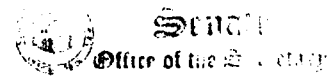
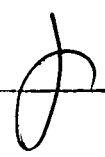


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



23 NOV -8 P 6 :45

SENATE
S. B. No. 2478

RECEIVED BY. 

Introduced by Senator Joseph Victor G. Ejercito

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

EXPLANATORY NOTE

This bill intends to provide a holistic and comprehensive policy to help and empower the people in the marginalized sector and those workers whose employment are considered informal and in need of an opportunity to be included into the mainstream of the Philippine economy.

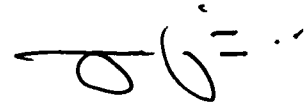
This is the output of a collaborative advocacy efforts which involves various informal workers groups, women groups, and other stakeholders who wish to be able to include them in the economic affairs of the country.

Majority of the informal workers do not benefit from any laws such as the Labor Code that could protect their benefits and other rights, which are being afforded to those who are employed in companies or institutions. Despite this, workers from the informal sector are the ones being exploited and abused by unscrupulous employers. Most often than not, they are being demanded to work for longer hours but with low wages and with no benefits.

With consideration of these things mentioned, it is necessary that a Magna Carta for informal workers be presented for deliberation and be approved so that we will be able to support our informal workers. With this proposed bill, our informal

workers will be recognized, protected and be given the rights and opportunities that are due to them.

In view of the foregoing, this representation humbly requests for the early passage of this measure.

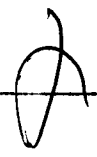
A handwritten signature in black ink, appearing to read 'Joseph Victor G. Ejercito', with a stylized flourish at the end.

JOSEPH VICTOR G. EJERCITO

NINETEENTH CONGRESS OF THE)
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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled.

TITLE I
GENERAL PROVISIONS

Chapter I
Framework and Principles

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

9 Sec. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to:

10 (a) Promote a just and dynamic social order that will ensure that the prosperity
11 and independence of the nation and free the people from poverty through
12 policies that provide adequate social services, promotes decent and full
13 employment, a rising standard of living, and an improved quality of life for
14 all;

15 (b) Protect, promote and fulfil the rights of every worker including the right to
16 self-organization, just and humane conditions of work, access to social
17 protection, access to justice, security of/in the workplaces, and the right to
18 represent their organizations in a continuing process of consultation, in the

1 context of quadpartism towards maximizing the provision of a
2 comprehensive package of reforms, interventions, and services in
3 accordance with their articulated needs and interests;

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

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

12 (e) Establish an integrated and coherent policy at all levels of government of
13 formalization, inclusive development, and greater responsiveness to the
14 needs of the workers and enterprises in the informal economy;

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

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

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

29 *Sec. 3. Framework and Principles.* - Article II, Section 9 of the 1987 Constitution
30 declares, "The State shall promote a just and dynamic social order that will ensure the
31 prosperity and independence of the nation and free the people from poverty through
32 policies that provide adequate social services, promote full employment, a rising

1 standard of living, and an improved quality of life for all." It shall give the highest
2 priority to the enactment of measures that protect and enhance the rights of all people
3 to human dignity; reduce social, economic and political inequalities; lessen
4 vulnerabilities to risks including those brought about by environmental degradation
5 and natural disasters, remove cultural inequities by redistributing wealth and political
6 power for the common good; and to develop an enabling environment conducive to
7 responsible citizenship. Towards this end, in the context of social dialogue, the
8 government at all levels shall formulate and implement coherent and integrated
9 strategies that are rights-based, participatory, gender-responsive and sustainable.
10 These strategies shall also be in accordance with the most relevant and empowering
11 provisions of International Labour Organization (ILO) Recommendation No. 204
12 concerning the Transition from the Informal to the Formal:

- 13 (a) Coherence of policies and programs established for the purpose of bringing
14 vulnerable workers and economic units into the economic and social
15 mainstream, and spur entrepreneurial or growth-oriented informal
16 businesses to graduate to formal status;
- 17 (b) Coordination across a broad range of policy areas in facilitating the
18 transition to the formal economy including pre-employment macro-
19 economic policies and labor market policies to help low-income households,
20 unemployed persons and other disadvantaged persons escape poverty and
21 access employment;
- 22 (c) Structural reforms in all relevant levels of government by creating
23 committees and special offices for the development and protection of
24 workers in the informal economy and supporting their representational,
25 entrepreneurial, and other rights, through their organizations, without being
26 limited to tripartite structures and particular strategies;
- 27 (d) Accessible, affordable and effective promotion of social security, including
28 labor market interventions, occupational safety and health, and the
29 extension of maternity protection to women in the informal economy, social
30 welfare programs and safety nets, disaster risk reduction and management
31 mechanisms, and adaptive measures to respond to climate change;

- 1 (e) Regulated access for use of public spaces and regulated access to public
2 natural resources for subsistence livelihoods through policies, programs and
3 interventions that will ensure the security of workplaces of workers in the
4 informal economic units, including, among others, the "relocation before
5 demolition" of vendors and small transport terminals, towards a work
6 environment that protects their rights and enables them to achieve greater
7 productivity;
- 8 (f) Minimum and simplified regulations to encourage the development of
9 ingenuity and entrepreneurial spirit among workers in the informal economy
10 including property rights;
- 11 (g) Preservation and expansion, during the transition to the formal economy,
12 of the entrepreneurial potential, dynamism, skills and innovative capacities
13 of workers and economic units in the informal economy;
- 14 (h) A balanced approach combining incentives with compliance;
- 15 (i) The need to prevent deliberate avoidance of, or exit from, the formal
16 economy for the purpose of evading taxation or the application of social
17 and labor laws and regulations;
- 18 (j) Tax reforms based on net income for informal economic units and
19 application of tax laws or incentives for the informal economy workers
20 currently enjoyed by the formal labor;
- 21 (k) Social Dialogue mechanisms whereby informal workers' organizations will
22 participate and be in tripartite consultation in designing, evaluating, and
23 implementing policies and programs of relevance to the Informal economy;
- 24 (l) Support system to expand market for products, access loans for additional
25 capital requirement and simplify bureaucratic systems and procedures for
26 the Micro, Small and Medium Enterprises (MSMEs);
- 27 (m) Relaxation of the procurement procedures for the contracting micro
28 entrepreneurs of the government;
- 29 (n) Review, amendment and efficient implementation of policies on sub-
30 contracting such as DOLE Department Order No. 5 on Industrial Homework
31 and other relevant policies; and

1 (o) A road map of development for both informal economy workers and
2 economic units shall guide the government in all levels in the context of
3 social dialogue.

4 (p) After formalization, all laws applicable to formal labor and economic units
5 shall apply.

6 *Sec. 4. Scope.* - This Act shall apply to all workers and economic units -
7 including enterprises, entrepreneurs and households - in the informal economy, in
8 particular:

9 (a) those in the informal economy who own and operate economic units,
10 including:

11 - own-account workers;

12 - employers; and

13 - members of cooperatives and of social and solidarity economy
14 units

15 (b) contributing family workers, irrespective of whether they work in economic
16 units in the formal or informal economy;

17 (c) employees holding informal jobs in or for formal enterprises, or in or for
18 economic units in the informal economy, including but not limited to those
19 in subcontracting and in supply chains, or as paid domestic workers
20 employed by households; and

21 (d) workers in unrecognized or unregulated employment relationships.

22 *Sec. 5. Definition of Terms.* - As used in this Act, the following terms shall
23 mean:

24 (a) *Basic sectors* refer to the disadvantaged sectors of Philippine society,
25 namely: farmer-peasant, artisanal fisher folk, workers in the formal sector
26 and migrant workers, workers in the informal sector, indigenous peoples
27 and cultural communities, women, differently-abled persons, senior
28 citizens, victims of calamities and disasters, youth and students, children,
29 and urban poor;

30 (b) *Community Contracting* refers to the process of concluding an agreement
31 between a community and a contracting authority, whereby the

- 1 community (or a section thereof) is responsible for the implementation of
2 the work, and therefore, functions as a contractor;
- 3 (c) *Daily Basis* refers to the per day mode of paying a worker, as bilaterally
4 agreed upon by the employer and worker;
- 5 (d) *Hazardous Work Conditions* refer to any activity or circumstance where a
6 worker is exposed to any risk which constitutes imminent danger to his or
7 her health or safety. This includes potential risks of disability, injury, illness
8 or death due to the presence of biologic agents, radiation, chemicals,
9 substances, hazardous materials; physical hazards in the work
10 environment; or the nature of work, processes performed, or equipment
11 used therein;
- 12 (e) *Informal Economy* - based on the ILO Recommendation No. 204
13 concerning the Transition from the Informal to the Formal, adopted during
14 the 104th International Labour Conference (ILC) in June, 2015 this refers
15 to "all economic activities by workers and economic units that are - in law
16 or in practice - not covered or insufficiently covered by formal
17 arrangements";
- 18 (e-1) *Economic Units* in the informal economy include:
- 19 - units that employ hired labour;
- 20 - units that are owned by individuals working on their own
21 account, either alone or with the help of contributing family
22 workers; and, 18 -cooperatives and social and solidarity
23 economy units;
- 24 - informal work that may be found across all sectors of the
25 economy, in both public and private spaces
- 26 (f) *Informal Economy Workers' Organization* refers to a group or groups of
27 informal sector workers, whether formally constituted or otherwise, that
28 are organized with the primary objective of promoting the welfare of
29 workers in informal economy;
- 30 (g) *Monthly Basis* refers to the per month mode of paying a worker as
31 bilaterally agreed upon by the employer and worker;

- 1 (h) *Pakyaw Basis* refers to the pre-contracted wholesale mode of paying a
2 worker as bilaterally agreed upon by the employer and worker;
- 3 (i) *Piece rate* refers to payment of products or services by piece of work or
4 by service rendered;
- 5 (j) *Security of/in the Workplace* refers to the right of every worker and
6 informal economic units to an enabling environment that guarantees and
7 protects the spaces to undertake their work, including the right to feel
8 safe in one's own work space, legal security of tenure and freedom from
9 discrimination, risk, danger, doubt, anxiety, or fear of being removed,
10 evicted or prevented from working;
- 11 (k) *Social Protection* refers to policies, programs, and all other interventions
12 that support communities, households and individuals, both women and
13 men, and aimed at: reducing poverty through the promotion and
14 sustenance of livelihood and employment; preventing, managing and
15 overcoming risks and vulnerabilities throughout their life cycle, like
16 protection against hazards and sudden loss of income; and realizing their
17 rights as citizens through their full participation in decision-making
18 affecting or may affect their access to and control over resources
19 necessary to maintain and sustain a decent and secure life.
- 20 Social protection schemes shall include labor market interventions,
21 social insurance, social welfare, safety nets, disaster risk reduction and
22 management mechanisms, adaptive measures in the context of climate
23 change, affordable housing and other provisions necessary for vulnerable
24 groups to adequately address and manage risks;
- 25 (l) *Working Hours* refer to the period of time within which a worker is required
26 to be on call to perform any and all tasks that may be designated,
27 regardless of whether there are actual tasks being undertaken; and
- 28 (m) *Volunteer workers of government instrumentalities* refer to workers in
29 government instrumentalities receive allowances or honoraria. These
30 include but are not limited to: barangay health workers (BHW), barangay
31 tanod, barangay nutrition scholars (BNS), barangay daycare workers,
32 enumerators, and among others.

1 **Chapter II**
2 **Coverage, Registration and Annual Dues**
3

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

7 *Sec. 7. Registration.* -

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

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

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

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

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

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 shall
3 handle all transactions and processing of business permit applications within their
4 respective jurisdiction and worker's registration. The Center shall ensure that
5 processing of the business permit of the informal economic units shall be expedited
6 within one day. The P150,000.00 asset size shall be given an affordable business
7 registration (Mayor's Permit) of P500.00 renewable annually until three (3) years of
8 operation after which, shall be subject to the regular business permit requirements of
9 the local government. The BIR shall also exempt from sales tax for the same period
10 of three (3) years the said asset size of economic unit renewable annually.

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

13 *Sec. 8. Annual Dues.* - IE workers and organizations shall pay annual dues to
14 be determined by the Local Government Unit (LGU) concerned, in consultation with
15 their respective Workers in Informal Economy Local Development Office (WIELDO)
16 referred to in Title I, Chapter IX of this Act. In no case shall the annual dues to be
17 paid by IE workers be more than 30% of the prescribed daily minimum wage as
18 determined by the Regional Tripartite Wages and Productivity Board (RTWPB) in their
19 respective regions or provinces.

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

26
27 **Chapter III**
28 **RIGHTS AND BENEFITS**
29

30 *Sec. 9.* Workers in the informal economy shall have the same basic rights
31 accorded to all workers, as enshrined in the Philippine Constitution, the Labor Code,
32 as amended, and relevant international human rights instruments and labor
33 Conventions. These include, but are not limited to the rights to:

- 1 (a) Work, which includes the rights to: security of/in the workplace; make a
2 living by work freely chosen or accepted; and avail of technical and
3 vocational guidance and training programs;
- 4 (b) Enjoyment of just and favorable conditions of work;
- 5 (c) A living wage and equal remuneration for work of equal value without
6 distinction of any kind, in particular for women who shall be guaranteed
7 equal wages for work similar or equivalent to those done by men;
- 8 (d) Equal opportunity for promotion, subject to no other considerations than
9 seniority and competence;
- 10 (e) Safe and healthy working conditions safeguarding general, occupational and
11 reproductive health;
- 12 (f) Access to basic services including but not limited to affordable medical care,
13 reproductive and other health services, low-cost housing, water, sanitation,
14 electricity and transport;
- 15 (g) Rest, leisure and reasonable limitation of working hours, and periodic
16 holidays with pay, as well as remuneration for public holidays whenever
17 applicable;
- 18 (h) Maternity and paternity benefits, as provided for by law;
- 19 (i) Equal access to education, skills training, and economic resources to
20 develop self-reliance, especially of children and young persons, without any
21 discrimination;
- 22 (j) Self-organization to collectively negotiate with government and other
23 entities in the promotion of their welfare and advancement of their interests,
24 free from any political interference;
- 25 (k) An adequate standard of living for workers and their families, adequate
26 food, clothing, and shelter, and the continuous improvement of such
27 standard;
- 28 (l) Freedom from any form of discrimination, violence, exploitation including
29 sexual exploitation, harassment, abuse, and any form of inhumane
30 treatment which debases, degrades or demeans the intrinsic worth and
31 dignity of the worker as a human being;

1 (m) Accessible social protection, comprising mainly of, but not limited to labor
2 market programs, social security, health care and insurance, and social
3 welfare interventions;

4 (n) Equal treatment before the law;

5 (o) Substantial participation in policy and decision-making processes, including
6 access to information and other resources relevant to the protection of their
7 rights and welfare through organizations that truly represent the sector;

8 (p) Equal access to justice through appropriate mechanisms, including, but not
9 limited to, alternative dispute resolution processes; and

10 (q) Access to public procurement including advice and reserving quotas for
11 informal economic units.

12 Sec. 10. Own-account workers as well as informal economic units, being the
13 working poor's primary instruments to address and overcome poverty, shall be
14 accorded the following preferential rights by the State:

15 (a) Infrastructure support such as farm to market roads, common, affordable
16 and secure workplaces and facilities, merchandising centers, farmers'
17 markets or a *Bagsakan* with proper storage facilities, and inventory bulk-
18 buying centers;

19 (b) Policy support to promote and protect local and domestically-produced
20 products and services;

21 (c) Access to markets, including capacity-building to access E-marketing
22 facilities;

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

25 (e) Access to appropriate and adequate machinery, equipment, and other
26 technologies, with the end in view of increasing productivity and growth;

27 (f) Protection from unjust dislocation from places where economic activities are
28 conducted with the "provision of relocation before demolition policies".

29 (g) Measures against racketeering, extortion, and harassment, by both State
30 and non-State elements;

- 1 (h) Fiscal relief, including among others exemption from taxes, fees and other
2 assessments, to be put into place by concerned national agencies and local
3 government units sixty (60) days after the effectivity of this Act;
- 4 (i) Common workplaces, common technology facilities, adequate and
5 affordable marketing facilities such as economic freedom parks,
6 merchandising centers, and inventory bulk-buying centers;
- 7 (j) Freedom from deprivation of property without valid cause and due process
8 of law; and,
- 9 (k) Affordable and customized social security and insurance programs.

10 Sec. 11. Organizations of workers in informal employment, including unions,
11 cooperatives, social and solidarity economic units/organizations and mutual benefit
12 associations, shall have the right to:

- 13 a) Freely function and act as the representatives of their members in policy
14 and decision-making processes, collective negotiations, and other similar
15 bodies and processes in the context of tripartism and multi-sector;
- 16 b) Establish national federations or confederations and to protect the right of
17 the latter to form or join local unions and international trade-union
18 organizations;
- 19 c) Access information from concerned government institutions and other
20 parties that are pertinent to the protection and promotion of the rights and
21 welfare of their members;
- 22 d) Own property, real or personal, for the use and benefit of their organizations
23 and members;
- 24 e) Sue and be sued under their registered names;
- 25 f) Undertake all other activities, not contrary to law, designed to benefit their
26 organizations and members; and
- 27 g) Be accorded preferential option in the awarding of contracts for the
28 undertaking of national and local projects funded by either the National or
29 local government units including foreign-assisted projects. Guidelines for
30 this shall be included in the Implementing Rules and Regulations of this Act.

31 Notwithstanding any provision of a general or special law to the contrary, the
32 income and properties of legitimate workers' organizations, including grants,

1 endowments, gifts, donations and contributions they may receive from fraternal and
 2 similar organizations, local or foreign, which are actually, directly and exclusively used
 3 for their lawful purposes, shall be free from taxes, duties and other assessments. The
 4 exemptions provided herein may be withdrawn only by a special law expressly
 5 repealing this provision.

6 *Sec. 12. Organizing Workers in Informal Economy.* - WIE shall be encouraged
 7 to organize themselves for their mutual benefit and protection, and for other legitimate
 8 purposes. Toward this end, the State shall encourage and assist these workers in the
 9 formation of their self-help organizations, associations, federations, and
 10 confederations.

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

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

17 *Sec. 13. Assistance to Organizations of Workers in the Informal Economy.* - All
 18 concerned national government agencies, government financial institutions and local
 19 government units shall include in their plans, programs, projects and activities efforts
 20 that will support and address concerns of organizations of WIE.

21 *Sec. 14. Monitoring of Growth.* - The local government units (LGUs) shall
 22 supervise the Workers in Informal Economy Local Development Office (WIELDO) as
 23 created by Chapter IX of this Act, and monitor the growth of informal employment
 24 business activities or enterprises, three (3) years after the enactment of this Act, and
 25 every three (3) years thereafter. The centralized database referred to in Section 7
 26 shall be the basis of this monitoring.

27
 28 **Chapter IV**
 29 **Prohibited Acts Concerning Engagement of Workers**
 30 **in the Informal Economy**
 31

32 *Sec. 15. Prohibition Against Recruitment or Finders' Fees.* - Regardless of
 33 whether the worker was sourced either through an employment agency or a third

1 party, WIE shall neither be charged nor levied a recruitment fee or finders' fee by the
2 aforementioned employment agency or third party.

3 *Sec. 16. Prohibition Against Hazardous Work and Conditions.* - Workers shall
4 not be engaged to do hazardous work, activity or undertaking, or be exposed to
5 hazardous working conditions.

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

8 (a) Any work which requires workers to render services beyond eight (8) hours
9 without commensurate compensation;

10 (b) Any work or activity which exposes the worker to physical, emotional or
11 sexual abuse or threat of such abuse;

12 (c) Any work which involves manual handling or transport of heavy loads;

13 (d) Any work in an unhealthy environment which exposes workers to hazardous
14 substances, agents or processes, or to temperature, noise levels, or
15 vibrations damaging or potentially damaging to their health;

16 (e) Any work which requires workers to continuously render service during late
17 nights;

18 (f) Any and all forms of slavery or practices similar to slavery, such as the sale
19 and trafficking of persons, forced or compulsory labor, debt bondage and
20 serfdom;

21 (g) Any use, procuring or offering of the worker for prostitution or pornography;

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

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

28 (j) Any other type of work, activity, condition or undertaking that maybe
29 hereinafter be defined as hazardous by the Department of Labor and
30 Employment.

31 *Sec. 17. Prohibition Against Interference and Coercion.* - Any person is
32 prohibited from committing any of the following acts of interference and coercion:

- 1 (a) Preventing any worker from upholding or exercising his/her rights;
2 (b) Preventing any worker from joining or assisting organizations for purposes
3 not contrary to law;
4 (c) Preventing any worker from carrying out his/her duties or functions in an
5 organization, or to penalize the same for any lawful action performed in that
6 capacity;
7 (d) Harassing, threatening, coercing or intimidating any worker that result in
8 preventing him or her from performing his or her duties and functions;
9 (e) Transferring, penalizing or terminating the services of a worker without valid
10 or legal ground; and
11 (f) Other acts calculated to diminish the independence and freedom of workers'
12 organization to direct its own affairs.

13
14 **Chapter V**
15 **SOCIAL PROTECTION**
16

17 *Sec. 18. Labor Market Programs.* - The State shall provide adequate resources
18 to sustain labor market programs following decent work standards, including
19 emergency and guaranteed employment schemes, to ensure livelihood security and
20 prevent or mitigate the effects of sudden loss of income in the context of sustainable
21 development and developing local economies in both rural and urban areas.

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

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

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

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

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

11 *Sec. 19. Social Security.* - In the interest of equity, the State shall endeavor to
12 extend social security protection to all workers and their beneficiaries against the
13 hazards of disability, sickness, maternity, old age, death, unemployment, and other
14 contingencies resulting in loss of income or financial burdens. The State also,
15 recognizing the intermittent nature of job and income in the informal economy, shall
16 subsidize the contributions of the workers in the informal economy.

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

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

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

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

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

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

15 *Sec. 20. Social Security for Volunteers of Government Instrumentalities.* -
16 Volunteer workers of government instrumentalities as defined of this Act, shall be
17 covered by the Government Service Insurance System (GSIS) and be entitled to at
18 least a minimum package of customized products, services and benefits to be designed
19 with their participation and with adequate government subsidy.

20 *Sec. 21. Universal Health Care.* -The Philippine Health Insurance Corporation
21 (PhilHealth) shall ensure and substantiate universal, actual, active, and up to date
22 coverage of workers in the informal economy, through the effective implementation
23 of Republic Act No. 11223, or the Universal Healthcare Law, which mandates the
24 coverage of every Filipino citizen to the National Health Insurance Program (NHIP).

25 In compliance with Republic Act No. 11223, PhilHealth shall ensure the
26 provision of a minimum benefit package which shall be periodically upgraded to meet
27 the goal of universal coverage which is affordable, accessible and appropriate to the
28 needs of all.

29 Further, PhilHealth shall immediately extend its services to underserved
30 areas by facilitating and accelerating accreditation of hospitals and clinics, and by
31 ensuring that these service providers remain viable through immediate
32 reimbursement.

1 These shall include the provision of service by duly-accredited and adequately-
2 furnished health facilities, with appropriately-educated and rationally-compensated
3 health personnel, to underserved areas up to the barangay level.

4 Sec. 22. The State shall encourage provision of and access to affordable quality
5 childcare and other care services in order to promote gender equality
6 in entrepreneurship and employment opportunities and to enable the transition to
7 formal economy.

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

13
14 **CHAPTER VI**
15 **Security in the Workplace of Workers in Informal Employment**
16

17 Sec. 24. *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
21 transport workers; and design a system of assigning these to accredited informal
22 workers. These may include markets and vacant areas near markets, vacant public
23 spaces and other spaces which may be designated as allowable workplaces for
24 informal workers.

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

29 The LGUs, within 60 days from the effectivity of this Act, shall conduct a survey
30 to identify viable vacant areas suitable for routes, terminals, lanes, productivity and
31 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
3 inhabitants and relevant sectors, pass an ordinance designating such workplaces.

4 *Sec. 25. Protection of Agricultural Lands and their Occupants.* - The LGUs, in
5 coordination with the Department of Agrarian Reform (DAR) shall protect all
6 agricultural lands from conversion or reclassification to non-agricultural uses. Special
7 Economic Zones Sites, Tourist Sites or Socialized Housing Sites shall not be allowed in
8 irrigated and irrigable lands.

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

11 The LGUs shall make an inventory of all agricultural lands under leasehold and
12 shall enforce the security of tenure of tenants, right of redemption and right of first
13 refusal on the subject land. The LGUs shall provide assistance and protection to
14 tenants in agricultural lands whose landowners violate the provisions of R.A. No. 3844
15 or the Agricultural Land Reform Code. Tenants shall not be evicted based on unilateral
16 termination of the tenancy relationship by landowners. establish and create fisher-folk
17 settlement areas on private or public lands, specifically those near the fishing grounds,
18 for municipal fisher-folk with security of tenure.

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

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

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

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

1 *Sec. 27. Policy on Eviction and Demolition.* - WIE shall not be evicted from their
2 homes and workplaces without legal ground as provided for R.A. No. 7279, otherwise
3 known as the "Urban Development and Housing Act of 1992". In cases where eviction
4 or demolition is warranted under Section 28 of R.A. No. 7279, the same shall be
5 conducted upon compliance of the following:

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

1 amount equivalent to the prevailing minimum daily wage multiplied by sixty
2 (60) days shall be extended to the affected families by the local government
3 unit concerned.

4 *Sec. 28. Policy on Confiscation of Materials and Impounding of Vehicles.* - In
5 cases where demolition or eviction is warranted, the person who 20 conducts the same
6 shall issue an itemized receipt of all products, goods, and other materials seized from
7 the affected WIE.

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

13 *Sec. 29. Policy on Relocation of Vending Sites.* - Before any public market is
14 closed, sold or demolished, all market vendors shall first be relocated by the LGU to a
15 temporary or new public market. Notice of the intention to close, sell, or demolish any
16 public market shall be made to all concerned vendors at least sixty (60) days before
17 the actual transfer or relocation to another market site. Within the sixty (60)-day
18 period after issuance of notice, the LGU shall conduct consultations with affected
19 vendors on the selection of the relocation site and implementation of the relocation.

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

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

30 *Sec. 30. Policy on Relocation of Terminals.* - Designated terminals for tricycles
31 and *pedicabs* shall not be arbitrarily relocated without prior notice and consultation
32 with small transport groups, affected community and other relevant sectors. *Provided,*

1 that relocation of terminals can only be effected through an Ordinance. *Provided*
2 *further*, that after the enactment of such ordinance, notice of intention to relocate
3 terminals shall be made to all small transport groups and affected community at least
4 sixty (60) days before the actual relocation.

5 **Chapter VII**
6 **Special Allocations of Development Initiatives**
7

8 *Sec. 31. Special Allocations for Development Initiatives.* - The development
9 initiatives for WIE shall form part of an integrated and convergent plan to address
10 poverty and vulnerability. The national and local government units shall work together
11 in support of such plan to maximize impact of meager resources.

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

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

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

23 *Sec. 32. Sourcing and Adopting Development Initiatives.* - Other sources of
24 funds to be used exclusively for initiatives addressing the needs and empowerment of
25 WIE shall be identified in the IRR of this Act and may include the following:

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

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

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

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

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

24 *Sec. 33. Exclusivity of Government Programs.* - The government shall ensure
25 that programs of financing, grants and other similar incentives meant to benefit WIE
26 shall be exclusively extended to accredited workers, business activities, enterprises or
27 organizations in the informal economy.

28 *Sec. 34. Inclusivity of Benefits.* - The exemptions and other benefits provided
29 in this Act shall apply for a period of not exceeding ten (10) years from the date of
30 accreditation of such IE worker, business activity, enterprise, or organization.

31
32

1 **Chapter VIII**
2 **Informal Economy Development Council (IEDC)**
3

4 *Sec. 35. Creation of the Informal Economy Development Council (IEDC).* - There
5 is hereby created an Informal Economy Development Council, hereinafter referred to
6 as the IEDC, which shall be an agency within the Department of Labor and
7 Employment (DOLE). The DOLE shall institute appropriate reforms within its structure,
8 programming and other processes, including adjusting its human resource capabilities
9 to ensure that WIE-focused programs are efficiently and adequately implemented to
10 address the needs of these workers. Likewise, an inter- agency committee shall be
11 formed to coordinate policies and programs of various government agencies towards
12 the transition of informal economic units to formal.

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

15 *Sec. 36. Mandate and Functions of IEDC.* - The mandate and functions of IEDC
16 shall include the following:

- 17 (a) Develop and ensure implementation of a simple system of registration
18 accreditation for the IE workers, enterprises, and organizations in
19 accordance with the standards and provisions of this Act;
- 20 (b) Provide guidelines for the implementation by LGUs of a fair and credible
21 system of evaluation, accreditation, review and assessment, merit
22 promotion, rendering of grant and incentive awards and other policies
23 relative to the effective and efficient implementation of this Act;
- 24 (c) Develop and ensure implementation of annual, long-term and medium term
25 plans for the informal economy, the last of which should form part of the
26 Medium Term Philippine Development Plans (MTPDP) towards
27 institutionalizing comprehensive, rights-based, gender-responsive and
28 child- friendly programs and policies for the IE;
- 29 (d) Develop and ensure effective implementation of labor standards covering
30 WIE as provided for by this Act;
- 31 (e) Develop and ensure implementation of gender-based monitoring and
32 evaluation mechanisms, efficient and effective programs and policies, and

1 gender-responsiveness of interventions toward harnessing the full
2 potentials of women WIE;

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

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

13 (h) Ensure effective participation of WIE and their organizations through the
14 establishment of regular consultative mechanisms and processes. Annual
15 national, regional and provincial consultations among the organizations of
16 WIE shall be conducted to determine specific issues and problems affecting
17 specific WIE sub-sectors, and monitor and evaluate implementation of
18 programs and policies;

19 (i) Establish and develop a centralized and sex-disaggregated database system
20 to effectively guide policy formulation and implementation relative to the
21 WIE. The databank shall be available for public use and shall include but
22 not limited to the following: statistical profile of WIE based on age, location,
23 type of work, average monthly incomes, work hours, and other relevant
24 statistical information; data on informal enterprises, including capitalization
25 and sources of capital, number and status of workers, average incomes; List
26 and contact information of government and non-government organizations
27 (NGOs) that provide educational, socio-economic, legal, and other services
28 to WIE; Inventory of resolved and pending cases involving activities of WIE;
29 Database on the needs and problems of women and children in the informal
30 economy nationwide aimed at strengthening policies and programs against
31 child labor; and Compilation of international instruments, existing laws and

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

27 *Sec. 37. Composition.* - The Chair of the IEDC shall be the Secretary of
28 Department of Labor and Employment. IEDC members may elect from among
29 themselves a Vice-Chair to preside over meetings in the absence of the Chair. The
30 members shall be the following:

- 31 (a) Secretary of the Department of Trade and Industry (DTI)

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

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

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

28 **Sec. 38. IEDC Meetings.** - The IEDC shall meet once every two (2) months and
29 may call for special meetings as the need arises; provided, that the frequency of such
30 special meetings shall not exceed four (4) times annually.

1 Sec. 39. *Initial IEDC Funds.* - Ten million pesos (P10, 000,000.00) shall be
2 allocated from the Presidential discretionary fund for the initial operating expenses of
3 the IEDC.

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

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

14 Sec. 41. *IEDC Secretariat.* - The following secretariat functions shall be
15 integrated in the DOLE secretariat functions:

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

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

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

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

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

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

30 Sec. 42. *Regional and Provincial IEDC Officers.* - The DOLE Regional and
31 Provincial offices (NEDA Resolution) shall have Regional and Provincial IEDC Officers
32 who shall be appointed by the IEDC and shall have functions that include: monitoring

1 and coordinating of IEDC initiatives in the regions and Provinces; evaluation of policies
2 programs for workers in informal economy; providing technical assistance in the
3 development of local plans and programs; as well as other administrative functions
4 necessary for the success of IEDC initiatives in their jurisdiction.

5 IEDC Regional Officers shall have automatic seats in all Regional Development Councils
6 (RDCs).

7 *Sec. 43. Rationalization of Programs.* - IEDC shall conduct continuing review of
8 government programs for the poorest of the poor and the WIE and submit to Congress
9 and the President of the Philippines a report thereon together with its policy
10 recommendations.

11 **Chapter IX**
12 **Workers in Informal Employment Local Development Office (WIELDO)**

13
14 *Sec. 44. Workers in Informal Employment Local Development Office.* - The
15 Workers in Informal Employment Local Development Office (WIELDO) shall be
16 established in every city and municipality to perform functions that shall include but
17 not limited to the following:

18 (a) Prepare an overall development plan and work program that will address
19 the needs of the WIEA prioritizing the poorest and most vulnerable, and
20 incorporate them in their respective city, municipal, and barangay
21 development plans;

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

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

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

30 (e) Lead in the local implementation of Chapter VI (Security in the Workplace
31 of WIE) of this Act;

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

- 1 (g) Conduct education and training programs that will: raise their consciousness
2 especially on but not limited to workers', women's and children's rights;
3 provide new ideas especially to those with the least assets and formal
4 education; and develop or upgrade technical, entrepreneurial and
5 leadership skills WIE;
- 6 (h) Provide technical support and facilitate access to credit, market, technology,
7 social protection schemes, and training for WIE;
- 8 (i) Train pools of community trainers in business counseling and awareness-
9 raising on occupational safety and health hazards, risks and social
10 protection;
- 11 (j) Support organizing activities among WIE;
- 12 (k) Establish sex-disaggregated databank on human resources and skills
13 registry to be used as tools for LGU planning and budgeting;
- 14 (l) Provide offices and other necessary resources to support organizing,
15 advocacy, training and other activities of local organizations of WIE;
- 16 (m) Conduct specialized training such as negotiation skills and conduct of
17 time and motion studies to determine proper wages;
- 18 (n) Provide services, which shall include but not be limited to counseling,
19 conciliation, mediation, and legal assistance for the furtherance of this Act,
20 prioritizing those with the least access to Justice; and
- 21 (o) Ensure that the LGU is capacitated to undertake and implement rights-based
22 and gender-responsive programs for WIE.

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

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

28 *Sec. 45. Composition.* - The Local Chief Executives (LCEs) shall be the primary
29 overseers of WIELDO's operations. The IRR of this Act shall provide for WIELDO's
30 composition provided that, informal workers' representatives shall form at least fifty
31 percent (50%) of WIELDO's membership. Provided further, that IE representatives
32 shall not be less than five (5), and provided finally, that at least forty percent (40%)

1 of all WIELDO's members are women. Other relevant guidelines on WIELDO's
2 operations shall be included in the IRR of this Act.

3 *Sec. 46. Local Government Unit Informal Economy Development Fund (LGU-*
4 *IEDF).* - An Informal Economy Development Fund shall be established by every
5 municipality and city. Such fund will be supervised and managed by the concerned
6 LGU through the WIELDO but subject to audit by the Commission on Audit (COA).

7 For the establishment and Initial operations of WIELDO, each LGU shall allocate at
8 least three per cent (3%) of their twenty percent (20%) Development Fund from their
9 NTA.

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

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

14 (b) Shares from the 70% of the at least 10% funds from the Annual General
15 Appropriations Act as provided for by Chapter VII, Section 32(a) and (b) of
16 this Act; and

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

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

22 *Sec. 47. Additional Sources of Funds.* - The following may tapped by LGUs as
23 additional sources of funds for WIELDO initiatives:

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

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

29 (c) at least fifty percent (50%) of collected fees and annual dues from small
30 vendors - for programs focusing on vendors;

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

1 (e) at least ten percent (10%) of funds from the Philippine Amusement and
2 Gaming Corporation (PAGCOR) and Philippine Charity and Sweepstakes
3 Office (PCSO).
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5 **TITLE II**
6 **EMPLOYMENT OF WORKERS IN INFORMAL ECONOMY**
7

8 **Chapter I**
9 **Requisites for Employment Agreement**
10

11 *Sec. 48. Minimum Standards.* - All working arrangements entered into by WIE
12 shall be in accordance with the minimum applicable labor and social standards as
13 contained in Title II of this Act.

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

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

23 *Sec. 49. Provisions of Employment Agreement.* - The employment contract shall
24 be in written form. However, the absence of a written agreement does not mean the
25 absence of an employment relationship. As a matter of right, WIE can insist on a
26 written agreement based on minimum standards.

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

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

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

3 (a) working arrangement/mode;

4 (b) period/duration of employment;

5 (c) compensation, which shall not be below the minimum standard, and mode
6 of payment;

7 (d) computation of contributions for social security and medical insurance
8 including for those who fall under DOLE Department Order No. 5;

9 (e) duties and responsibilities;

10 (f) working hours and day-off schedules;

11 (g) living quarters or sleeping arrangements (for live-in workers);

12 (h) the date, term and mode of delivery or date of completion;

13 (i) minimum of twenty percent (20%) down payment for labor cost and
14 services and minimum of 50% for inventory of raw materials used in the
15 production for homeworkers per DOLE Order No. 5.

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

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

24 *Sec. 50. Payment of Wages.* - Payment derived from negotiated agreement
25 shall be made directly to the workers. No deductions from such payments shall be
26 made by the employer except those provided for by law. The expressed written
27 consent of the worker shall be first secured before deductions are made.

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

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Chapter II
IE Workers of Minor Age

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Sec. 51. *Allowable Employment of Workers of Minor Age.* – Children fifteen (15) years but below eighteen (18) years of age may be employed; provided, that parental or legal guardian consent is presented and attested to by any representative of the LGU or duly elected Barangay official where the work is to be done. In no instance however, shall children below fifteen (15) years old be engaged in whatever form of productive services.

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

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TITLE III
FINAL PROVISIONS

Sec. 52. *Penal Provision.* –

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- a. Any person who shall willfully interfere with, restrain or coerce a worker in the exercise of his or her rights or shall in any manner commit any act in violation of any of the provisions of this Act shall, upon conviction, be punished by a fine of not less than Twenty Thousand Pesos (P20,000.00) or imprisonment of one (1) to six (6) years or both fine and imprisonment at the discretion of the Court.
 - b. If the offender is a public official or, the Court, in addition to the penalties provided in the preceding paragraph, may impose the additional penalty of disqualification from public office.
 - c. Any person who violates Section 28 of this Act (Policy on Confiscation of Materials and Impounding of Vehicles) shall be liable. Nothing herein shall prohibit the aggrieved WIE from initiating a criminal or civil action against the responsible person or officer applicability,
 - d. Failure to implement Sections 30 and 31 of this Act (Policy on Relocation of Vending Sites and Policy on Relocation of Terminals) shall render the responsible official/s administratively liable pursuant to Republic Act No. 7160 and other pertinent laws and criminally liable whenever applicable.

1 e. In the case of a private institution/company found to be violating any
2 provision of this Act, it shall be subject to additional penalty ranging from
3 suspension or revocation of business license at the discretion of the
4 Court.

5 *Sec. 53. Implementing Rules and Regulations.*- The Implementing Rules and
6 Regulations (IRR) of this Act shall be formulated by a drafting committee composed
7 of representatives of offices that will be members of IEDA and WIE organizations
8 provided that, at least 30% of the drafting committee members shall come from the
9 latter and provided further that at least 30% of committee members are women. Said
10 committee will start work on the IRR within three (3) months after the effectivity of
11 this Act and finish within six (6) months thereafter.

12 *Sec. 54. Separability Clause.* - If any provision of this Act is declared
13 unconstitutional or invalid, the provisions not affected shall continue to be in full force
14 and effect.

15 *Sec. 55. Repealing Clause.* - All laws, decrees, orders, rules and regulations or
16 other issuances inconsistent with the provisions of this Act are hereby repealed,
17 amended or modified accordingly.

18 *Sec. 56. Effectivity.* - This Act shall take effect fifteen (15) days after its
19 publication in the *Official Gazette* or in any two (2) newspapers of general circulation
20 in the Philippines.

Approved,