

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4642



INTRODUCED BY REPRESENTATIVES RALPH WENDEL P. TULFO
AND JOCELYN P. TULFO

AN ACT
INSTITUTIONALIZING MECHANISMS FOR THE RECOGNITION,
INTEGRATION, AND TRANSITION OF WORKERS, ENTERPRISES, AND
ORGANIZATIONS IN THE INFORMAL ECONOMY TO THE FORMAL
ECONOMY, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

Filipino informal workers try to make a living through various odd activities, enterprises, and jobs which are normally insecure, vulnerable, and seasonal. They do not receive the mandated salaries and benefits, such as wage hikes, as compared to those in the formal economy. Those who may be considered as informally employed are those who work as house help, temporary construction workers, unpaid family workers, as well as small street vendors, tricycle or pedicab drivers, sari-sari store workers, laundromats, jeepney drivers and dispatchers, and more.¹

The number of openly informal workers in the country went up by 326,000 from 20.3 million in February 2024 to 20.6 million in February 2025. Informal workers

¹ Marañon, Jaeann, "Faces of Informality", IBON FOUNDATION INC., 10 May 2023, <https://www.ibon.org/faces-of-informality/>

thus make up 42% of total employed.² The informal sector is estimated to contribute one-third of Gross Domestic Product (GDP) which may also be an underestimation since the informal sector is a shadow or non-observed economy.³

Undeniably, the informal economy has been a significant emerging part of the labor force as it contributes to the national economy and provides employment opportunities across sectors. Thus, this legislative measure aims to (i) protect, promote, and fulfill the rights of workers in the informal economy; (ii) establish and fully implement an integrated and coherent policy at all levels of government; (iii) develop and enhance their technical, special, entrepreneurial, and other skills and capabilities; (iv) progressively eliminate child labor through the creation of more quality jobs for adults; (v) maximization of the potential and contribution of informal economy business activities and enterprises; (vi) encourage and support informal workers to form self-help groups, mutual benefit associations, unions, cooperatives, and other forms of self-organization; (vii) advance the women's workers' rights; (viii) include the concerns of workers in relevant government policies, plans, programs, projects, and activities; (ix) advance the capability of local government units to be more responsive to the needs of constituent-informal workers; (x) integrate ethnicity as a factor in the formulation of programs and mechanisms; (xi) and ensure the participation of the informal sector in the planning, decision-making, implementation, monitoring and evaluation of the reforms agenda toward the recognition, integration, and transition of the formal economy to the formal economy.

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

² "Worsening informality behind rise in employment – IBON", *IBON FOUNDATION*, 8 Apr 2025, <https://www.ibon.org/worsening-informality-behind-employment-rise/>.

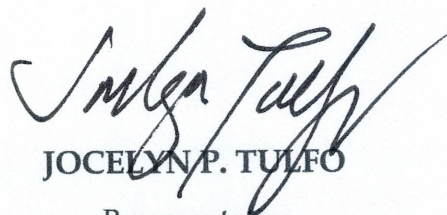
³ Cabegin, Emily Christi A., "Addressing the deficiency in informal employment statistics in the Philippines", *PHILIPPINE STATISTICS AUTHORITY*, https://psa.gov.ph/sites/default/files/ncs/paper-presentations-manuscripts/Addressing%20the%20deficiency%20in%20informal%20employment%20statistics%20in%20the%20PHL_Cabegin_0.pdf.



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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
GENERAL PRINCIPLES

SECTION 1. *Short Title.* – This Act shall be known and referred to as the “Workers in the Informal Economy (WIE) Act”.

SEC. 2. *Declaration of Policy.* – It is the policy of the State to 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,

1 and promote decent, environmentally sound and full employment, a rising standard of
2 living, and an improved quality of life for all.

3
4 Towards this end, the State, in order to help uplift the lives of workers in the informal
5 economy, shall:

- 6
- 7 (a) Protect, promote, and fulfill the rights of every worker, including gender equality,
8 non-discrimination, right to self-organization, just and humane conditions of
9 work, access to social protection programs and services, access to justice, security
10 in the workplaces, and the right to represent their organizations in a continuing
11 process of consultation and social dialogue, with equitable membership in
12 relevant tripartite bodies;
 - 13 (b) Establish and fully implement an integrated and coherent policy at all levels of
14 government, formalization of informal economic units and informal economy
15 workers, and make them visible in all relevant national and local statistics;
 - 16 (c) Develop and enhance their technical, special, entrepreneurial, and other skills
17 and capabilities necessary towards their empowerment and enjoyment of benefits
18 and entitlements associated with the formal economy, and become more
19 productive and self-reliant citizens, thereby ensuring participation in mainstream
20 economic activities based on their own pace and self-determination;
 - 21 (d) Progressively eliminate child labor through the creation of more quality jobs for
22 adults, effective enforcement of laws against child labor, elimination of gender-
23 based discrimination against child workers, improved access to universal
24 education and social protection, and elimination of cultural factors that directly
25 or indirectly tolerate, and even accept child labor;
 - 26 (e) Develop the local economy through maximizing the potential and contribution
27 of informal economy business activities and enterprises;
 - 28 (f) Encourage and support workers in the informal economy to form self-help
29 groups, mutual benefit associations, unions, cooperatives, and other forms of self-
30 organization for their mutual aid, benefit, protection, and other legitimate
31 purposes;

- 1 (g) Advance the women workers' social, political, and reproductive rights, and
2 provide access to social protection and participation in decision-making bodies;
- 3 (h) Include the concerns of workers in the informal economy in the policies, plans,
4 programs, projects, and activities of relevant national government agencies,
5 government financial institutions, and local government units;
- 6 (i) Advance the autonomy and empowerment of local government units and their
7 capability to be more responsive to the needs of the workers in the informal
8 economy among their constituents;
- 9 (j) Integrate ethnicity as a factor in the formulation of programs and mechanisms to
10 promote and protect the rights of workers in the informal economy; and
- 11 (k) Ensure the participation of the informal sector in the planning, decision-making,
12 implementation, monitoring, and evaluation of the reforms agenda toward the
13 recognition, integration, and transition of the informal economy to the formal
14 economy.

15
16 **SEC. 3. *Definition of Terms.*** – As used in this Act:

- 17
18 (a) “*Economic units*” shall refer to informal economies such as:
- 19 1) Units that employ hired labor;
- 20 2) Units that are owned by individuals working on their account, either alone
21 or with the help of contributing family workers;
- 22 3) Cooperatives and other social and solidarity economic units; and
- 23 4) Informal work that may be found across all sectors of the economy, in
24 households, as well as public and private spaces including government
25 instrumentalities and government-owned and controlled corporations
26 (GOCCs);
- 27 (b) “*Employer*” refers to a natural person or group or partnership of people or a
28 corporation for whom a paid worker renders productive employment or service;
- 29 (c) “*Informal economy*” refers to the economic activities by workers and economic
30 units that are, in law or practice, not covered or insufficiently covered;

- 1 (d) *"Informal economy workers' organization"* refers to a group or groups of informal
2 workers, whether formally constituted or otherwise, organized with the primary
3 objective of promoting the rights and welfare of workers in the informal
4 economy;
- 5 (e) *"Informal employment"* refers to an employment arrangement in the formal or
6 informal sectors or in households that exist based mostly on casual employment,
7 kinship, or personal and social relations with no formal guarantees on legal and
8 social protection and employment benefits, and prevalent in economic units that
9 are unregistered, unlicensed, and unregulated;
- 10 (f) *"Informal sector"* refers to units engaged in the production of goods and services
11 with the primary objective of generating employment and incomes for the
12 persons concerned consisting of households and unincorporated enterprises that
13 are market and non-market producers of goods, as well as market producers of
14 services and are operated by own-account workers, which may employ unpaid
15 family workers and occasionally or seasonally hired workers;
- 16 (g) *"Own-account workers"* refers to persons who, working on their account or with
17 one or more partners, hold the type of job defined as a self-employed job, and
18 have not continuously engaged any employees to work for them during the
19 reference period;
- 20 (h) *"Security in the workplace"* refers to the right of every worker and informal
21 economic unit to an enabling environment that guarantees and protects the
22 spaces, facilities, and structures to undertake their work, including the right to
23 feel safe in one's workspace, legal security of tenure and freedom of
24 discrimination, risk, danger, doubt, anxiety, or fear of being removed, evicted,
25 or prevented from working;
- 26 (i) *"Self-employed worker"* refers to any person who has no employer and who works
27 for oneself by producing goods or services for the market;
- 28 (j) *"Social protection"* refers to policies and programs that seek to reduce poverty
29 and vulnerability to risks and enhance the social status of the marginalized by
30 promoting and protecting livelihood and employment, protecting against
31 hazards and sudden loss of income, and improving people's capacity to manage

1 risk, as well as all other interventions that support communities, households,
2 and individuals, both women and men, and realizing their rights as citizens
3 through their full participation in decision-making affecting their access to and
4 control over resources necessary to maintain and sustain a decent and secured
5 life;

6 (k) "*Social protection floor*" refers to a set of guarantees ensuring access to essential
7 health services, income support for the education of children, health, and
8 nutrition, income assistance for economically active groups who do not have
9 sufficient earnings in case of emergencies, and financial support for the elderly
10 population and women informal workers in difficult and vulnerable
11 circumstances, like single mothers and women survivors of abuse and violence;

12 (l) "*Social and solidarity economy units*" refer to enterprises and organizations
13 including cooperatives as defined under Republic Act No. 9520, otherwise
14 known as the "Philippine Cooperative Code of 2008", mutual benefit societies,
15 associations, foundations, and social enterprises which produce goods, services,
16 and knowledge that meet the needs of the community they serve, through the
17 pursuit of specific social and environmental objectives and the fostering of
18 solidarity, including labor market interventions, social insurance, social welfare,
19 safety nets, disaster risk reduction and management mechanisms, adaptive
20 measures in the context of climate change, affordable housing, and other
21 provisions necessary for vulnerable groups to adequately address and manage
22 risks, vulnerabilities, and threats to workers' livelihood activities and overall
23 quality of life;

24 (m) "*Volunteer*" refers to workers in government instrumentalities who do not
25 occupy plantilla positions, who receive salaries but not benefits, who are
26 contracted out for specific periods, and who receive allowances or honoraria,
27 including project staff, barangay health workers, barangay tanod, barangay
28 nutrition scholars, barangay daycare workers, barangay volunteers, and other
29 vulnerable workers for disasters, among others;

30 (n) "*Worker*" refers to both self-employed and paid employees covered under the
31 provisions of this Act; and

1 (o) *"Workers in the informal economy"* refer to a group of persons who have no
2 employer-employee relationship in order to earn a living such as small farmers,
3 tenants, sharecroppers, or laborers of rural and agricultural lands, small
4 fisherfolk, fisherfolk without fishing equipment, on-call fish workers, porters
5 and batillos, home-based workers who are independent producers of goods or
6 services, industrial homeworkers, self-employed who are engaged in
7 subcontracting arrangements, ambulant vendors or peddlers, street vendors,
8 vendors with stalls in public and private markets, sari-sari stores owners and
9 workers, land and sea transportation drivers, operators of public and private
10 transportation, maids, cooks, family drivers, gardeners, baby sitters, non-
11 corporate construction workers, small scale miners, workers of barangay micro
12 business enterprises, non-corporate cargo handlers and allied workers, waste
13 pickers and recyclers, workers engaged in producing seasonal products, own-
14 account workers including those engaged in the maintenance and repair of
15 equipment and appliances, clothing and footwear workers, beauticians, barbers,
16 masseuses, "on-call" workers in the entertainment, movie, and media industries,
17 barangay health workers, barangay tanod, barangay nutrition scholars,
18 barangay daycare workers, volunteers in non-government or people's
19 organizations, unpaid family members, or workers receiving allowances and
20 seasonally hired workers in micro-enterprises or assist unincorporated
21 household enterprises, and other similar economic activities that are not illegal,
22 criminal, or life-threatening in nature.

23
24 **SEC. 4. Coverage.** – This Act applies to all workers and economic units including
25 enterprises, entrepreneurs, and households in the informal economy, particularly:

26
27 (a) Those who own and operate economic units including:

28 (1) Self-employed workers such as micro-entrepreneurs, vendors, street vendors,
29 sari-sari store workers, non-corporate operators of small marine boat or vessel
30 for transport, tricycle, pedicab, habal-habal, calesa, kuliglig, balsa or "trolley",

1 food and grocery delivery services, and home-based workers who are
2 independent producers of goods or services;

3 (2) Self-employed own-account workers such as live-out cleaners, laundry
4 attendant, plantsadora, barbers, manicurists, pedicurists, drivers of tricycle,
5 pedicab, habal-habal, kuliglig, "trolley" or small marine vessel or boat,
6 "barkers", fare collectors, dispatchers and other workers who share in the
7 income of the non-corporate operators, welders, mechanics, carpenters,
8 plumbers, electrician, mason, house painters, appliance technicians, and
9 scavengers;

10 (3) Employers;

11 (4) Members of cooperatives; and

12 (5) Members of other social and solidarity economy units.

13 (b) Home-based workers or contributing family workers, irrespective of whether
14 they work in economic units in the formal or informal economy;

15 (c) Employees holding informal jobs in or for formal enterprises, or economic units
16 in the informal economy, including those in contract arrangement or in supply
17 chains, or as non-regular paid domestic workers employed by households, not
18 covered by Republic Act No. 10361, or the "Domestic Workers Act";

19 (d) Workers in unrecognized or unregulated employment relationships performing
20 lawful work;

21 (e) Volunteer, contractual, job orders, and other vulnerable workers in government
22 instrumentalities; and

23 (f) Agricultural workers or fisherfolk in unrecognized or unregulated agricultural or
24 farming endeavors and fishing activities.

25 26 CHAPTER II

27 RIGHTS AND BENEFITS

28
29 **SEC. 5. *Workers in the Informal Economy.*** – Workers in the informal economy (WIE)
30 shall have the same basic rights accorded to all other workers, as enshrined in the
31 Constitution, Presidential Decree No. 442, as amended, otherwise known as the "Labor

Code of the Philippines", and relevant international human rights instruments and international labor standards. Accordingly, the State shall guarantee all WIE the following rights:

- (a) Security in the workplace;
- (b) Freely chosen or accepted work, and availment of technical and vocational guidance and training programs;
- (c) Just and favorable conditions of work, including provision for work-life balance such as child care 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 considerations other than seniority and competence;
- (f) Safe and healthy working conditions safeguarding general, occupational, and reproductive health;
- (g) Basic services, such as 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 for 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;

- 1 (m) Freedom from any form of discrimination, violence, exploitation including
2 sexual exploitation, harassment, abuse, and any form of inhumane treatment
3 which debases, degrades, or demeans the intrinsic worth and dignity of the
4 worker as a human being;
- 5 (n) Accessible, affordable, and appropriate social protection as defined in Section
6 3(k) of this Act;
- 7 (o) Equal treatment before the law;
- 8 (p) Substantial participation in the policy and decision-making processes through
9 their organizations and the use of social dialogue, including access to
10 information and other resources relevant to the promotion and protection of
11 their rights and welfare; and
- 12 (q) Access to public procurement, including advice and reserving quotas for
13 informal economic units.

14

15 **SEC. 6. *Own-Account Workers and Informal Economic Units.*** – Own-account
16 workers as well as informal economic units, being the working poor's primary
17 instruments to address and overcome poverty, shall be accorded the following
18 preferential rights by the State:

- 19
- 20 (a) Infrastructure support such as farm-to-market roads, common, affordable, and
21 secure workplaces and facilities, merchandising centers, farmers' markets or
22 bagsakan with proper storage facilities, and inventory bulk-buying centers;
- 23 (b) Policy support to promote and protect local and domestic products and services,
24 and support in enhancing their participation in the value-chain process;
- 25 (c) Ease and facilitation of access to markets, including capacity-building to access
26 and maximize e-marketing facilities;
- 27 (d) Access to affordable, appropriate, and adequate financial services, including,
28 among others, collateral-free and gender-responsive credit at low interest;
- 29 (e) Access to appropriate and adequate machinery, equipment, and other
30 technologies, with the end in view of increasing productivity, enhancing the
31 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) Common workplaces, standard technology facilities, adequate and affordable marketing facilities such as economic freedom parks, merchandising centers, and inventory bulk-buying centers;
- (i) Fiscal relief, including, among others, exemption from taxes, fees, and other assessments, to be put into place by concerned National Government agencies and local government units; and
- (j) Affordable and customized social security and insurance programs.

SEC. 7. *Legitimate Organizations of Workers in the Informal Economy.* – Organizations of workers in informal employment, including unions, cooperatives, social and solidarity economic units or organizations, and mutual benefit associations, shall have the right to the following:

- (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 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.

1
2 **SEC. 8. *Informal Economy Workers' Organization.*** – WIE shall be encouraged to
3 organize themselves into self-help organizations, cooperatives, associations,
4 federations, and confederations for their mutual benefit and protection and other
5 legitimate purposes. Special attention shall be given to organizing women and other
6 vulnerable WIE.

7
8 **CHAPTER III**
9 **SECURITY IN THE WORKPLACE**
10

11 **SEC. 9. *Designation of Workplaces.*** – Local government units (LGUs) shall, in
12 coordination with organizations of WIE within their jurisdiction, affected communities,
13 and other relevant groups, endeavor to identify, designate, and design a system of
14 assignment on the following:

- 15
16 (a) Productivity and merchandizing centers as viable workplaces for informal
17 workers which may include markets and vacant areas near markets, vacant
18 public spaces, and spaces which may be a private property that the LGU may
19 acquire, lease, or negotiate with legitimate organizations of WIE for lease under
20 a memorandum of agreement; and
21 (b) Routes, terminals, and specific lanes for small transport workers.
22

23 The process of identifying and designating such workplaces shall be determined in
24 the implementing rules and regulations (IRR) of this Act, and the process shall have the
25 substantial participation of relevant WIE organizations and stakeholders. Within ninety
26 (90) days from the effectivity of this Act, the LGUs shall pass an ordinance designating
27 such workplaces, routes, terminals, and specific lanes.
28

29 **SEC. 10. *Eviction and Demolition.*** – Workers in the informal economy or
30 employment shall not be evicted from their homes and workplaces without legal
31 ground as provided by Republic Act No. 7279, otherwise known as the “Urban

1 Development and Housing Act of 1992", and provision of livelihood opportunities,
2 adequate availability of water and electricity, as well as decent conditions of living in
3 accordance with the law. The logistical viability for the displaced workers shall be given
4 priority in determining resettlement areas. There shall be no demolition without
5 ensuring appropriate resettlement.

6
7 **SEC. 11. *Confiscation of Materials and Impounding of Vehicles.*** – In cases where
8 demolition or eviction is warranted, any person, government agency, or their agents
9 who conduct the same shall issue a duly signed itemized receipt of all products, goods,
10 and other materials seized from vendors and other affected WIE.

11
12 Tricycles, pedicabs, and other modes of transportation shall not be impounded for
13 violations of license, registration, or traffic regulations unless the said vehicles were
14 utilized in the conduct of criminal activities. In cases of violation of traffic regulations,
15 the issuance of a traffic violation ticket shall suffice.

16
17 **SEC. 12. *Relocation of Vending Sites.*** – Before any public market is closed, sold, or
18 demolished, all market vendors shall first be relocated by the LGU to a temporary or
19 new public market. Notice of the intention to close, sell, or demolish any public market
20 shall be made to all concerned vendors at least sixty (60) days before the actual transfer
21 or relocation to another market site. Within the sixty-day period after the issuance of
22 the notice, the LGU shall conduct consultations with affected vendors on selecting the
23 relocation site and implementing the relocation.

24
25 Vendors, ambulant or otherwise, occupying public places not previously designated
26 as vending sites shall be provided with viable temporary sites by the LGU. Notice of
27 temporary transfer shall be given to the vendors at least fifteen (15) days before the
28 actual transfer. This shall likewise apply to vendors granted permits but whose
29 workplaces are withdrawn from the list of allowable vending sites. Any change in the
30 list of allowable vending sites shall only be done after consultations with affected
31 vendors.

1
2 If a new public market is constructed in place of an old one, market vendors with
3 stalls displaced from their workplaces shall be assured of a stall assignment in the new
4 market. Displaced ambulant vendors shall, as much as practicable, also be given
5 appropriate selling sites.
6

7 **SEC. 13. *Relocation of Terminals.*** – Designated terminals for tricycles, pedicabs, and
8 other similar modes of transportation shall not be arbitrarily relocated without prior
9 notice and consultation with small transport groups, legitimate organizations of WIE,
10 affected community, and other relevant sectors. Relocation of terminals can only be
11 effected through an ordinance: *Provided*, That after enacting such ordinance, a notice of
12 intention to relocate terminals shall be made to affected transport groups and
13 community at least sixty (60) days before the actual relocation.
14

15 **SEC. 14. *Right to Self-Organization and Collective Bargaining.*** – Informal workers
16 that are registered and are part of the formal economy shall have the right to form, join,
17 or assist in the formation of a labor organization of their own choosing for purposes of
18 collective bargaining, for mutual aid benefit, and to engage in concerted activities which
19 are not contrary to law.
20

21 **CHAPTER IV**
22 **SOCIAL PROTECTION**
23

24 **SEC. 15. *Institutionalization of Social Protection Floor.*** – The State shall support,
25 sustain, enhance, and institutionalize social protection initiatives for WIE through the
26 convergence of resources of various agencies to provide continuous social security and
27 health insurance subsidies to WIE. Such resources shall also be used for programs for
28 the unemployed, children, women in difficult and vulnerable circumstances, and older
29 persons based on applicable and ever-improving standards.
30

1 **SEC. 16. *Social Welfare Efforts.*** – The Department of Social Welfare and
2 Development (DSWD) shall consolidate its strategic social welfare efforts to address the
3 needs of the WIE, including direct assistance, policy development, and community
4 engagement for the workers.

5
6 **SEC. 17. *Role of the Department of Labor and Employment.*** – The Department of
7 Labor and Employment (DOLE) shall engage in labor market interventions that provide
8 adequate protection for the WIE. The DOLE shall likewise ensure timely and immediate
9 action for labor concerns, security of tenure, job generation and other pertinent
10 concerns. The DOLE shall, in collaboration with the Department of Interior and Local
11 Government (DILG), Department of Finance (DOF), and other livelihood and enterprise
12 development implementing agencies, develop a typology of formalization of informal
13 economic units in terms of registration, affordable business permit cost, increased
14 compliance, and extension of labor and social security program, among others.

15
16 **SEC. 18. *Social Safety Nets.*** – The State shall ensure that the social safety nets
17 provided by the DOLE, DSWD, Department of Agriculture (DA), and other
18 government agencies shall be easily accessible to the WIE and their organizations. These
19 include conditional cash transfers, unconditional cash transfers, school feeding
20 programs, unconditional in-kind transfers, public works, cash-for-work, emergency
21 employment schemes, and fee waivers.

22
23 **SEC. 19. *Women, Family, and Child Care Program.*** – The DOLE, Department of
24 Health (DOH), Philippine Health Insurance Corporation (PhilHealth), and DSWD shall
25 ensure that maternity protection is extended to WIE in accordance with Sections 9 and
26 10 of Republic Act No. 11210, otherwise known as the “105-Day Expanded Maternity
27 Leave Law”. Programs on maternal and child health and nutrition, child feeding,
28 modern family planning, and other health-related services shall be strengthened for
29 women WIE.

1 The State shall encourage the provision of and access to affordable quality childcare
2 and other care services to promote gender equality in entrepreneurship, employment
3 opportunities, and to enable the transition to a formal economy.
4

5 **SEC. 20. *Social Welfare Benefits.*** – The government shall ensure that social welfare
6 programs such as Social Security System (SSS), Home Development Mutual Fund (Pag-
7 IBIG Fund), PhilHealth, and Government Service Insurance System (GSIS) shall be fully
8 available, accessible and affordable to WIE, and that the government agencies
9 governing them shall formulate policies and mechanisms for their full utilization and
10 benefit, in consultation with the representatives of WIE.
11

12 **SEC. 21. *Disaster Risk Reduction and Management and Climate Change.*** – The State,
13 particularly at the community level, shall engage WIE and their organizations in
14 disaster risk reduction and management efforts for preparedness, response,
15 rehabilitation, and recovery. The WIE and their organizations shall also be involved in
16 responding to the effects of climate change, particularly minimizing contributions to
17 greenhouse gas emissions and adapting to its long-term impact through resiliency-
18 building programs.
19

20 CHAPTER V

21 LABOR STANDARDS AND ENFORCEMENT OF LABOR LAWS

22

23 **SEC. 22. *Applicability of the Labor Code.*** – The provisions of Presidential Decree No.
24 442, as amended, otherwise known as the “Labor Code of the Philippines”, governing
25 the employer-employee relationship, particularly on general labor standards and
26 occupational safety and health standards, shall apply to all forms of work arrangements
27 in the informal economy.
28

29 The State shall adopt a developmental perspective in dealing with informal economic
30 units. The DOLE shall, in coordination with the Informal Economy Development
31 Council (IEDC), assess the capacity of these enterprises to comply with general labor

standards. Informal economic units incapable of meeting the standards shall be assisted in upgrading their capacity to improve their businesses, as well as the ability to comply with relevant labor and social standards.

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

SEC. 24. *Visitorial and Enforcement Power of the Secretary of Labor and Employment.* – Employment contracts 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.

TITLE II

INFORMAL ECONOMY DEVELOPMENT COUNCIL

CHAPTER I

COMPOSITION AND ORGANIZATION

SEC. 25. *Informal Economy Development Council.* – There is hereby created an 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, 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 to facilitate the transition of informal economic units to the formal economy.

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

1
2 **SEC. 26. Powers and Functions.** – The IEDC shall exercise the following powers and
3 functions:

- 4
- 5 (a) Develop and ensure implementation of annual, long-term, and medium-term
6 plans for the informal economy which should form part of the Medium-Term
7 Philippine Development Plans (MTPDP) towards institutionalizing
8 comprehensive, needs- and rights-based, gender-responsive and child-friendly
9 programs and policies for the WIE;
 - 10 (b) Develop policies to transition WIE and informal economic units to the formal
11 economy and according to standards provided for in this Act and related laws,
12 treaties, or statutes;
 - 13 (c) Develop and implement training programs, and certify workers for jobs in
14 industries that produce goods and render services for the benefit of the WIE;
 - 15 (d) Develop and ensure implementation of gender-based monitoring and
16 evaluation mechanisms, efficient and effective programs and policies, and
17 gender-responsive interventions toward harnessing the full potential of women
18 WIE;
 - 19 (e) Ensure that concerned government agencies shall allocate in their respective
20 Special Allocation for Development Initiatives adequate resources for programs
21 that benefit WIE;
 - 22 (f) Develop and ensure implementation of a simple system of registration of WIE
23 and accreditation of informal livelihood activities enterprises, and organizations
24 in accordance with the standards and provisions of this Act;
 - 25 (g) Provide guidelines for LGUs to implement a fair and credible system of
26 evaluating, accrediting, reviewing and assessing WIE, as well as granting merit
27 promotions, awards, and incentives, in accordance with the provisions of this
28 Act;
 - 29 (h) Ensure the effective implementation of labor standards covering WIE, as
30 provided for in this Act and its corresponding IRR;

- 1 (i) Coordinate with LGUs for the development and implementation of periodic
2 evaluation of all accredited WIE members, enterprises, and organizations for use
3 as bases for accreditation, grant of awards and incentives, and training and
4 retraining;
- 5 (j) Ensure effective participation of WIE and their organizations through the
6 establishment of regular consultative mechanisms and processes;
- 7 (k) Establish and develop a centralized and sex-disaggregated database system to
8 effectively guide policy formulation and implementation relative to the WIE
9 which must be available for public use while strictly complying with laws on
10 privacy and confidentiality including other pertinent information specified in
11 the IRR of this Act;
- 12 (l) Develop and implement a communication plan and campaign targeting WIE,
13 their enterprises, and organizations towards a better understanding and
14 appreciation of the benefits of this Act;
- 15 (m) Consistent with Section 2 (d) of this Act, to develop and ensure implementation
16 of a comprehensive plan to eliminate child labor;
- 17 (n) Assess all means to ensure the transition of informal economic units and the WIE
18 from their position in the informal economy to the formal economy;
- 19 (o) Coordinate and harmonize all informal economy-related policies, programs,
20 projects, and activities of various government agencies, including the regional
21 IEDC officers, towards greater efficiency and effectiveness;
- 22 (p) Monitor LGU-generated income from informal employment;
- 23 (q) Conduct annual reviews of government programs for the WIE and submit to
24 Congress and the President of the Philippines corresponding reports thereon
25 together with policy and other recommendations;
- 26 (r) Develop and ensure implementation of accessible just conflict resolution and
27 adjudication systems and mechanisms to promote dialogue, conciliation,
28 mediation, and redress of grievances to protect the rights of WIE; and
- 29 (s) Call on the participation of relevant government agencies in its deliberations as
30 necessary from time to time.
31

1 **SEC. 27. Composition.** – The IEDC is co-chaired by the Director General of NEDA
2 and the Secretary of Labor and Employment. IEDC members may elect a vice-
3 chairperson from among themselves to preside over meetings in the absence of the
4 chairperson. The members are the relevant government instrumentalities to be
5 determined by the IRR of this Act: *Provided, That* at least thirty percent (30%) of the total
6 membership of IEDC shall come from organizations of WIE accredited with the SEC,
7 DOLE, or DA: *Provided, further, That* at least thirty percent (30%) are women.

8
9 Representatives from the social partners, private sector, NGOs, and WIE
10 organizations shall serve as IEDC members for a term of three (3) years without re-
11 election and shall be subject to terms and conditions provided for by the IRR.

12
13 **SEC. 28. IEDC Secretariat.** – The IEDC secretariat shall be jointly organized by the
14 NEDA and the DOLE whose functions shall be determined by the IRR of this Act and
15 integrated with the DOLE secretariat functions.

16
17 **SEC. 29. Regional and Provincial IEDC Officers.** – There shall be regional and
18 provincial IEDC officers who shall be appointed by the IEDC and shall have functions
19 that include: (a) monitoring and coordinating of IEDC initiatives in the regions and
20 provinces as well as evaluation of policies and programs for WIE; (b) providing
21 technical assistance in the development of local plans and programs; and (c) providing
22 other administrative functions necessary for the success of IEDC initiatives in their
23 jurisdiction.

24
25 IEDC regional officers shall have automatic seats in all Regional Development
26 Councils (RDCs).

1 CHAPTER II

2 WORKERS IN THE INFORMAL EMPLOYMENT LOCAL DEVELOPMENT
3 OFFICE
4

5 SEC. 30. *Workers in the Informal Economy Local Development Office.* – The
6 Workers in the Informal Economy Local Development Office (WIELDO) shall, in
7 consultation with the WIE and their organizations, be established in every city and
8 municipality to perform the following functions:
9

- 10 (a) Prepare an overall development plan and work program that address the needs
11 of the WIE incorporating the barangay development plans;
12 (b) Encourage the organization of informal economic units and WIE;
13 (c) Develop and maintain a comprehensive, age, and sex-disaggregated database of
14 all WIE and economic units within the LGU's jurisdiction, including all relevant
15 information as contained in the IRR of this Act: *Provided, That* laws on privacy
16 and confidentiality shall be fully complied with: *Provided, further, That* the
17 database shall include information on payments collected from WIE,
18 organizations, and economic units;
19 (d) Establish an informal economy one-stop shop center which handles all
20 transactions and processing of business permit applications within their
21 respective jurisdiction and worker's registration;
22 (e) Support micro small and medium enterprises (MSMEs) informal enterprise
23 development towards transitioning to formality; and
24 (f) Perform other similar functions and undertakings pursuant to the provisions of
25 this Act.
26

27 In the performance of WIELDO's functions, the principle of preferential treatment to
28 the poorest and most vulnerable shall be observed.
29

30 SEC. 31. *Composition.* – The local chief executives (LECs) are the primary overseers
31 of WIELDO operations. The IRR of this Act shall provide for WIELDO's composition.

1 The informal workers' representatives shall form at least fifty percent (50%) of
2 WIELDO's membership: *Provided*, That WIE representatives are not less than five (5)
3 and at least thirty percent (30%) of WIELDO's members are women. Other relevant
4 guidelines on WIELDO's operations shall be included in the IRR of this Act.

5
6 **SEC. 32. Local Government Unit - Informal Economy Development Fund.** - A local
7 government unit - informal economy development fund (LFU-IEDF) shall be
8 established in every municipality and city. Such fund shall be supervised and managed
9 by the concerned LGU through the WIELDO and subject to audit by the Commission
10 on Audit (COA).

11
12 For the initial operations of WIELDO, each LGU shall allocate a portion from its
13 internal revenue allotment or IRA.

14
15 Thereafter, the LGU-IEDF shall be funded with the following:

- 16
17 (a) Registration fees and annual dues paid by individual workers in the informal
18 economy and accreditation fees of their livelihood activities, organizations, and
19 enterprises; and
20 (b) Annual allocations from LGUs' development fund the percentage of which shall
21 be determined by LGUs.

22
23 Following the principle of merit and equity, LGUs that fulfill such allocations may
24 receive additional assistance from the national government as recommended by the
25 IEDC: *Provided*, That the LGUs have sufficiently complied with all requirements by the
26 IEDC.

27
28 **SEC. 33. Registration of WIE and Accreditation of Economic Units and**
29 **Organizations.** - Pursuant to its functions under the Local Government Code, the Local
30 Development Council (LDC), in coordination with the WIELDO, shall establish a
31 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.

SEC. 34. *Annual Dues.* – WIE and their organizations shall pay annual dues to be determined by the concerned LGU, in consultation with their WIELDO. Said annual dues shall not exceed more than thirty percent (30%) of the legally prescribed daily minimum wage in their respective regions or provinces.

The 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 WIELDO and the local informal economy constituents.

SEC. 35. *Registration and Non-Registration.* – In no case shall registration be construed as a basis for rights and entitlements under this Act. Non-registration shall not deprive WIE of their rights stated in this Act. Registration as a WIE in the LGU is voluntary and shall not be considered a prerequisite to work in 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

SEC. 36. *Prohibited Acts.* – The following are prohibited acts:

- (a) *Non-compliance with minimum labor standards and occupational health and safety standards.* – The employment contract must be in writing, with specified terms and conditions of engagement, and 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

1 explained to the worker and to be attested by an elected barangay official in the
2 barangay where the worker is designated to work.

3 (b) *Charging of recruitment or finders' fees.* – Regardless of whether the worker was
4 sourced either through an employment agency or a third party, WIE shall neither
5 be charged nor levied a recruitment fee or finders' fee.

6 (c) *Hazardous working conditions.* – Workers shall not be engaged to do hazardous
7 work, activity, or undertaking, or be exposed to hazardous working conditions
8 in accordance with existing laws.

9 (d) *Interference and coercion.* – Any person is prohibited from committing any of the
10 following acts of interference or coercion:

11 a. Preventing any worker from upholding or exercising one's rights;

12 b. Preventing any worker from joining or assisting an organization for
13 purposes not contrary to law;

14 c. Preventing any worker from carrying out one's duties or functions in an
15 organization, or penalizing the same for any lawful action performed in
16 that capacity;

17 d. Harassing, threatening, coercing, or intimidating any worker that results
18 in preventing the worker from performing one's duties and functions;

19 e. Transferring, penalizing, or terminating the services of a worker without
20 valid or legal ground; and

21 f. Other acts that threaten to diminish the independence and freedom of a
22 workers' organization to direct its own affairs.

23 (e) *Non-compliance with Republic Act No. 7610, as amended, otherwise known as the*
24 *"Special Protection of Children Against Child Abuse, Exploitation and Discrimination*
25 *Act," in the employment of minors.* – In cases where minors are contracted or hired
26 to render work or services, the age must be at least fifteen (15) years old, and their
27 employment contract must include parental or legal guardian consent, which is
28 presented and attested to by any representative of the LGU or duly elected
29 barangay official where the work is to be done. Employers of these children must
30 provide them with access to at least elementary or secondary education, either
31 through traditional schooling or alternative learning systems.

1
2 **SEC. 37. Penalties.** – (a) Any person who fails to comply with the minimum labor
3 standards and occupational health and safety standards; charge or levy recruitment or
4 finders' fees regardless of whether the worker was sourced either through an
5 employment agency or a third party; or caused the worker to do hazardous work,
6 activity, or undertaking or be exposed to hazardous working conditions, in violation of
7 Section 37 (a), (b), and (c) of this Act, shall, upon conviction, be punished by a fine of
8 not less than Two Hundred Thousand Pesos (PhP200,000.00), but not more than Three
9 Hundred Thousand Pesos (PhP300,000.00), or imprisonment of one (1) month and one
10 (1) day to six (6) months, or both at the discretion of the court.

11
12 (b) Any person who willfully interferes with, restrains, or coerces a worker in the
13 exercise of the worker's rights under Section 37 (d) of this Act, shall, upon conviction,
14 be punished by a fine of not less than Three Hundred Thousand Pesos (PhP300,000.00),
15 but not more than Five Hundred Thousand Pesos (PhP500,000.00), or imprisonment of
16 six (6) months and one (1) day to six (6) years, or both at the discretion of the court.

17
18 (c) Any person who fails to comply with RA No. 7610, as amended, in the
19 employment of minors under Section 37 (e) of this Act shall, in addition to the penalty
20 of imprisonment imposed by RA No. 7610, as amended, be punished by a fine of not
21 less than Three Hundred Thousand Pesos (PhP300,000.00), but not more than Five
22 Hundred Thousand Pesos (PhP500,000.00).

23
24 (d) Any person who violates the provision on policy on confiscation of materials, and
25 impounding of vehicles under Section 11 of this Act, shall be punished with a fine of
26 not less than One Hundred Thousand Pesos (PhP100,000.00), but not more than Two
27 Hundred Thousand Pesos (PhP200,000.00). Nothing herein shall prohibit the aggrieved
28 WIE from initiating a criminal or civil action against the responsible person or officer.

29
30 (e) Any official or employee who fails to implement the provision on the relocation
31 of vending sites and policy on relocation of terminals under Sections 12 and 13 of this

1 Act shall be administratively liable pursuant to RA No. 7610, as amended, and other
2 applicable laws without prejudice to any civil or criminal case that may be filed against
3 the erring official or employee. If the act is committed by a private person or private
4 juridical entity, its business license shall be suspended or revoked at the discretion of
5 the court.

6
7 If the offender is a public official or employee, the court may impose the penalty of
8 disqualification to hold public office, in addition to the penalties provided in the
9 preceding paragraph.

10
11 If the offender is a juridical entity, the person criminally liable shall be its board of
12 directors, officers, or employees who participated in the illegal acts.

13
14 **SEC. 38. *Transitory Clause.*** – Within five (5) years from the effectivity of this Act, all
15 WIE are entitled to the same labor standards as workers in the formal economy, in
16 accordance with Section 22 of this Act.

17
18 **SEC. 39. *Appropriations.*** – The amount of One Hundred Million Pesos
19 (PhP100,000,000.00) from the Presidential Discretionary Fund is hereby appropriated
20 for the initial implementation of this Act. Thereafter, such sums as may be necessary for
21 this continued implementation shall be included in the annual General Appropriations
22 Act.

23
24 **SEC. 40. *Implementing Rules and Regulations.*** – Within ninety (90) days from the
25 effectivity of this Act, the Secretary of Labor and Employment shall, in consultation with
26 the Director-General of NEDA, concerned government agencies, and WIE
27 organizations, promulgate the necessary rules and regulations for the effective
28 implementation of this Act.

1 **SEC. 41. *Separability Clause.*** - If any provision of this Act is declared
2 unconstitutional or invalid, the provisions not affected shall continue to be in full force
3 and effect.

4
5 **SEC. 42. *Repealing Clause.*** - All laws, decrees, orders, rules and regulations, or other
6 issuances inconsistent with the provisions of this Act are hereby repealed, amended, or
7 modified accordingly.

8
9 **SEC. 43. *Effectivity.*** - This Act shall take effect fifteen (15) days following its
10 publication in the Official Gazette or in a newspaper of general circulation.

11
12 *Approved,*