

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 2354



Introduced by

HON. YEDDA MARIE K. ROMUALDEZ
and
HON. JUDE A. ACIDRE

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

EXPLANATORY NOTE

The COVID-19 pandemic brought a great shock to the country, presenting challenges to public health, economy, and employment. It has affected the lives of millions of Filipinos, most especially workers in the informal economy.

In the Philippines, the Informal Sector Survey (ISS) estimated the number of informal workers in the country at 15.68 million or around 38% of the working population. More often, the workers in the informal economy are not within the purview of existing labor laws and regulations. With the pandemic and quarantine restrictions, the number of workers in the informal economy is continuously rising.

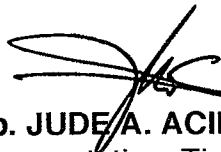
In furtherance of the provision in the 1987 Philippine Constitution which provides that: "*The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare*", this bill seeks to establish a Magna Carta of Workers, Enterprises, and Organizations in the Informal Economy. It serves to establish rights and liberties that will promote a healthier and safer workspace for all workers involved. There will be a notable improvement in productivity and morale for those within affected offices, as workers are provided with securities and programs that will secure their welfare within their established work environments.

Workers in the informal economy shall be afforded the same basic rights accorded to all workers, as stated in the Philippine Constitution, the Labor Code as amended, and relevant international human rights instruments and international labor standards.

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



Rep. YEDDA MARIE K. ROMUALDEZ
Representative, Tingog Sinirangan



Rep. JUDE A. ACIDRE
Representative, Tingog Sinirangan

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

TITLE I
GENERAL PROVISIONS

Chapter I
GENERAL PRINCIPLES

Section 1. *Short Title.* – This Act shall be known as the “*Magna Carta of Workers in the Informal Economy*” or **MACWIE**.

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

- (a) Promote a just and dynamic social order that shall ensure the prosperity and independence of the nation and free the people from

poverty through policies that provide adequate social services; promote decent, environmentally sound, and full employment; a rising standard of living; and an improved quality of life for all;

- (b) Protect, promote, and fulfill the rights of every worker including gender equity, non-discrimination, the right to self-organization, just and humane conditions of work, access to social protection programs and services, access to justice, security of and in the workplaces, and the right to represent their organizations in a continuing process of consultation and social dialogue, with equitable membership in relevant tripartite bodies; and
- (c) Establish and fully implement an integrated and coherent policy, at all levels of government, of formalization of informal economic units and informal economy workers and make them visible in all relevant national and local statistics.

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

- (a) Those who own and operate economic units including:
 - self-employed workers;
 - self-employed own-account workers;
 - employers;
 - members of cooperatives; and
 - members of other social and solidarity economy units
- (b) Home-based workers or contributing family workers, irrespective of whether they work in economic units in the formal or informal economy;
- (c) Employees holding informal jobs in or for formal enterprises, or for economic units in the informal economy, including but not limited to those in contract arrangement and/or in supply chains, or as non-regular paid domestic workers employed by households;

- (d) Workers in unrecognized or unregulated employment relationships provided that the work performed is not illegal;
- (e) Volunteer, contractual, job orders, and other vulnerable workers in government instrumentalities; and
- (f) Agricultural workers or fisherfolk in unrecognized or unregulated agricultural or farming endeavors and fishing activities.

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

- (a) “*Informal Economy*” refers to “all economic activities by workers and economic units that are, in law or in practice, not covered or insufficiently covered by formal arrangements.”
- (b) “*Economic Units*” in the informal economy include but are not limited to:
 - units that employ hired labor;
 - units that are owned by individuals working on their own account, either alone or with the help or contributing family workers;
 - cooperatives and other social and solidarity economy units; and
 - informal work that may be found across all sectors of the economy, in households, as well as public and private spaces including government instrumentalities and Government Owned and Controlled Corporations (GOCCs).
- (c) “*Informal Economy Workers' Organization*” - Refers to a group or groups of informal workers, whether formally constituted or otherwise, that are organized with the primary objective of promoting the rights and welfare of workers in 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 and social protection and

employment benefits; and prevalent in economic units that are unregistered, unlicensed, and unregulated.

- (e) "*Security of and in the Workplace*" - refers to the right of every worker and informal economic unit to an enabling environment that guarantees and protects the spaces, facilities, and structures to undertake their work, including the right to feel safe in one's own workspace, legal security of tenure and freedom from discrimination, risk, danger, doubt, anxiety, or fear of being removed, evicted, or prevented from working.
- (f) "*Social Protection*" - Refers to policies and programs that seek to reduce poverty and vulnerability to risks and enhance the social status of the marginalized by promoting and protecting livelihood and employment, protecting against hazards and sudden loss of income, and improving people's capacity to manage risk, as well as all other interventions that support communities, households, and individuals, both women and men, and realizing their rights as citizens through their full participation in decision-making affecting or may affect their access to and control over resources necessary to maintain and sustain a decent and secure life.

Social protection schemes shall include labor market interventions, social insurance, social welfare, safety nets, disaster risk reduction and management mechanisms, adaptive measures in the context of climate change, affordable housing, and other provisions necessary for vulnerable groups to adequately address and manage risks, vulnerabilities, and threats to workers' livelihood activities and overall quality of life.

- (g) "*Social and Solidarity Economy Units*" - Refers to enterprises and organizations including cooperatives as defined under Republic Act No. 9520, 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.

- (h) “*Volunteer, contractual, job orders, and other vulnerable workers in government instrumentalities*” - Refers to workers in government instrumentalities who do not occupy *plantilla* positions, receive salaries but not benefits, are contracted out for specific periods of time, and/or who receive allowances or honoraria. These include but are not limited to: project staff, barangay health workers, barangay tanod, barangay nutrition scholars, barangay daycare workers, barangay volunteers and other vulnerable workers in government instrumentalities for disasters, enumerators, among others.
- (i) “*Social Protection Floor*” - Refers to a set of guarantees ensuring access to essential health services, income support for children for education, health, and nutrition, income assistance for economically active groups who do not have sufficient earnings in case of emergencies, and financial support for elderly population, and women informal workers in difficult and vulnerable circumstances like single mothers, and women survivors of abuse and violence.

Chapter II

RIGHTS AND BENEFITS

Section 5. Workers in the informal economy shall have the same basic rights accorded to all workers, as enshrined in the Philippine Constitution, the Labor Code as amended, and relevant international human rights instruments and international labor standards. Accordingly, the state shall guarantee all workers in the informal economy the following rights:

- (a) Security of and in the workplace;
- (b) Make a living through work freely chosen or accepted; and avail of technical and vocational guidance and training programs;

- (c) Just and favorable conditions of work, including provision for work-life balance such as childcare and other facilities to reduce and redistribute family and domestic responsibilities;
- (d) A living wage and equal remuneration for work of equal value without distinction of any kind, in particular for women who shall be guaranteed equal wages for work similar or equivalent to those done by men;
- (e) Equal opportunity for promotion, subject to no other considerations than seniority and competence;
- (f) Safe and healthy working conditions safeguarding general, occupational, and reproductive health;
- (g) Basic services including but not limited to affordable medical care, reproductive, and other health services including modern family planning, low-cost housing, water, sanitation, electricity, and transport;
- (h) Rest, leisure, and reasonable limitation of working hours and periodic holidays with pay as well as remuneration for public holidays whenever applicable;
- (i) Maternity and paternity benefits, as provided for by law;
- (j) Equal access to education, skills training, and economic resources to develop self-reliance, especially of children and young persons, without any discrimination;
- (k) Self-organization to collectively negotiate with government and other entities in the promotion of their welfare and advancement of their interests, free from any political interference;
- (l) An adequate standard of living for workers and their families, adequate food, clothing, and shelter, and the continuous improvement of such standard;
- (m) Freedom from any form of discrimination, violence, exploitation including sexual exploitation, harassment, abuse, and any form of inhumane treatment which debases, degrades, or demeans the intrinsic worth and dignity of the worker as a human being;

- (n) Accessible, affordable, and appropriate social protection as defined in Section 4, (f) of this Act;
- (o) Equal treatment before the law;
- (p) Substantial participation in policy and decision-making processes through their organizations and the use of social dialogue, including access to information and other resources relevant to the promotion and protection of their rights and welfare;
- (q) Equal access to justice through appropriate mechanisms, including, but not limited to, alternative dispute resolution processes; and
- (r) Access to public procurement including advice and reserving quotas for informal economic units.

Section 6. Own-account workers as well as informal economic units, being the working poor's primary instruments to address and overcome poverty, shall be accorded the following preferential rights by the State:

- (a) Infrastructure support such as farm to market roads, common, affordable, and secure workplaces, and facilities, merchandising centers, farmers' markets or *Bagsakan* with proper storage facilities, and inventory bulk-buying centers;
- (b) Policy support to promote and protect local and domestically produced products and services, and support in enhancing their participation in the value chain process;
- (c) Ease the facilitation of access to markets, including capacity-building to access and maximize e-marketing facilities;
- (d) Access to affordable, appropriate, and adequate financial services, including, among others, collateral-free and gender-responsive credit at low interest;
- (e) Access to appropriate and adequate machinery, equipment, and other technologies, with the end in view of increasing productivity, enhancing quality of products and services, and growth;

- (f) Protection from unjust dislocation from places where economic activities are conducted with the “provision of relocation before demolition”;
- (g) Measures against racketeering, extortion, and harassment, by both State and non-State elements;
- (h) Freedom from deprivation of property without valid cause and due process of law; and
- (i) Affordable and customized social security and insurance programs.

Section 7. Legitimate Organizations of Workers in the Informal Economy (WIE). Organizations of workers in informal employment, including unions, cooperatives, social and solidarity economic units/organizations and mutual benefit associations, shall have the right to:

- (a) Freely function and act as the representatives of their members in policy and decision-making processes, collective negotiations, and other similar bodies and processes in the context of tripartism and multi-sector;
- (b) Establish, join, or affiliate with local unions, national federations or confederations and international trade union organizations, a right which shall be duly recognized, protected, and supported by the national government;
- (c) Access information from concerned government institutions and other parties that are pertinent to the protection and promotion of the rights and welfare of their members;
- (d) Own property, real or personal, for the use and benefit of their organizations and members;
- (e) Sue and be sued under their registered names, and
- (f) Undertake all other activities, not contrary to law, designed to benefit their organizations and members.

Section 8. *Organizing Workers in Informal Economy.* – Workers in informal economy (WIE) shall be encouraged to organize themselves into self-

help organizations, associations, federations, and confederations for their mutual benefit and protection, and for other legitimate purposes. Special attention shall be given to organizing women and other vulnerable workers in informal economy.

Section 9. *Assistance to Organizations in the Informal Economy.* –

All concerned national government agencies, government financial institutions, and local government units shall include in their annual plans and budgets, programs, and projects that support and address the concerns of organizations of WIE and their members.

Chapter III

**SECURITY IN THE WORKPLACE OF WORKERS IN INFORMAL
ECONOMY**

Section 10. *Designation of Workplaces.* – Local Government Units (LGUs), in coordination with organizations of WIE within their jurisdiction, affected communities, and other relevant groups, shall endeavor to identify, designate, and design a system of assignment on the following:

- (a) Productivity and merchandizing centers as viable workplaces for informal workers; which may include markets and vacant areas near markets, vacant public spaces and spaces which may be a private property that the LGU may acquire, lease, or negotiate with legitimate organizations of workers in the informal economy for lease under a memorandum of agreement, and
- (b) Routes, terminals, and specific lanes for small transport workers.

The process of identifying and designation of such workplaces shall be determined in the Implementing Rules and Regulations (IRR) of this Act; *Provided*, that such process shall have the substantial participation of relevant WIE organizations and stakeholders.

Section 11. *Policy on Eviction and Demolition.* – Workers in the informal economy or employment shall not be evicted from their homes and workplaces without legal ground as provided for by Republic Act No. 7279, otherwise known as the “Urban Development and Housing Act of 1992,” provision of livelihood opportunities, adequate water, and electricity availability, as well as decent conditions of living in accordance with law. Logistical viability for the displaced shall be given priority in determining resettlement areas, provided that there shall be no demolition without ensuring appropriate resettlement.

Section 12. *Policy on Confiscation of Materials and Impounding of Vehicles.* – In cases where demolition or eviction is warranted, the person, government agencies, or their agents who conduct the same shall issue a duly signed itemized receipt of all products, goods, and other materials seized from vendors and other affected WIE.

Tricycles, *pedicabs*, and other modes of transportation shall not be impounded for violations of license, registration, or traffic regulations unless the said vehicles were utilized in the conduct of criminal activities. In cases of violation of traffic regulations, the issuance of a traffic violation ticket shall suffice.

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

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

If a new public market is constructed in place of an old one, market vendors with stalls displaced from their workplaces shall be assured of stall assignment in the new market. Displaced ambulant vendors, shall, as much as practicable also be given appropriate selling sites.

Section 14. *Policy on Relocation of Terminals.* – Designated terminals for tricycles, pedicabs, and other similar modes of transportation shall not be arbitrarily relocated without prior notice and consultation with small transport groups, legitimate organizations of workers in the informal economy, affected community and other relevant sectors. Relocation of terminals can only be effected through an Ordinance. *Provided*, that after the enactment of such ordinance, notice of intention to relocate terminals shall be made to affected transport groups and community at least sixty (60) days before the actual relocation.

Chapter IV

SOCIAL PROTECTION FOR WORKERS IN THE INFORMAL ECONOMY

Social protection as defined in Section 4(f) of this Act shall have the following components:

Section 15. *Institutionalization of Social Protection Floor for the Workers in the Informal Sector.* – The State shall support, sustain, enhance, and institutionalize social protection initiatives for WIE through the convergence

of resources of various agencies to provide continuous social security and health insurance subsidies to WIE. Such resources shall also be used for programs for the unemployed, children, women in difficult and vulnerable circumstances, and older persons based on applicable and ever improving standards.

Section 16. *Social Welfare Efforts.* – The Department of Social Welfare and Development (DSWD) shall consolidate its strategic social welfare efforts to address the needs of the workers in the informal economy, including but not limited to direct assistance, policy development, and community engagement for the workers.

Section 17. *Role of the Department of Labor and Employment.* – The DOLE shall engage in labor market interventions that shall provide adequate protection for the WIE. The DOLE shall likewise ensure timely and immediate action for labor concerns, security of tenure job generation, and other pertinent concerns. It shall, in collaboration with other livelihood and enterprise development implementing agencies, Department of Local Government (DILG), and Department of Finance (DOF), develop a typology of formalization of informal economic units in terms of, among others, registration and standardized, affordable business permit cost, increased compliance, and extension of labor and social security program.

Section 18. *Social Safety Nets.* – The State shall ensure that the social safety nets provided by the DOLE, DSWD, Department of Agriculture (DA), and other government agencies shall be easily accessible to the WIE and their organizations. These shall include but not be limited to conditional cash transfers, unconditional cash transfers, school feeding programs, unconditional in-kind transfers, public works, cash-for-work, emergency employment schemes, and fee waivers.

Section 19. *Women, Family, and Child Care Program.* – The DOLE, Department of Health (DOH), Philippine Health Insurance Corporation (PhilHealth), and DSWD shall ensure that maternity protection is extended to informal economy workers in accordance with Sections 9 and 10 of R.A. 11210, otherwise known as the Expanded Maternity Leave Law. Programs on maternal and child health and nutrition, child feeding, modern family planning, and other health-related services shall be strengthened and target women WIE.

The State shall encourage the provision of and access to affordable quality childcare and other care services to promote gender equality in entrepreneurship, employment opportunities, and to enable the transition to formal economy.

Section 20. *Social Insurance.* – As specified in the IRR of this Act, the government shall ensure that all social insurance programs including but not limited to Social Security, Pag-IBIG (Home Development Mutual Fund), and PhilHealth shall be fully available, accessible, and affordable to WE, and that the government agencies governing them shall formulate policies and mechanisms for their full utilization and benefit, in consultation with the representatives of WIE. In the interest of equity, the State shall subsidize the corresponding employers' contribution, had they been in formal employment.

Section 21. *Disaster Risk Reduction and Management (DRRM) and Climate Change.* – The state, particularly at the community level, shall engage WIE and their organizations in DRRM efforts from preparedness, to response, rehabilitation, and recovery. Responding to climate change in terms of minimizing contributions to greenhouse gas emissions and adapting to its long-term impact through resiliency-building programs shall also involve WIE and their organizations.

Chapter V

LABOR STANDARDS AND ENFORCEMENT OF LABOR LAWS FOR WORKERS IN THE INFORMAL ECONOMY

Section 22. *Applicability of the Provisions of the Labor Code.* – The provisions of the Labor Code governing the employer-employee relationship particularly on general labor standards and occupational safety and health standards shall apply to all forms of work arrangements in the informal economy.

The state shall adopt a developmental perspective in dealing with informal economic units. The DOLE in coordination with the IEDC, shall assess the capacity of these enterprises to comply with general labor standards. Those incapable of meeting the standards shall be assisted to upgrade their capacity to improve their businesses, as well as the capacity to comply with relevant labor and social standards.

Section 23. *Prioritization for Education and Training.* – The State shall implement adequate training and information campaigns to provide WIE and their employers the full knowledge on applicable labor and occupational safety and health standards for their subsequent compliance.

Section 24. *Prohibited Acts Specific to Workers in the Informal Economy.* – The following are deemed prohibited:

- (1) *Non-compliance with minimum labor standards and occupational health and safety standards.* The employment contract shall be in writing specifying the terms and condition of engagement which must not be lower than the minimum standards provided by law. However, the absence of a written agreement does not mean the absence of an employment relationship.

The contract shall be explained to the worker and attested to by an elected Barangay official in the barangay where the worker is designated to work.

- (2) *Recruitment or Finders' Fees.* Regardless of whether the worker was sourced either through an employment agency or a third party, WIE shall neither be charged nor levied a recruitment fee or finders' fee.
- (3) *Hazardous Work and Conditions in Formal Workplaces.* Workers shall not be engaged to do hazardous work, activity or undertaking, or be exposed to hazardous working conditions in accordance with existing laws and the IRR of this Act.
- (4) *Interference and Coercion.* Any person is prohibited from committing any of the following acts of interference or coercion:
 - a. Preventing any worker from upholding or exercising his/her rights;
 - b. Preventing any worker from joining or assisting organization for purposes not contrary to law;
 - c. Preventing any worker from carrying out his/her duties or functions in an organization, or to penalize the same for any lawful action performed in that capacity;
 - d. Harassing, threatening, coercing, or intimidating any worker that result in preventing him or her from performing his or her duties and functions;
 - e. Transferring, penalizing, or terminating the services of a worker without valid or legal ground; and
 - f. Other acts that threaten to diminish the independence and freedom of a workers' organization to direct its own affairs.
- (5) *Non-compliance with Republic Act No. 7610, as amended by Republic Act No. 9231 in the employment of minors.* In cases where minors are contracted or hired to render work or services, the age should be at least fifteen (15) years old and there is parental or legal

guardian consent in the employment contract, which is presented and attested to by any representative of the LGU or duly elected Barangay official where the work is to be done, and that the employers of these children should provide them with access to at least elementary or secondary education, either through traditional schooling or alternative learning systems.

Section 25. *Visitorial and Enforcement Power of the Secretary of Labor and Employment.* Employment contracts and/or engagements in the Informal Economy shall be subject to the visitorial and enforcement power of the Secretary of Labor and Employment pursuant to Article 128 of the Labor Code of the Philippines.

TITLE II

Chapter I

INFORMAL ECONOMY DEVELOPMENT COUNCIL (IEDC)

Section 26. *Creation of the Informal Economy Development Council (IEDC).* – There is hereby created an Informal Economy Development Council, hereinafter referred to as the IEDC, which shall be an attached agency of the National Economic and Development Authority (NEDA). The IEDC shall institute appropriate reforms within its structure, programming, and other processes, including adjusting its human resource capabilities to ensure that WIE-focused programs are efficiently and adequately implemented to address the needs of these workers. An inter-agency committee shall be formed to coordinate policies and programs of various government agencies towards the transition of informal economic units to formal.

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

Section 27. *Mandate and Functions of IEDC.* – The mandate and functions of IEDC shall include the following:

- (a) Develop and ensure implementation of annual, long-term, and medium-term plans for the informal economy. The last of which should form part of the Medium-Term Philippine Development Plans (MTPDP) towards institutionalizing comprehensive needs and rights-based, gender-responsive and child-friendly programs and policies for the IE;
- (b) Develop policies to transition WIE and informal economic units to formal economy and according to standards provided for in this Act and related laws, treaties, or statutes;
- (c) Develop and implement training programs, and certify workers for jobs in industries that produce goods and render services for the benefit of the WIE;
- (d) Develop and ensure implementation of gender-based monitoring and evaluation mechanisms, efficient, and effective programs and policies, and gender-responsive interventions toward harnessing the full potentials of women WIE;
- (e) Ensure that concerned government agencies shall allocate in their respective Special Allocation for Development Initiatives adequate resources for programs that will benefit WIE;
- (f) Develop and ensure implementation of a simple system of registration of WIE, and accreditation of informal livelihood activities enterprises, and organizations in accordance with the standards and provisions of this Act;
- (g) Provide guidelines for the implementation by LGUs of a fair and credible system of evaluation, accreditation, review and assessment, merit promotion, rendering of grant and incentive awards, and other policies relative to the effective and efficient implementation of this Act;
- (h) Ensure the effective implementation of labor standards covering WIE as provided for by this Act and corresponding IRR;

- (i) Coordinate with LGUs for the development and implementation of periodic evaluation of all accredited IE members, enterprises, and organizations for use as bases for accreditation, the grant of awards and incentives, training, and retraining;
- (j) Ensure effective participation of WIE and their organizations through the establishment of regular consultative mechanisms and processes;
- (k) Establish and develop a centralized and sex-disaggregated database system to effectively guide policy formulation and implementation relative to the WIE. The databank shall be available for public use while strictly complying with laws on privacy and confidentiality. The database shall include pertinent information as specified in the IRR of this Act.
- (l) Develop and implement a communication plan and campaign targeting WIE, their enterprises and organizations, towards a better understanding and appreciation of the benefits of this Act;
- (m) Consistent with Section 2 (h) of this Act, to develop and ensure implementation of a comprehensive plan to eliminate child labor;
- (n) Assess all means to ensure the transition of informal economic units and the WIE from their position in the informal economy to formal economy as contained in the IRR of this Act;
- (o) Coordinate and harmonize all informal economy-related policies, programs, projects, and activities of various government agencies including the Regional IEDC Officers towards greater efficiency and effectiveness;
- (p) Monitor the LGU-generated incomes from informal employment;
- (q) Conduct annual reviews of government programs for the WIE and submit to Congress and the President of the Philippines, corresponding reports thereon together with policy and other recommendations;
- (r) Develop and ensure implementation of accessible just conflict resolution and adjudication systems and mechanisms to promote

- dialogue, conciliation, mediation, and redress of grievances to protect the rights of WE; and
- (s) From time to time, call on the participation of relevant government agencies in its deliberations as necessary.

Section 28. *Composition.* – The IEDC shall be co-chaired by the Director General of NEDA and the Secretary of Department of Labor and Employment. IEDC members may elect from among themselves a Vice-Chair to preside over meetings in the absence of the Chair. The members shall be the relevant government instrumentalities as determined by the IRR of this Act, *provided*, that at least 30% of the total membership of IEDC shall come from organizations of WIE accredited with the SEC, DOLE or DA. *Provided, further*, that at least 40% of the 30% are women.

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

Section 29. *Initial IEDC Funds.* – One hundred million pesos (Php100,000,000.00) shall be allocated from the Presidential discretionary fund for the initial operating expenses of the IEDC, which shall include the initial allocation of funds for the operations of the Workers in the Informal Economy Local Development Unit (WIELDU) at the LGU level.

Section 30. *IEDC Secretariat.* – The IEDC Secretariat shall be jointly organized by the NEDA and the DOLE with functions that shall be determined by the IRR of this Act and integrated in the DOLE secretariat functions.

Section 31. *Regional and Provincial IEDC Officers.* – There shall be Regional and Provincial IEDC Officers who shall be appointed by the IEDC and shall have functions that include: monitoring and coordinating of IEDC initiatives

in the regions and Provinces; evaluation of policies programs for WIE; providing technical assistance in the development of local plans and programs; as well as other administrative functions necessary for the success of IEDC initiatives in their jurisdiction.

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

Chapter II

WORKERS IN INFORMAL ECONOMY LOCAL DEVELOPMENT UNIT (WIELDU)

Section 32. *Workers in Informal Economy Local Development Unit (WIELDU).* – The Workers in Informal Economy Local Development Unit (WIELDU) shall be established in every city and municipality to perform the following functions among others in consultation with the WIE and their organizations:

- (a) prepare an overall development plan and work program that will address the needs of the WIE. The barangay development plans shall be incorporated in this overall development plan;
- (b) encourage the organizing of informal economic units and WIE;
- (c) develop and maintain a comprehensive, age, and sex-disaggregated database of all WIE and economic units within the jurisdiction of the LGU that shall include all relevant information as contained in the IRR of this Act. *Provided*, that laws on privacy and confidentiality shall be fully complied with. *Provided, further*, that the database shall include information on payments collected from WIE, organizations and economic units;
- (d) establish an IE One-Stop Shop Center which shall handle all transactions and processing of business permit applications within their respective jurisdiction and worker's registration; and

- (e) support MSME informal enterprise development towards transitioning to formality.

In addition, the WIELDU may also perform other similar functions and undertakings pursuant to the provisions of this Act. In the performance of WIELDU's functions, the principle of preferential treatment to the poorest and most vulnerable shall be observed.

Section 33. *Composition.* – The Local Chief Executives (LCEs) shall be the primary overseers of WIELDU's operations. The IRR of this Act shall provide for WIELDU's composition; *Provided*, that, informal workers' representatives shall form at least fifty percent (50%) of WIELDU's membership; *Provided, further*, that IE representatives shall not be less than five (5), and; *Provided, finally*, that at least forty percent (40%) of all WIELDO's members are women. Other relevant guidelines on WIELDU's operations shall be included in the IRR of this Act.

Section 34. *Local Government Unit Informal Economy Development Fund (LGU-IEDF).* – An Informal Economy Development Fund shall be established by every municipality and city. Such fund will be supervised and managed by the concerned LGU through the WIELDU and subject to audit by the Commission on Audit (COA). For the initial operations of WIELDU, each LGU shall allocate a portion from their Internal Revenue Allotment or IRA.

Thereafter, the LGU-IEDF shall be funded using:

- (a) Registration fees and annual dues paid by individual workers in the informal economy and accreditation fees of their livelihood activities, organizations, and enterprises; and
- (b) Annual allocations from LGUs Development Fund, the percentage of which shall be determined by LGUs.

Following the principle of merit and equity, LGUs that fulfill such allocations may receive additional assistance from the national government as recommended by IEDC; provided, that the LGUs have sufficiently complied with all requirements by the IEDC.

Section 35. *Registration of Informal Economy Workers and Accreditation of Economic Units and Organizations.* – Pursuant to its functions under the Local Government Code, the Local Development Council in coordination with the WIELDU, shall establish a standard system of registration of WIE, and accreditation of informal livelihood activities, organizations, and economic units provided that the system shall be simple, efficient, affordable, uniform, and accessible to all.

Such registration or accreditation shall signify eligibility of the WIE, their livelihood activities, organizations, or enterprises to avail of development programs, provided that, the poorest and most vulnerable shall be given priority. The registration or accreditation may be renewed, subject to requirements set forth by the LDC in coordination with the WIELDU.

Section 36. *Annual Dues.* – WIE and their organizations shall pay annual dues to be determined by the concerned LGU, in consultation with their WIELDU. Said annual dues shall be no more than 30% of the legally prescribed daily minimum wage in their respective regions or provinces.

These annual dues shall accrue to the concerned LGU and shall be used for programs to benefit WIE, their organizations, business activities, and enterprises based on recommendations by the WIELDU and the local informal economy constituents.

Section 37. *Registration and Non-Registration.* – In no case shall registration be construed as a basis for rights and entitlement under this Act. Non-registration should not deprive WIE of their rights stated in the Act.

Registration as a WIE in the LGU is voluntary and shall not be made as a prerequisite to work by any private enterprise or government unit. However, registration shall guarantee prioritization and immediate recognition of the rights and benefits due to the workers in the informal economy.

TITLE III

FINAL PROVISIONS

Section 38. *Penal Provisions.*

- (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, upon conviction, shall be punished by a fine of not less than Twenty Thousand Pesos (Php 20,000.00) 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 an official of a GOCC, the Court, in addition to the penalties provided in the preceding paragraph, may impose the additional penalty or disqualification from public office.
- (c) Any person who violates the provision of this Act on 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.
- (d) Failure to implement the provisions of this Act 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, otherwise known as the Local Government Code, and other applicable laws without prejudice to any civil or criminal case that may be filed against erring officials. If a private institution or company is found to have violated any provision of this Act, its business license shall be suspended or revoked at the discretion of the Court.

Section 39. *Implementing Rules and Regulations (IRR).* – The Implementing Rules and Regulations (IRR) of this Act shall be formulated by a committee to be co-led by DOLE and NEDA. The members of the committee shall be the representatives of government offices mentioned in this Act, and WIE organizations; *Provided*, that at least 30% of the committee members shall come from the latter; *Provided, further*, that at least 30% of committee members are women. Said committee will start work on the IRR within three (3) months after the effectivity of this Act and finish within six (6) months thereafter.

Section 40. *Appropriations.* – The amount of one hundred million pesos (Php100,000,000.00) shall be appropriated for the initial implementation of this Act.

Section 41. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the provisions not affected thereby shall remain in full force and effect.

Section 42. *Repealing Clause.* – All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

Section 43. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,