

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **3401**



INTRODUCED BY REPRESENTATIVE PM VARGAS

AN ACT
CREATING A NATIONAL WOMEN'S BUSINESS ENTERPRISE POLICY
AND PRESCRIBING ARRANGEMENTS FOR DEVELOPING,
COORDINATING, AND IMPLEMENTING A NATIONAL PROGRAM
FOR WOMEN'S ENTERPRISE

EXPLANATORY NOTE

The Constitution, Article 2, Section 14 recognizes the important role of women in nation building. This mandate requires the State to give women opportunities that will enhance their welfare and realize their full potential in the service of the nation.

In its efforts to promote inclusive growth in business, the government enacted Republic Act No. 10644 or the "Go Negosyo Act" of 2014 which sets the foundations for inclusive growth through micro, small and medium enterprises (MSMEs). One of the functions of the Negosyo Centers is to "encourage women entrepreneurship by giving women access to information, support, training, and credit facilities". The Go Negosyo Act also provides additional functions to the Micro, Small and Medium Enterprises Development (MSMED) Council with the conduct of research and policy formulation on women entrepreneurship.

In a 2017 report entitled "Women and Entrepreneurship in the Philippines", the estimated population of women-owned small and medium-

sized enterprises (WSMEs) in 2015 was around 28,000, comprising around 24% of all SMEs in the Philippines.¹

The same report revealed that crucial gender gaps remain in economic participation. In 2015, 50 % of working-age women were in the informal sector or were not in the workforce. This signals an opportunity to bring these women into the formal sector through SME activity.² Moreover, women's participation tends to be generally low across all forms of economic activity, and women who do contribute to the economy also tend to be the most vulnerable economic participants in the country.³

The active participation and involvement of women in the field of trade and business must be enhanced, especially at this time when the country is experiencing economic setbacks. Thus, this bill seeks to empower women in the business enterprise by developing a national program and creating an interagency committee on women's business enterprise. It is the hope of this measure to address existing gaps in inclusive economic growth and women's empowerment in business.

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



REP. PM VARGAS

Fifth District, Quezon City

¹ Seno-Alday, Sandra. 2017. "Women Entrepreneurship in the Philippines". Investing in Women, The University of Sydney. <https://investinginwomen.asia/knowledge/university-sydney-july-2017-women-entrepreneurship-philippines/> (Accessed 28 October 2021)

² Ibid.

³ Ibid.

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

SECTION 1. *Short Title.* – This Act shall be known as the “*Women’s Business Enterprise Act*”.

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to advance the interest of Filipino women by providing avenues to enhance their entrepreneurial skills and to facilitate, preserve, and strengthen women’s business enterprises and to ensure full participation by women in the free enterprise system.

SECTION 3. *Definition of Terms.* - For purposes of this Act, the term:

- a) “Women-owned business” means a business that is at least 51 percent owned by a woman or women who also control and operate it. “Control” in this context means exercising the power to make policy decisions. “Operate” in this context means being actively involved in the day-to-day management;
- b) “Women’s business enterprise” means any women-owned business or businesses or the efforts of a woman or women to establish, maintain or develop such a business or businesses.

SECTION 4. *Inter-agency Committee on Women’s Business Enterprise.* - There is hereby established an Inter-agency Committee on Women’s Business Enterprise.

- a) The Chairperson of the Committee shall be appointed by the President of the Philippines. The Chairperson shall be the presiding officer of the Committee and shall have such duties as prescribed in this Act or by the Committee in its rules of procedure. The Chairperson may also represent his or her department, agency or office on the committee.
- b) The Committee shall be composed of the Chairperson and other members appointed by the heads of departments and agencies from among high level policymaking officials. In making these appointments, the recommendations of the Chairperson shall be taken into consideration. The following departments and agencies and such other departments and agencies as the Chairperson shall select shall be members of the committee: the Departments of Agriculture; Commerce; Defense; Energy; Health; Local Government and Interior; Justice; and Labor and Employment. These shall have a vote. Non-voting members shall include the Executive Director of the Committee and at least one but no more than three representatives from the Office of the President appointed by the President.
- c) The Committee shall meet at least quarterly at the call of the Chairperson, and at such other times as may be determined to be useful according to the rules of procedure adopted by the Committee.

SECTION 5. *Functions of the Committee.* - The Committee shall in a manner consistent with law:

- a) Promote, coordinate and monitor the plans, programs and operations of the departments and agencies of the Executive Branch which may contribute to the establishment, preservation and strengthening of women's business enterprise with the cooperation of the departments and agencies.
- b) Establish such policies, definitions, procedures and guidelines to govern the implementation, interpretation and applications of this Act, and generally perform such functions and take such steps as the Committee may deem to be necessary or appropriate to achieve the purposes and carry out the provision hereof.
- c) Promote the mobilization of activities and resources of the State and local governments, business and trade and associations, private industry, colleges and universities, foundations, professional organizations and volunteer and other groups toward the growth of women's business and enterprise, and facilitate the coordination of the efforts of these groups with those of the departments and agencies.
- d) Make an annual assessment of the progress made in the government toward assisting women's business enterprise to enter the mainstream of business ownership and to provide recommendations for further actions to the President.

- e) Convene and consult as necessary with persons inside and outside the government and private sector investigations and studies of the problems of women entrepreneurs, and promote further research into such problems.
- f) Consider the findings and recommendations of government and private sector investigations and studies of the problem of women entrepreneurs, and promote further research into such problems.
- g) Design a comprehensive and innovative plan for a joint government and private sector effort to develop increased numbers of new women-owned businesses. The plan should set specific, reasonable and identifiable costs and should provide for the measurement of progress towards these targets at the end of two to five years. Related outcomes such as income and tax revenues generated, jobs created, new products and services introduced or new domestic or foreign markets created should also be projected and measured in relation to costs wherever possible. The Committee shall submit the plan to the President for approval within six months of the effective date of this Order.

SECTION 6. *Responsibilities of Executive Departments and Agencies.* - Within the constraints of statutory authority and as otherwise permitted by law:

- a) Each department and agency of the Executive branch shall take appropriate action to facilitate, preserve and strengthen women's business enterprise and to ensure full participation by women in the free enterprise system.
- b) Each department and agency shall take affirmative action in support of women's business enterprise in appropriate programs and activities including but not limited to:
 - i. management, technical, financial and procurement assistance
 - ii. business-related education, training, counseling and information dissemination, and
 - iii. procurement
- c) Each department or agency empowered to extend government financial assistance to any program and activity shall issue regulations requiring the recipient of such assistance to take appropriate affirmative action in support of women's business enterprise on the ground of gender. For purposes of this section, financial assistance means assistance extended by way of grant cooperative agreement, loan and guaranty. These regulations shall prescribe sanctions for non-compliance. Unless otherwise specified by law, no agency sanctions shall be applied until the agency or department concerned has advised the appropriate person or persons of the failure to comply with its regulations and has determined that compliance cannot be secured by voluntary means.
- d) For purposes of this Act, affirmative action may include, but is not limited to creating or supporting new programs responsive to the special needs of women's business enterprise, collecting and

disseminating information in support of women's business enterprise, and insuring to women's business enterprise knowledge of and ready access to business related services and resources. If in implementing this Act, an agency undertakes to use or to require compliance with numerical set-asides, or similar measures, it shall state the purpose of such measure, and the measure shall be designed on the basis of pertinent factual findings of discrimination against women's business enterprise and the need for such measure.

SECTION 7. *Legal Guidance.* - In carrying out their responsibilities under Section 6, the departments and agencies shall consult the Department of Justice and the latter shall provide legal guidance concerning these responsibilities.

SECTION 8. *Appropriations.* - The amount necessary to carry out the initial implementation of this Act shall be sourced from the budget of the Department of Trade and Industry (DTI). Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the succeeding General Appropriations Act.

SECTION 9. *Implementing Rules and Regulations.* - Within sixty (60) days from the effectivity of this Act, the Secretary of the Department of Trade and Industry shall, in consultation the Philippine Commission on Women and other appropriate agencies and stakeholders, issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 10. *Separability Clause.* - If, for any reason, any provision of this Act is declared unconstitutional or invalid, parts or provisions of this Act which are not affected shall continue to be in full force and effect.

SECTION 11. *Repealing Clause.* - All laws, executive orders, presidential decrees, Implementing Rules and Regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 12. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,