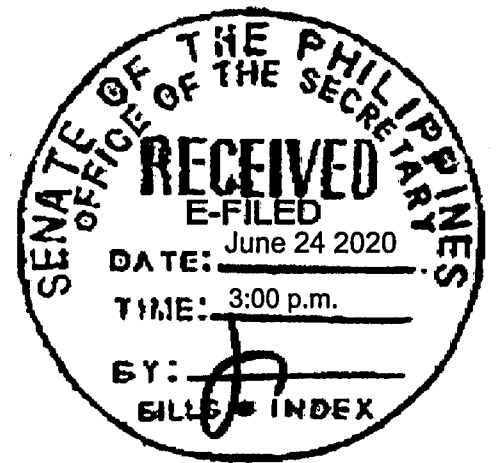


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE
S. B. No. 1636

Introduced by Senator SONNY ANGARA

AN ACT
INSTITUTIONALIZING THE REGISTRATION AND THE NATIONAL
DATABASE OF WORKERS, ECONOMIC UNITS, AND ORGANIZATIONS OR
ASSOCIATIONS IN THE INFORMAL ECONOMY AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The COVID-19 pandemic has been described by the Food and Agriculture Organization of the United Nations (FAO) as a major economic and labor market shock for the informal sector.¹ Restrictions to movement and community quarantines that have been enforced in almost all states around the world, including here in the Philippines, caused loss of jobs and livelihood for many informal workers and enterprises as it halted everyday activities that this vulnerable group earns from.

The informal economy comprises numerous activities, which include, among others, home-based workers, vendors, small transport operators, small and landless farmers, artisanal fisherfolk, non-corporate construction workers, waste pickers and recyclers, small-scale miners and quarry workers, entertainers, laundry persons, hairdressers, on-call domestic helpers, barangay health workers and other volunteer workers.

Workers in the informal economy are reported to be no less than 10.5 Million in the 2008 Informal Sector Survey², with later estimates indicating an increase to 15.6 Million³ last 2017. More than mere figures, these numbers represent actual individuals who perform day-to-day tasks that are essential but without tenure or specific employment terms.

¹ Food and Agriculture Organization of the United Nations (FAO), 7 April 2020. *Impact of COVID-19 on Informal Workers*.

² Philippine Statistics Authority, 2009. *Informal Sector Operators Counted at 10.5 Million (Results from the 2008 Informal Sector Survey)*.

³ Rappler, 2017. *Fast Facts: What you need to know about PH's Informal sector workers*.

Amid the pandemic, affected workers have been receiving subsidies and have been covered by other assistance programs of the government. However, informal economy workers and enterprises are often absent in official statistics. Groups such as the Alliance of Workers in the Informal Economy/Sector (ALLWIES) raised that there are varying interpretations among LGUs as to who are covered in the informal sector. Further, government agencies noted that there incomplete or differing data on the sector.

The International Labour Organization (ILO) reported the problematic situation as public authorities are struggling to identify and to reach these workers and enterprises who are mostly unregistered.⁴ The availability of comprehensive data on this vulnerable group would provide government agencies a clearer picture of their needs and concerns and better targeted assistance programs, particularly in times of crisis.

Therefore, it is only proper to institutionalize a registry to extensively determine workers and enterprises in the informal economy. The proposed measure mandates a standard registration scheme at the local level for informal sector workers, economic units, and organizations or associations that shall then be consolidated in a national database to serve as the basis of the State in assessing the growth of the sector and in creating initiatives for the informal economy.

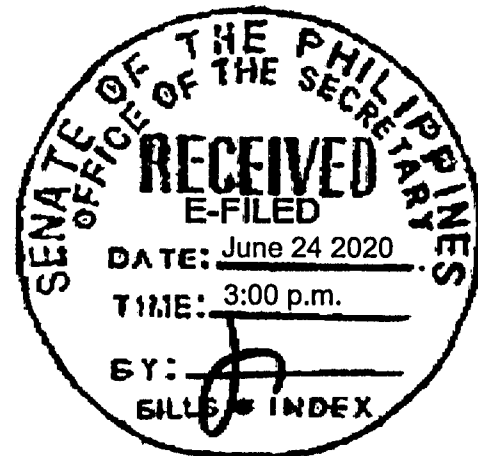
In view of the foregoing, the approval of this measure is earnestly sought.



SONNY ANGARA

⁴ International Labour Organization (ILO), May 2020. *COVID-19 Crisis and the Informal Economy*.

EIGHTEENTH CONGRESS OF THE)
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*Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:*

1 **Section. 1. Title.** – This Act shall be known as the "*Informal Economy*
2 *Registration and National Database Act.*"

3 **Sec. 2. Declaration of Policy.** – It is the policy of the State to promote a
4 just and dynamic social order that shall ensure the prosperity and independence of
5 the nation and free the people from poverty through policies that provide adequate
6 social services, promote decent, environmentally sound and full employment, a
7 rising standard of living, and an improved quality of life for all.

8 Towards this end, the State shall establish a national registry necessary to
9 identify individuals who contribute to nation-building, but are outside the bounds of
10 formal employment. This registration and database system would help establish an
11 integrated and coherent policy, at all levels of government, of formalization of
12 informal economic workers and make them visible in all relevant national and local
13 statistics.

1 **Sec. 3. Coverage.** – This Act shall apply to all workers and economic units,
2 including enterprises, entrepreneurs and households in the informal economy, in
3 particular:

- 4 a) Those in the informal economy who own and operate economic units,
5 including self-employed workers, self-employed own-account workers,
6 employers, members of cooperatives, and members of other social and
7 solidarity economy units;
- 8 b) Home-based workers or contributing family workers, irrespective of
9 whether they work in economic units in the formal or informal economy;
- 10 c) Employees holding informal jobs in or for formal enterprises, or for
11 economic units in the informal economy, including those in contract
12 arrangement and/or in supply chains, or as paid domestic workers
13 employed by households;
- 14 d) Workers in unrecognized or unregulated employment relationships;
- 15 e) Agricultural workers or fisherfolk in unrecognized or unregulated
16 agricultural or farming endeavors and fishing activities; and
- 17 f) Non-regular domestic workers.

18 **Sec. 4. Definition of Terms.** – As used in this Act, the following terms shall
19 mean:

- 20 a) *Informal Economy* – refers to all economic activity by workers and
21 economic units that are, in law or in practice, not covered or insufficiently
22 covered by laws or formal arrangements.
- 23 b) *Informal Economic Units* – refer to units that are owned by individuals
24 working on their own account either alone or with the help or contributing

1 family workers; household enterprises engaged in the production of goods
2 and services or unincorporated enterprises owned by households;
3 cooperatives and other social and solidarity economy units.

4 c) *Informal Economy Workers' Organization* – refers to a group of informal
5 sector workers that are organized with the primary objective of promoting
6 the rights and welfare of workers in the informal economy.

7 d) *Informal Employment* – refers to an employment arrangement in the
8 formal or informal sectors or in households that exist based mostly on
9 casual employment, kinship or personal and social relations with no formal
10 guarantees on legal protection and benefits economic units that are
11 unregistered, unlicensed, and unregulated.

12 e) *Own-account worker* – refers to workers who, working on their own
13 account or with one or more partners, hold the type of job defined as a
14 self-employed job, and have not engaged on a continuous basis any
15 employees to work for them during the reference period.

16 f) *Social and Solidarity Economy Units* – refer to enterprises and
17 organizations including cooperatives as defined under Republic Act No.
18 9520 (Philippine Cooperative Code of 2008), mutual benefit societies,
19 associations, foundations and social enterprises which produce goods,
20 services and knowledge that meet the needs of the community they serve,
21 through the pursuit of specific social and environmental objectives and the
22 fostering of solidarity.

23 **Sec. 5. Registration.** – Pursuant to its functions under Republic Act 7160
24 (Local Government Code of 1991) as amended, the Local Development Council,

1 through its Secretariat or through the creation of a sectoral or functional committee,
2 shall establish a system of registration of workers of the informal economy. The
3 system shall be as follows:

4 a) *Workers* – There shall be a simple and standard system of registration in
5 accordance with the principles of this Act. Any Informal Economy worker
6 registered in the local government provided for in this Act shall be listed
7 in a local database and shall be issued an identification card and a record
8 book that shall list all services and benefits availed of. These also signify
9 eligibility to avail of other assistance and development programs:
10 *Provided,* That the poorest and the most vulnerable workers shall be
11 given priority, including workers who are severely and directly affected by
12 a national emergency.

13 The concerned local government unit (LGU) shall review, revalidate and
14 reassess such local database as a tool for planning and for other purposes
15 every two (2) years. Renewal of eligibility shall be in accordance with the
16 merit and fitness principle, and with the conditions that no child labor
17 shall be used and no activities harmful to the environment shall be
18 implemented.

19 b) *Informal Economic Unit* – A local comprehensive database of all
20 economic units shall be developed and maintained. Such database shall
21 take into account the different sub-classifications in terms of asset size,
22 number of workers, social insurance provided, statutory benefits and
23 wages, industry, geography, premises, sex, ethnicity, vulnerability, and
24 roles and functions. Moreover, the local database shall include information

1 on payments collected by the LGU from Informal Economy workers,
2 organizations, and economic units.
3 All local government units shall formulate a uniform and simple checklist
4 of requirements for registration, and establish an Informal Economy One-
5 Stop Shop Center or designate an existing office that shall handle all
6 transactions and processing of business permit applications within their
7 respective jurisdiction and worker's registration. The Center or the
8 designated office shall ensure that the processing of relevant permits and
9 licenses of the Informal Economic Units shall comply with Republic Act
10 No. 11032 (Ease of Doing Business and Efficient Government Service
11 Delivery Act of 2018).

12 c) *Informal Economy Organizations or Associations (IEOA)* – IEOAs shall
13 register with the Department of Labor and Employment (DOLE). The
14 DOLE shall create a checklist of requirements for registration.

15 **Sec. 6. *National Database of the Informal Economy.*** – The DOLE, in
16 coordination with National Economic Development Authority (NEDA), shall establish
17 and maintain a National Database of workers, economic units, and organizations or
18 associations of the Informal Economy. The information in the National Database
19 shall primarily be the registration data collected by the LGUs through their Local
20 Development Councils: *Provided,* That the Department of Interior and Local
21 Government (DILG) shall issue necessary orders and guidelines for the proper
22 consolidation of registration data from local databases.

1 The National Database shall serve as the official registry and basis of national
2 government agencies and government financial institutions for plans, programs,
3 projects, and activities related to the Informal Economy.

4 **Sec. 7. *Assessment and Monitoring of Growth.*** – Every three (3) years
5 after the effectivity of this Act, the DOLE, in coordination with the NEDA, shall
6 publish a report on the status and growth of employment and business activities or
7 enterprises in the Informal Economy. The National Database referred to in this Act
8 shall be the basis of the assessment and monitoring.

9 **Sec. 8. *Implementing Rules and Regulations.*** – The DOLE, DILG, and
10 NEDA, in coordination with other concerned agencies and stakeholders, shall
11 formulate the implementing rules and regulations within 180 days from the
12 effectivity of this Act.

13 **Sec. 9. *Separability Clause.*** – If any portion or provision of this Act is
14 subsequently declared invalid or unconstitutional, other provisions hereof which are
15 not affected thereby shall remain in full force and effect.

16 **Sec. 10. *Repealing Clause.*** – All other laws, acts, presidential decrees,
17 executive orders, presidential proclamations, issuances, rules and regulations, or
18 parts thereof which are contrary to or inconsistent with any of the provisions of this
19 Act are hereby repealed, amended, or modified accordingly.

20 **Sec. 11. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
21 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,