11 informal workers as well as initiate programs for the unemployed, children, and older persons  
12 based on applicable and ever improving standards.

## 13 14 **CHAPTER VI**

### 15 **Security in the Workplace of Workers in Informal Employment**

16  
17 **SEC. 22.** *Designation of Workplaces.* – The concerned Local Government Unit  
18 (LGU), in coordination with their respective WIELDO, and after consultation with WIE,  
19 affected communities, and other relevant groups, shall identify and designate viable  
20 workplaces for informal workers; routes, terminals, and specific lanes for small transport  
21 workers; and design a system of assigning these to accredited informal workers, These may  
22 include markets and vacant areas near markets, vacant public spaces and other spaces which  
23 may be designated as allowable workplaces for informal workers.

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

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



1       The LGUs shall, within ninety (90) days after the survey and based on  
2 recommendations of WIELDO and consultations with concerned WIE, affected inhabitants  
3 and relevant sectors, pass an ordinance designating such workplaces.  
4

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

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

14       The LGUs shall make an inventory of all agricultural lands under leasehold and shall  
15 enforce the security of tenure of tenants, right of redemption and right of first refusal on the  
16 subject land. The LGUs shall provide assistance and protection to tenants in agricultural lands  
17 whose landowners violate the provisions of R.A. No. 3844 or the Agricultural Land Reform  
18 Code. Tenants shall not be evicted based on unilateral termination of the tenancy relationship  
19 by landowners.  
20

21       **SEC. 24.** *Use of Municipal Waters, Beach Fronts, and Foreshore Areas.* – Municipal  
22 waters shall be used exclusively by marginalized fisher-folk and allied workers. They shall be  
23 given priority in the granting of permits and licenses for the establishment of fish pens, fish  
24 corrals, fish traps, shellfish culture or similar structures for culture of marine products within  
25 the municipal waters.  
26

27       Beach fronts and foreshores are public domain and may be used by any person  
28 especially marginalized fisher-folk. LGUs shall ensure that no beach within their jurisdiction  
29 is exclusive for the use of resort guests or private persons.  
30

1 LGUs in coordination with the National Housing Authority (NHA), shall establish  
2 and create fisher-folk settlement areas on private or public lands, specifically those near the  
3 fishing grounds, for municipal fisher-folk with security of tenure.  
4

5 The consent of the affected fisher-folk shall be required before an area is declared a  
6 marine protected area or a fish sanctuary by the national or local government unit.  
7

8 **SEC. 25. Policy on Eviction and Demolition.** – WIE shall not be evicted from their  
9 homes and workplaces without legal ground as provided for R.A. No. 7279, otherwise known  
10 as the Urban Development and Housing Act of 1992. In cases where eviction or demolition  
11 is warranted under Section 28 of RA 7279, the same shall be conducted upon compliance of  
12 the following:  
13

- 14 a) Notice upon the affected persons or entities at least thirty (30) days prior to the  
15 date of eviction or demolition;  
16
- 17 b) Adequate consultations on the matter of resettlement with the duly designated  
18 representatives of the families to be resettled and the affected communities in the  
19 areas where they are to be relocated;  
20
- 21 c) Presence of local government officials or their representatives during eviction or  
22 demolition;  
23
- 24 d) Proper identification of all persons taking part in the demolition;  
25
- 26 e) Execution of eviction or demolition only during regular office hours from  
27 Mondays to Fridays and during good weather, unless the affected families consent  
28 otherwise;  
29
- 30 f) No violence or unreasonable force shall be committed against women, children,  
31 senior citizens, persons with disabilities and other identities similarly situated in  
32 the course of eviction or demolition.  
33



- 1 g) Non-use of heavy equipment for demolition except for structures that are  
2 permanent and of concrete materials;  
3  
4 h) Proper uniforms for members of the Philippine National Police (PNP) who shall  
5 occupy the first line of law enforcement and observe proper disturbance control  
6 procedures; and  
7  
8 i) Adequate relocation, whether temporary or permanent; provided, however, that in  
9 cases of eviction and demolition pursuant to a court order involving  
10 underprivileged and homeless citizens, relocation shall be undertaken by the local  
11 government unit concerned and the National Housing Authority (NHA) with the  
12 assistance of other government agencies within forty-five (45) days from service  
13 of notice of final judgment by the court, after which period the said order shall be  
14 executed; provided, further, that should relocation not be possible within the said  
15 period, financial assistance in the amount equivalent to the prevailing minimum  
16 daily wage multiplied by sixty (60) days shall be extended to the affected families  
17 by the local government unit concerned.  
18

19 **SEC. 26.** *Policy on Confiscation of Materials and Impounding of Vehicles.* – In cases  
20 where demolition or eviction is warranted, the person who conducts the same shall issue an  
21 itemized receipt of all products, goods, and other materials seized from the affected WIE.  
22

23 Tricycles, *pedicabs*, street vendors and other modes of transportation shall not be  
24 impounded for violations of license, registration, or traffic regulations unless the said vehicles  
25 were utilized in the conduct of criminal activities. In cases of mere violation of traffic  
26 regulations, a traffic violation ticket shall be issued to the erring driver without impounding  
27 his/her vehicle.  
28  
29

30 **SEC. 27.** *Policy on Relocation of Vending Sites.* – Before any public market is  
31 closed, sold or demolished, all market vendors shall first be relocated by the LGU to a  
32 temporary or new public market. Notice of the intention to close, sell, or demolish any public  
33 market shall be made to all concerned vendors at least sixty (60) days before the actual  
34 transfer or relocation to another market site. Within the sixty (60)-day period after issuance of

1 notice, the LGU shall conduct consultations with affected vendors on the selection of the  
2 relocation site and implementation of the relocation.

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

10  
11 In the event that a new public market is constructed in place of an old one, market  
12 vendors with stalls displaced from their workplaces shall be given priority in the assignment  
13 of stalls in the new market.

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

## 22 Chapter VII

### 23 Special Allocations of Development Initiatives

24  
25 **SEC. 29.** *Special Allocations for Development Initiatives.* – The development  
26 initiatives for WIE shall form part of an integrated and convergent plan to address poverty  
27 and vulnerability. The national and local government units shall work together in support of  
28 such plan to maximize impact of meager resources.

- 29  
30 a) At least ten percent (10%) of the annual national budget shall be appropriated for  
31 programs and services for WIE. These programs shall be implemented based on  
32 the principles of merit and equity by the Department of Labor and Employment  
33 (DOLE) at the national level and the WIELDO at the local level.  
34



1 b) For purposes of program implementation, the DOLE shall manage 30%, and  
2 WIELDO, 70% of the funds from the annual General Appropriations Act (GAA)  
3 as provided for in the previous paragraph of this section.  
4

5 c) The Implementing Rules and Regulations (IRR) of this Act shall determine  
6 additional guidelines on, among others, the use of such finances to ensure that  
7 programs and services truly benefit WIE.  
8

9 **SEC. 30. *Sourcing and Adopting Development Initiatives.*** – Other sources of funds to  
10 be used exclusively for initiatives addressing the needs and empowerment of WIE shall be  
11 identified in the IRR of this Act and may include the following:  
12

13 a) Government financial institutions and mechanisms such as the Land Bank of the  
14 Philippines (LBP), Development Bank of the Philippines (DBP), National  
15 Livelihood Support Fund (NLSF), and Quedan Rural Credit and Guarantee  
16 Corporation shall set aside a specific percentage of their loan portfolio to informal  
17 economy enterprises and shall give priority to women-led informal economy  
18 enterprises by providing loans at an interest of not more than twelve percent  
19 (12%) per annum consistent with the spirit of R.A. No. 7882.  
20

21 b) The Department of Social Welfare and Development (DSWD) shall strengthen its  
22 Self-Employment Assistance Program (SEAK) to uplift and empower women in  
23 poverty, particularly those in the informal economy, by adopting an integrated,  
24 credit-plus approach to micro-finance.  
25

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

1 financing. Further, the Corporation shall guarantee loans obtained by qualified  
2 worker or business activity or enterprise, under such terms and conditions adopted  
3 by its Board.

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

9  
10 e) The Department of Science and Technology (DOST) shall support technology-  
11 related initiatives of workers and enterprises in the informal economy.

12  
13 **SEC. 31.** *Exclusivity of Government Programs.* – The government shall ensure that  
14 programs of financing, grants and other similar incentives meant to benefit WIE shall be  
15 exclusively extended to accredited workers, business activities, enterprises or organizations in  
16 the informal economy.

17  
18 **SEC. 32.** *Inclusivity of Benefits.* – The exemptions and other benefits provided in  
19 this Act shall apply for a period of not exceeding ten (10) years from the date of accreditation  
20 of such IE worker, business activity, enterprise, or organization.

## 21 22 **Chapter VIII**

### 23 **Informal Economy Development COUNCIL (IEDC)**

24  
25 **SEC. 33.** *Creation of the Informal Economy Development Council (IEDC).* – There is  
26 hereby created an Informal Economy Development Council, hereinafter referred to as the  
27 IEDC, which shall be an agency within the Department of Labor and Employment (DOLE).  
28 The DOLE shall institute appropriate reforms within its structure, programming and other  
29 processes, including adjusting its human resource capabilities to ensure that WIE-focused  
30 programs are efficiently and adequately implemented to address the needs of these workers.  
31 Likewise, an inter-agency committee shall be formed to coordinate policies and programs of  
32 various government agencies towards the transition of informal economic units to formal.



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

3  
4           **SEC. 34. *Mandate and Functions of IEDC.*** – The mandate and functions of IEDC  
5 shall include the following:

- 6  
7           a) Develop and ensure implementation of a simple system of registration for the IE  
8 workers, enterprises, and organizations in accordance with the standards and  
9 provisions of this Act;  
10  
11          b) Provide guidelines for the implementation by LGUs of a fair and credible system  
12 of evaluation, accreditation, review and assessment, merit promotion, rendering of  
13 grant and incentive awards and other policies relative to the effective and efficient  
14 implementation of this Act;  
15  
16          c) Develop and ensure implementation of annual, long-term and medium term plans  
17 for the informal economy, the last of which should form part of the Medium Term  
18 Philippine Development Plans (MTPDP) towards institutionalizing  
19 comprehensive, rights-based, gender-responsive and child-friendly programs and  
20 policies for the IE;  
21  
22          d) Develop and ensure effective implementation of labor standards covering WIE as  
23 provided for by this Act;  
24  
25          e) Develop and ensure implementation of gender-based monitoring and evaluation  
26 mechanisms, efficient and effective programs and policies, and gender-  
27 responsiveness of interventions toward harnessing the full potentials of women  
28 WIE;  
29  
30          f) Coordinate with LGUs for the development and implementation of periodic  
31 evaluation of all accredited IE members, enterprises and organizations – taking  
32 into account their accomplishments, capabilities and potentials. The results of  
33 such evaluation shall be used as bases for accreditation, the grant of awards and  
34 incentives, training and retraining;

- 1
- 2 g) Establish a performance appraisal system for all accredited workers, enterprises
- 3 and organizations in the informal economy which shall be the basis for granting
- 4 or renewal of incentives, rewards and recognition, training and development,
- 5 including adequate mechanisms to ensure their active participation and
- 6 involvement;
- 7
- 8 h) Ensure effective participation of WIE and their organizations through the
- 9 establishment of regular consultative mechanisms and processes. Annual national,
- 10 regional and provincial consultations among the organizations of WIE shall be
- 11 conducted to determine specific issues and problems affecting specific WIE sub-
- 12 sectors, and monitor and evaluate implementation of programs and policies.
- 13
- 14 i) Establish and develop a centralized and sex-disaggregated database system to
- 15 effectively guide policy formulation and implementation relative to the WIE. The
- 16 databank shall be available for public use and shall include but not limited to the
- 17 following: statistical profile of WIE based on age, location, type of work, average
- 18 monthly incomes, work hours, and other relevant statistical information; data on
- 19 informal enterprises, including capitalization and sources of capital, number and
- 20 status of workers, average incomes; List and contact information of government
- 21 and non-government organizations (NGOs) that provide educational, socio-
- 22 economic, legal, and other services to WIE; Inventory of resolved and pending
- 23 cases involving activities of WIE; Database on the needs and problems of women
- 24 and children in the informal economy nationwide aimed at strengthening policies
- 25 and programs against child labor; and Compilation of international instruments,
- 26 existing laws and programs affecting the interest and welfare of WIE and
- 27 information on how these workers may use or avail of such instruments, laws and
- 28 programs.
- 29
- 30 j) Develop and ensure implementation of a communication plan including massive
- 31 information dissemination activities targeting WIE, their enterprises and
- 32 organizations, in the various regions towards a better understanding and
- 33 appreciation of the benefits this Act may bring them;



- 1 k) Consistent with Section 2 (h) of this Act, to develop and ensure implementation of
- 2 a comprehensive plan to eliminate child labor;
- 3
- 4 l) Monitor and coordinate implementation of policies and programs through the
- 5 Regional IEDC officers;
- 6
- 7 m) Coordinate and harmonize all informal economy-related policies, programs,
- 8 projects and activities of various government agencies towards greater efficiency
- 9 and effectiveness;
- 10
- 11 n) Monitor the LGU-generated incomes from informal employment through the
- 12 LGUs' periodic report submitted to the Council;
- 13
- 14 o) After consultations with WIE organizations, develop and ensure implementation
- 15 of policies and programs that will address specific needs and ensure rights of WIE
- 16 subsectors;
- 17
- 18 p) Develop and ensure implementation of accessible and just conflict resolution and
- 19 adjudication systems and mechanisms to promote dialogue, conciliation,
- 20 mediation and redress of grievances to protect the rights of WIE; and
- 21
- 22 q) From time to time, call on the participation of any government agency or
- 23 bureaucracy in its deliberations especially when such agency is directly or
- 24 indirectly concerned with or affecting the growth and development of the IE.
- 25

26 **SEC. 35.** *Composition.* – The Chair of the IEDC shall be the Secretary of  
27 Department of Labor and Employment. IEDC members may elect from among themselves a  
28 Vice-Chair to preside over meetings in the absence of the Chair. The members shall be the  
29 following:

- 30
- 31 a) Secretary of the Department of Trade and Industry (DTI);
- 32 b) Director General of the National Economic and Development Authority (NEDA);
- 33 c) Secretary of Department of Agriculture (DA);
- 34 d) Secretary of Department of Social Welfare and Development (DSWD);

- e) Secretary of the Department of Interior and Local Government (DILG);
- f) Chairperson of the Commission on Human Rights (CHR);
- g) Lead Convener of the National Anti-Poverty Commission (NAPC);
- h) Secretary of Department of Transportation (DOTr);
- i) Chairperson of the Social Security System (SSS);
- j) Chairperson of Philippine Health Insurance Corporation (PhilHealth);
- k) Chairperson of the Philippine Commission on Women (PCW);
- l) Secretary of the Department of Public Works and Highways (DPWH);
- m) One (1) REPRESENTATIVE FROM THE PRIVATE SECTOR
- n) One (1) representative each from the League of Cities, League of Municipalities, League of Provinces and League of Councilors;
- o) The incumbent NAPC Informal Sector Sectoral Representative;

At least 30% of total membership of IEDC shall come from organizations of workers in the informal economy accredited with DOLE and DA. Guidelines for the selection of non-government IEDC members, including processes and mechanics shall be determined by the IRR of this Act. *Provided*, that at least 40 percent of the 30 percent are women.

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

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

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

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



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

8  
9       The Executive Committee shall have the authority to act for and in behalf of IEDC during  
10 intervals of meetings, and only within the specific authority granted by the IEDC.

11  
12       **SEC. 39.** *IEDC Secretariat.* – The following secretariat functions shall be integrated  
13 in the DOLE secretariat functions:

- 14  
15       a) Prepare and recommend, in coordination with LGUs and other government  
16 agencies, annual, medium-term, and long-term Informal Economy Development  
17 Plans for approval of the IEDC;  
18  
19       b) Coordinate the preparation of position papers and background materials for  
20 discussion or approval during IEDC and its Executive Committee meetings;  
21  
22       c) Assist in coordinating and monitoring policies, programs and activities of all  
23 government agencies with respect to the implementation of this Act;  
24  
25       d) Prepare, collate, and integrate all inputs to the IEDC's yearly report on the status  
26 of WIE, business activities or enterprises in the country, or other matters as  
27 directed by IEDA;  
28  
29       e) Submit periodic reports to IEDC on the progress and accomplishments of its work  
30 programs; and  
31  
32       f) Perform other secretariat and administrative functions as authorized by the IEDC  
33 or its Executive Committee.  
34

1       **SEC 40.** *Regional and Provincial IEDC Officers.* – The DOLE Regional and  
2 Provincial offices (NEDA Resolution) shall have Regional and Provincial IEDC Officers  
3 who shall be appointed by the IEDC and shall have functions that include: monitoring and  
4 coordinating of IEDC initiatives in the regions and Provinces; evaluation of policies  
5 programs for workers in informal economy; providing technical assistance in the  
6 development of local plans and programs; as well as other administrative functions necessary  
7 for the success of IEDC initiatives in their jurisdiction.

8  
9       IEDC Regional Officers shall have automatic seats in all Regional Development  
10 Councils (RDCs).

11  
12       **SEC. 41.** *Rationalization of Programs.* – IEDC shall conduct continuing review of  
13 government programs for the poorest of the poor and the WIE and submit to Congress and  
14 the President of the Philippines a report thereon together with its policy recommendations.

## 15 16 17 18                                   **Chapter IX**

### 19                   **Workers in Informal Employment Local Development Office (WIELDO)**

20  
21       **SEC. 42.** *Workers in Informal Employment Local Development Office (WIELDO).* –  
22 The Workers in Informal Employment Local Development Office (WIELDO) shall be  
23 established in every city and municipality to perform functions that shall include but not  
24 limited to the following:

- 25  
26       a) Prepare an overall development plan and work program that will address the needs  
27       of the WIE, prioritizing the poorest and most vulnerable, and incorporate them in  
28       their respective city, municipal, and barangay development plans;  
29  
30       b) In consultation with WIE organizations in the area, identify specific needs of  
31       various IE subsectors and recommend appropriate measures to be taken;  
32  
33       c) Ensure registration and accreditation of WIE, especially those with assets of  
34       P150,000 and below, to facilitate their immediate access to benefits and services;



- 1
- 2 d) Monitor, assess and evaluate implementation of the plans and programs as well as
- 3 the performance of informal workers, their economic activities and their
- 4 organizations in the areas;
- 5
- 6 e) Lead in the local implementation of Chapter VI (Security in the Workplace of
- 7 WIE) of this Act;
- 8
- 9 f) Coordinate with other local offices, private sector and other organizations with
- 10 existing programs for WIE towards integration and convergence;
- 11
- 12 g) Conduct education and training programs that will: raise their consciousness
- 13 especially on but not limited to workers', women's and children's rights; provide
- 14 new ideas especially to those with the least assets and formal education; and
- 15 develop or upgrade technical, entrepreneurial and leadership skills WIE;
- 16
- 17 h) Provide technical support and facilitate access to credit, market, technology, social
- 18 protection schemes, and training for WIE;
- 19
- 20 i) Train pools of community trainers in business counseling and awareness-raising
- 21 on occupational safety and health hazards, risks and social protection;
- 22
- 23 j) Support organizing activities among WIE;
- 24
- 25 k) Establish sex-disaggregated databank on human resources and skills registry to be
- 26 used as tools for LGU planning and budgeting;
- 27
- 28 l) Provide offices and other necessary resources to support organizing, advocacy,
- 29 training and other activities of local organizations of WIE;
- 30
- 31 m) Conduct specialized training such as negotiation skills and conduct of time and
- 32 motion studies to determine proper wages;
- 33

1 n) Provide services, which shall include but not be limited to counseling,  
2 conciliation, mediation, and legal assistance for the furtherance of this Act,  
3 prioritizing those with the least access to justice; and  
4

5 o) Ensure that the LGU is capacitated to undertake and implement rights-based and  
6 gender-responsive programs for WIE.  
7

8 The local government shall encourage organization of economic units and set  
9 respective rules and regulations towards smooth interventions to support MSME and informal  
10 enterprise development towards transitioning to formality  
11

12 In the performance of WIELDO's functions, the principle of preferential treatment to  
13 the poorest and most vulnerable shall be observed.  
14

15 **SEC. 43. Composition.** – The Local Chief Executives (LCEs) shall be the primary  
16 overseers of WIELDO's operations. The IRR of this Act shall provide for WIELDO's  
17 composition: *Provided* that, informal workers' representatives shall form at least fifty percent  
18 (50%) of WIELDO's membership. *Provided further*, that IE representatives shall not be less  
19 than five (5), and *Provided finally*, that at least forty percent (40%) of all WIELDO's  
20 members are women. Other relevant guidelines on WIELDO's operations shall be included  
21 in the IRR of this Act.  
22

23 **SEC. 44. Local Government Unit Informal Economy Development Fund (LGU-**  
24 **IEDF).** – An Informal Economy Development Fund shall be established by every  
25 municipality and city. Such fund will be supervised and managed by the concerned LGU  
26 through the WIELDO but subject to audit by the Commission on Audit (COA).  
27

28 For the establishment and initial operations of WIELDO, each LGU shall allocate at  
29 least three per cent (3%) of their twenty percent (20%) Development Fund from their IRA.  
30

31 Thereafter, the LGU-IEDF shall be funded using:  
32



1 a) Registration fees and annual dues paid by individual workers in the informal  
2 economy, their livelihood activities, and organizations and associations as  
3 provided for by Sections 6 and 7 of this Act;

4  
5 b) Shares from the 70% of the at least 10% funds from the Annual General  
6 Appropriations Act as provided for by Chapter VII, Section 29 (a) and (b) of this  
7 Act; and

8  
9 c) Annual allocations from LGUs Development Fund the percentage of which shall  
10 be determined by LGUs.

11  
12 Following the principle of merit and equity, LGUs that fulfill such allocations may  
13 receive additional assistance from the national government as recommended by IEDC;  
14 provided, that they have formulated their local development plan for WIE.

15  
16 **SEC. 45. *Additional Sources of Funds.*** – The following may tapped by LGUs as  
17 additional sources of funds for WIELDO initiatives:

18  
19 a) At least fifty percent (50%) of fees and annual dues collected from small transport  
20 for programs for workers in the small transport industry;

21  
22 b) At least fifty percent (50%) of collected fees and annual dues from business  
23 establishments and entrepreneurs falling under the category of informal sector for  
24 programs focusing on micro-entrepreneurs and their workers;

25  
26 c) At least fifty percent (50%) of collected fees and annual dues from small vendors  
27 for programs focusing on vendors;

28  
29 d) At least fifty percent (50%) of fees and annual dues collected from marginalized  
30 fisherfolks – for programs focusing on fisherfolk; and

31  
32 e) At least ten percent (10%) of funds from the Philippine Amusement and Gaming  
33 Corporation (PAGCOR) and Philippine Charity and Sweepstakes Office (PCSO).

1 TITLE II  
2 EMPLOYMENT OF WORKERS IN INFORMAL ECONOMY  
3

4 Chapter I  
5 Requisites for Employment Agreement  
6

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

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

16 For workers engaged by independent informal economic enterprises, DOLE, in  
17 coordination with IEDA shall audit the capacity of these enterprises to comply with these  
18 standards. Those incapable of meeting the standards shall be assisted to upgrade their  
19 capacity to improve their businesses, as well as the capacity comply with relevant labor and  
20 social standards.  
21

22 SEC. 47. *Provisions of Employment Agreement.* – The employment contract shall be  
23 in written form. However, the absence of a written agreement does not mean the absence of  
24 an employment relationship. As a matter of right, WIE can insist on a written agreement  
25 based on minimum standards  
26

27 In cases wherein minors are contracted with, the said negotiated contract shall be  
28 signed on his/her behalf by either parent or legal guardian, with the expressed written consent  
29 of the said minor.  
30

31 In cases wherein illiterate workers are contracted with, the said contract shall be  
32 explained to the worker concerned and attested to by a representative from the LGU or an  
33 elected Barangay official in the city or municipality where the worker is designated to work.  
34



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

- 3
- 4 a) Working arrangement/mode;
- 5
- 6 b) Period/duration of employment;
- 7
- 8 c) Compensation, which shall not be below the minimum standard, and mode of
- 9 payment;
- 10
- 11 d) Computation of contributions for social security and medical insurance including
- 12 for those who fall under DOLE Department Order No. 5;
- 13
- 14 e) Duties and responsibilities;
- 15
- 16 f) Working hours and day-off schedules;
- 17
- 18 g) Living quarters or sleeping arrangements (for live-in workers);
- 19
- 20 h) The date, term and mode of delivery or date of completion;
- 21
- 22 i) A minimum of twenty percent (20%) down payment for labor cost and services
- 23 and minimum of 50% for inventory of raw materials used in the production for
- 24 homeworkers per DOLE Order No.5.
- 25

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

32  
33 Enforcement of the standard compensation rates shall be in accordance with the  
34 capability to comply as explained in Section 40 of this Act.

1  
2       **SEC. 48. *Payment of Wages.*** – Payment derived from negotiated agreement shall be  
3 made directly to the workers. No deductions from such payments shall be made by the  
4 employer except those provided for by law. The expressed written consent of the worker shall  
5 be first secured before deductions are made.  
6

7       No parent, guardian, relative or any other person shall be allowed to take a loan  
8 against the compensation of his or her relative-worker without the express written consent of  
9 the concerned worker. Neither shall a worker of minor age be mandated to work in payment  
10 of loan or liability incurred by a parent, guardian, relative, or any other person.  
11

12                               **Chapter II**  
13                               **IE Workers of Minor Age**  
14

15       **SEC. 49. *Allowable Employment of Workers of Minor Age.*** – Children fifteen (15)  
16 years but below eighteen (18) years of age may be employed; provided, that parental or legal  
17 guardian consent is presented and attested to by any representative of the LGU or duly  
18 elected Barangay official where the work is to be done. In no instance however, shall children  
19 below fifteen (15) years old be engaged in whatever form of productive services.  
20

21       Further, workers of minor age shall not be allowed to render work for more than four  
22 (4) hours, five (5) days a week, exclusive of one (1) hour break for breakfast or lunch  
23 whichever is applicable.  
24

25                               **TITLE III**  
26                               **FINAL PROVISIONS**  
27

28       **SEC. 50. *Penalties.*** –  
29

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



1  
2 b) If the offender is a public official, the Court, in addition to the penalties provided in  
3 the preceding paragraph, may impose the additional penalty of disqualification  
4 from public office.

5  
6 c) Any person who violates Section 26 of this Act (Policy on Confiscation of Materials  
7 and Impounding of Vehicles) shall be liable. Nothing herein shall prohibit the  
8 aggrieved WIE from initiating a criminal or civil action against the responsible  
9 person or officer applicability.

10  
11 d) Failure to implement Sections 27 and 28 of this Act (Policy on Relocation of Vending  
12 Sites and Policy on Relocation of Terminals) shall render the responsible official/s  
13 administratively liable pursuant to Republic Act 7160 and other pertinent laws and  
14 criminally liable whenever applicable.

15  
16 e) In the case of a private institution/company found to be violating any provision of this  
17 Act, it shall be subject to additional penalty ranging from suspension or revocation  
18 of business license at the discretion of the Court.

19  
20 **SEC. 51. *Implementing Rules and Regulations (IRR).*** – The Implementing Rules and  
21 Regulations (IRR) of this Act shall be formulated by a drafting committee composed of  
22 representatives of offices that will be members of IEDA and WIE organizations provided  
23 that, at least 30% of the drafting committee members shall come from the latter and provided  
24 further that at least 30% of committee members are women. Said committee will start work  
25 on the IRR within three (3) months after the effectivity of this Act and finish within six (6)  
26 months thereafter.

27  
28 **SEC. 52. *Separability Clause.*** – If any provision of this Act is declared  
29 unconstitutional or invalid, the provisions not affected shall continue to be in full force and  
30 effect.

31  
32 **SEC. 53. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations or other  
33 issuances inconsistent with the provisions of this Act are hereby repealed, amended or  
34 modified accordingly.

1  
2           **SEC. 54. Effectivity.** – This Act shall take effect fifteen (15) days after its publication  
3 in at least two (2) newspapers of general circulation or the Official Gazette, whichever comes  
4 first.

5  
6           *Approved,*