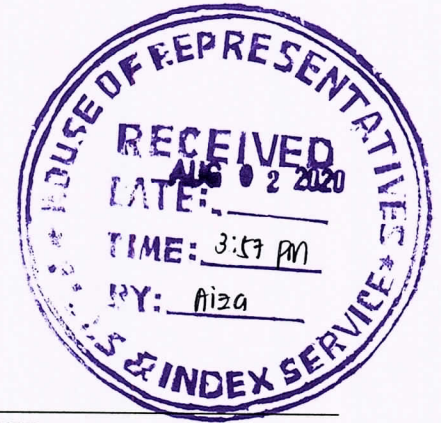


REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7220



Introduced by **HON. KRISTINE ALEXIE B. TUTOR**
Third District, Bohol

EXPLANATORY NOTE

The COVID-19 pandemic has affected economies all over the world. In the Philippines, the COVID 19 crisis will likely cost our country's economy around P2.2 trillion in losses this year as companies shed their profits while millions of workers lose their jobs and source of income.

Daily wage earners and those working in the informal sector are among those greatly affected by this pandemic. The imposition of restrictions and community quarantines have halted everyday activities that this sector earns from. The informal economy consists of independent, self-employed small-scale producers and distributors of goods and services. Workers in this sector are for the most part not covered by our country's labor laws and regulations and have been vulnerable from the start for having low incomes and working in poor conditions.

The prevalence of COVID 19 further aggravated the situation of our informal workers as they are struggling to earn enough living to sustain their daily needs. Without work, our informal workers have become dependent on the various assistance provided by the government.

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 that there incomplete or differing data on the sector.

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.



REP. KRISTINE ALEXIE B. TUTOR

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Introduced by **HON. KRISTINE ALEXIE B. TUTOR**
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AN ACT
INSTITUTIONALIZING THE REGISTRATION AND THE NATIONAL DATABASE FOR
WORKERS, ECONOMIC UNITS, AND ORGANIZATIONS OR ASSOCIATIONS IN THE
INFORMAL ECONOMY AND FOR OTHER PURPOSES

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

4 **Sec. 2. Declaration of Policy.** – It is the policy of the State to promote a just and
5 dynamic social order that shall ensure the prosperity and independence of the nation
6 and free the people from poverty through policies that provide adequate social services,
7 promote decent, environmentally sound and full employment, a rising standard of
8 living, and an improved quality of life for all.
9

10 Towards this end, the State shall establish a national registry necessary to
11 identify individuals who contribute to nation-building, but are outside the bounds of
12 formal employment. This registration and database system would help establish an
13 integrated and coherent policy, at all levels of government, of formalization of informal
14 economic workers and make them visible in all relevant national and local statistics.
15

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

- 19 a) Those in the informal economy who own and operate economic units,
20 including self-employed workers, self-employed own-account workers,
21 employers, members of cooperatives, and members of other social and
22 solidarity economy units;
23 b) Home-based workers or contributing family workers, irrespective of whether
24 they work in economic units in the formal or informal economy;
25 c) Employees holding informal jobs in or for formal enterprises, or for economic
26 units in the informal economy, including those in contract arrangement
27 and/or in supply chains, or as paid domestic workers employed by
28 households;
29 d) Workers in unrecognized or unregulated employment relationships;

- e) Agricultural workers or fisherfolk in unrecognized or unregulated agricultural or farming endeavors and fishing activities; and
- f) Non-regular domestic workers.

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

- a) *Informal Economy* – refers to all economic activity by workers and economic units that are, in law or in practice, not covered or insufficiently covered by laws or formal arrangements.
- b) *Informal Economic Units* – refer to units that are owned by individuals working on their own account either alone or with the help or contributing family workers; household enterprises engaged in the production of goods and services or unincorporated enterprises owned by households; cooperatives and other social and solidarity economy units.
- c) *Informal Economy Workers' Organization* – refers to a group of informal sector workers that are organized with the primary objective of promoting the rights and welfare of workers in the informal economy.
- d) *Informal Employment* – refers to an employment arrangement in the formal or informal sectors or in households that exist based mostly on casual employment, kinship or personal and social relations with no formal guarantees on legal protection and benefits economic units that are unregistered, unlicensed, and unregulated.
- e) *Own-account worker* – refers to workers who, working on their own account or with one or more partners, hold the type of job defined as a self-employed job, and have not engaged on a continuous basis any employees to work for them during the reference period.
- f) *Social and Solidarity Economy Units* – refer to enterprises and organizations including cooperatives as defined under Republic Act No. 9520 (Philippine Cooperative Code of 2008), mutual benefit societies, associations, foundations and social enterprises which produce goods, services and knowledge that meet the needs of the community they serve, through the pursuit of specific social and environmental objectives and the fostering of solidarity.

Sec. 5. Registration. – Pursuant to its functions under Republic Act 7160 (Local Government Code of 1991) as amended, the Local Development Council, through its Secretariat or through the creation of a sectoral or functional committee, shall establish a system of registration of workers of the informal economy. The system shall be as follows:

- a) *Workers* – There shall be a simple and standard system of registration in accordance with the principles of this Act. Any Informal Economy worker registered in the local government provided for in this Act shall be listed in a local database and shall be issued an identification card and a record book that shall list all services and benefits availed of. These also signify eligibility to avail of other assistance and development programs: *Provided*, That the poorest and the most vulnerable workers shall be given priority, including workers who are severely and directly affected by a national emergency. The concerned local government unit (LGU) shall review, revalidate and reassess such local database as a tool for planning and for other purposes every two (2) years. Renewal of eligibility shall be in accordance with the

merit and fitness principle, and with the conditions that no child labor shall be used and no activities harmful to the environment shall be implemented.

- b) *Informal Economic Unit* – A local comprehensive database of all economic units shall be developed and maintained. Such database shall take into account the different sub-classifications in terms of asset size, number of workers, social insurance provided, statutory benefits and wages, industry, geography, premises, sex, ethnicity, vulnerability, and roles and functions. Moreover, the local database shall include information on payments collected by the LGU from Informal Economy workers, organizations, and economic units.

All local government units shall formulate a uniform and simple checklist of requirements for registration, and establish an Informal Economy One-Stop Shop Center or designate an existing office that shall handle all transactions and processing of business permit applications within their respective jurisdiction and worker's registration. The Center or the designated office shall ensure that the processing of relevant permits and licenses of the Informal Economic Units shall comply with Republic Act No. 11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018).

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

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

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

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

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

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

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

5
6 **Sec. 11. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
7 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,