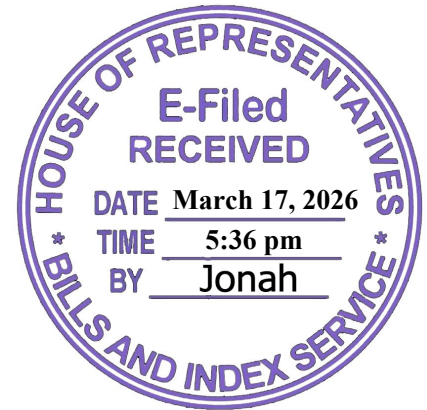


**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City**

**Twentieth Congress
First Regular Session**

House Bill No. 8628



**Introduced by Honorable Representatives
DADAH KIRAM ISMULA (Akbayan Partylist)
JOSE MANUEL TADEO "CHEL" I. DIOKNO (Akbayan Partylist)
PERCIVAL V. CENDAÑA (Akbayan Partylist)
KAKA BAG-AO (Dinagat Islands)**

**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

Every day, millions of Filipinos rely on the labor of vendors, transport workers, home-based producers, and small-scale service providers operating in the informal economy. Yet despite their indispensable contribution to economic life, many of these workers remain outside the reach of labor protection and social security systems. Many operate without formal recognition, job security, or access to social protection programs. Women workers, in particular, face additional barriers due to persistent gender inequality and the absence of adequate support services such as childcare and reproductive health programs.

The Constitution recognizes labor as a primary social and economic force and mandates the State to promote social justice and protect the rights and welfare of workers.¹ This includes extending protection and opportunities to sectors that have historically been excluded from formal economic systems. It is therefore a constitutional and social imperative to ensure that workers in the informal economy are afforded rights, protections, and opportunities that will enable them to improve their living conditions and contribute more productively to national development.

This proposed measure seeks to establish a comprehensive framework that affirms the fundamental rights of workers in the informal economy. These include security of and in the workplace, safe and healthy working conditions, equal

¹ Article II, Section 18, 1987 Philippine Constitution

remuneration for work of equal value, freedom from discrimination, and the right to self-organization and participation in decision-making processes.

The bill likewise seeks to strengthen the economic capacities of informal workers by improving access to markets, financial services, training, technology, and infrastructure support. It also provides safeguards against unjust eviction from workplaces and arbitrary relocation of vending sites and transport terminals.

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



DADAH KIRAM ISMULA
Akbayan Representative



JOSE MANUEL TADEO
"CHEL" I. DIOKNO
Akbayan Representative



PERCIVAL V. CENDAÑA
Akbayan Representative



KAKA BAG-AO
Dinagat Islands Representative

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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 as the "*Magna Carta of
Workers in the Informal Economy*" or **MACWIE**.

Sec. 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

- 1 (c) Establish and fully implement an integrated and coherent policy, at all levels of
2 government, of formalization of informal economic units and informal economy
3 workers and make them visible in all relevant national and local statistics.
4

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

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

- 8 i. self-employed workers;
9 ii. self-employed own-account workers;
10 iii. employers;
11 iv. members of cooperatives; and
12 v. 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 for economic
16 units in the informal economy, including but not limited to those in contract
17 arrangement and/or in supply chains, or as non-regular paid domestic workers
18 employed by households;

19 (d) Workers in unrecognized or unregulated employment relationships, provided
20 that the work performed is not illegal;

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 **Sec. 4. Definition of Terms.** – For the purposes of this Act, the following terms are
27 defined as follows:
28

29 (a) **Informal Economy** refers to “all economic activities by workers and economic
30 units that are, in law or in practice, not covered or insufficiently covered by
31 formal arrangements.”

32 (b) **Economic Units in the informal economy** include but are not limited to:

- 33 a. Units that employ hired labor;
34 b. units that are owned by individuals working on their own account, either
35 alone or with the help or contributing family workers;
36 c. cooperatives and other social and solidarity economy units; and
37 d. informal work that may be found across all sectors of the economy, in
38 households, as well as public and private spaces including government
39 instrumentalities and Government Owned and Controlled Corporations
40 (GOCCs)

41 (c) **Informal Economy Workers’ Organization** refers to a group or groups of
42 informal workers, whether formally constituted or otherwise, that are organized
43 with the primary objective of promoting the rights and welfare of workers in
44 informal economy.

45 (d) **Informal employment** refers to an employment arrangement in the formal
46 or informal sectors or in households that exist based mostly on casual

1 employment, kinship or personal and social relations with no formal guarantees
2 on legal and social protection and employment benefits, and prevalent in
3 economic units that are unregistered, unlicensed and unregulated.

4 (e) **Security of and in the Workplace** refers to the right of every worker and
5 informal economic unit to an enabling environment that guarantees and
6 protects the spaces, facilities, and structures to undertake their work, including
7 the right to feel safe in one's own work space, legal security of tenure and
8 freedom from discrimination, risk, danger, doubt, anxiety, or fear of being
9 removed, evicted or prevented from working.

10 (f) **Social Protection** refers to policies and programs that seek to reduce poverty
11 and vulnerability to risks and enhance the social status of the marginalized by
12 promoting and protecting livelihood and employment, protecting against
13 hazards and sudden loss of income, and improving people's capacity to manage
14 risk, as well as all other interventions that support communities, households,
15 and individuals, both women and men, and realizing their rights as citizens
16 through their full participation in decision-making affecting or may affect their
17 access to and control over resources necessary to maintain and sustain a
18 decent and secure life.

19
20 Social protection schemes shall include labor market interventions, social
21 insurance, social welfare, safety nets, disaster risk reduction and management
22 mechanisms, adaptive measures in the context of climate change, affordable
23 housing, and other provisions necessary for vulnerable groups to adequately
24 address and manage risks, vulnerabilities, and threats to workers' livelihood
25 activities and overall quality of life.

26 (g) **Social and Solidarity Economy Units** refers to enterprises and
27 organizations including cooperatives as defined under Republic Act No. 9520,
28 mutual benefit societies, associations, foundations and social enterprises which
29 produce goods, services and knowledge that meet the needs of the community
30 they serve, through the pursuit of specific social and environmental objectives
31 and the fostering of solidarity.

32 (h) **Volunteer, contractual, job orders, and other vulnerable workers in**
33 **government instrumentalities** refers to workers in government
34 instrumentalities who do not occupy plantilla positions; receive salaries but not
35 benefits; are contracted out for specific periods of time; and/or who receive
36 allowances or honoraria. These include but are not limited to: [job order and
37 other contractual workers,] project staff, barangay health workers, barangay
38 tanod, barangay nutrition scholars, barangay daycare workers, barangay
39 volunteers and other vulnerable workers in government instrumentalities for
40 disasters, enumerators, among others.

41 (i) **Social Protection Floor** refers to a set of guarantees ensuring access to
42 essential health services, income support for children for education, health, and
43 nutrition, income assistance for economically active groups who do not have
44 sufficient earnings in case of emergencies, and financial support for elderly
45 population, and women informal workers in difficult and vulnerable
46 circumstances like single mothers, and women survivors of abuse and violence.

Chapter II RIGHTS AND BENEFITS

Sec. 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 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 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

- 1 and other resources relevant to the promotion and protection of their rights
2 and welfare;
3 (q) Equal access to justice through appropriate mechanisms, including, but not
4 limited to, alternative dispute resolution processes; and
5 (r) Access to public procurement including advice and reserving quotas for informal
6 economic units.

7
8 **Sec. 6.** Own-account workers as well as informal economic units, being the working
9 poor's primary instruments to address and overcome poverty, shall be accorded the
10 following preferential rights by the State:

- 11
12 (a) Infrastructure support such as farm to market roads, common, affordable and
13 secure workplaces and facilities, merchandising centers, farmers' markets or
14 *Bagsakan* with proper storage facilities, and inventory bulk-buying centers;
15 (b) Policy support to promote and protect local and domestically-produced products
16 and services, and support in enhancing their participation in the value chain
17 process;
18 (c) Ease and facilitation of access to markets, including capacity-building to access
19 and maximize e-marketing facilities;
20 (d) Access to affordable, appropriate and adequate financial services, including,
21 among others, collateral-free and gender-responsive credit at low interest;
22 (e) Access to appropriate and adequate machinery, equipment, and other
23 technologies, with the end in view of increasing productivity, enhancing quality
24 of products and services, and growth;
25 (f) Protection from unjust dislocation from places where economic activities are
26 conducted with the "provision of relocation before demolition";
27 (g) Measures against racketeering, extortion, and harassment, by both State and
28 non-State elements;
29 (h) Freedom from deprivation of property without valid cause and due process of
30 law; and,
31 (i) Affordable and customized social security and insurance programs.

32
33 **Sec. 7.** Rights of Legitimate Organizations of Workers in the Informal Economy
34 (WIE), Organizations of workers in informal employment, including unions,
35 cooperatives, social and solidarity economic units/organizations and mutual benefit
36 associations, shall have the right to:

- 37 (a) Freely function and act as the representatives of their members in policy and
38 decision-making processes, collective negotiations, and other similar bodies
39 and processes in the context of tripartism and multi-sector;
40 (b) Establish, join or affiliate with local unions, national federations or
41 confederations, and international trade union organizations, a right which shall
42 be duly recognized, protected and supported by the national government;
43 (c) Access information from concerned government institutions and other parties
44 that are pertinent to the protection and promotion of the rights and welfare of
45 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.

Sec. 8. Organizing Workers in Informal Economy. – Workers in informal economy 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.

Sec. 9. Assistance to Organizations of Workers 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 concerns of organizations of workers in the informal economy and their members.

Chapter III

SECURITY IN THE WORKPLACE OF WORKERS IN INFORMAL ECONOMY

Sec. 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 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.

Sec. 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 R.A. 7279, otherwise known as the "Urban Development and Housing Act of 1992", and 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.

1 ***Sec. 12. Policy on Confiscation of Materials and Impounding of Vehicles. –***

2 In cases where demolition or eviction is warranted, the person, government agencies
3 or their agents who conduct the same shall issue a duly signed itemized receipt of all
4 products, goods, and other materials seized from vendors and other affected WIE.

5
6 Tricycles, *pedicabs*, and other modes of transportation shall not be impounded for
7 violations of license, registration, or traffic regulations unless the said vehicles were
8 utilized in the conduct of criminal activities. In cases of violation of traffic regulations,
9 the issuance of a traffic violation ticket shall suffice.

10
11 ***Sec. 13. Policy on Relocation of Vending Sites. –*** Before any public market is
12 closed, sold or demolished, all market vendors shall first be relocated by the LGU to a
13 temporary or new public market. Relocation to a temporary market shall only be valid
14 until a new public market is constructed, and shall in no way be considered permanent.
15 Notice of the intention to close, sell, or demolish any public market shall be made to
16 all concerned vendors at least sixty (60) days before the actual transfer or relocation
17 to another market site. Within the sixty (60)-day period after issuance of notice, the
18 LGU shall conduct consultations with affected vendors on the selection of the
19 relocation site and implementation of the relocation.

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

28
29 In the event that a new public market is constructed in place of an old one, market
30 vendors with stalls displaced from their workplaces shall be assured of stall assignment
31 in the new market. Displaced ambulant vendors, shall, as much as practicable also be
32 given appropriate selling sites. To safeguard the livelihood of all affected vendors,
33 rental rates as a result of the redevelopment shall in no case exceed five per cent
34 (5%) above the original rate.

35
36 ***Sec. 14. Policy on Relocation of Terminals. –*** Designated terminals for tricycles,
37 *pedicabs* and other similar modes of transportation shall not be arbitrarily relocated
38 without prior notice and consultation with small transport groups, legitimate
39 organizations of workers in the informal economy, affected community and other
40 relevant sectors. Relocation of terminals can only be affected through an Ordinance.
41 Provided further, that after the enactment of such ordinance, notice of intention to
42 relocate terminals shall be made to affected transport groups and community at least
43 sixty (60) days before the actual relocation.

1
2 Social protection as defined in Section 4(f) of this Act shall have the following
3 components:
4

5 ***Sec. 15. Institutionalization of Social Protection Floor for the Workers in the***
6 ***Informal Economy.*** – The State shall support, sustain, enhance, and institutionalize
7 social protection initiatives for WIE through the convergence of resources of various
8 agencies to provide continuous social security and health insurance subsidies to WIE.
9 Such resources shall also be used for programs for the unemployed, children, women
10 in difficult and vulnerable circumstances, and older persons based on applicable and
11 ever-improving standards.
12

13 ***Sec. 16. Social Welfare Efforts.*** – The Department of Social Welfare and
14 Development (DSWD) shall consolidate its strategic social welfare efforts to address
15 the needs of the workers in the informal economy, including but not limited to direct
16 assistance, policy development and community engagement for the workers.
17

18 ***Sec. 17. Role of the Department of Labor and Employment.*** – The DOLE shall
19 engage in labor market interventions that shall provide adequate protection for the
20 WIE. The DOLE shall likewise ensure timely and immediate action for labor concerns,
21 security of tenure, job generation and other pertinent concerns. It shall, in
22 collaboration with other livelihood and enterprise development implementing
23 agencies, Department of Local Government (DILG) and Department of Finance (DOF),
24 develop a typology of formalization of informal economic units in terms of, among
25 others, registration and standardized, affordable business permit cost, increased
26 compliance, and extension of labor and social security program.
27

28 ***Sec. 18. Social Safety Nets.*** – The State shall ensure that the social safety nets
29 provided by the DOLE, DSWD, Department of Agriculture (DA) and other government
30 agencies shall be easily accessible to the WIE and their organizations. These shall
31 include, but not be limited to, conditional cash transfers, unconditional cash transfers,
32 school feeding programs, unconditional in-kind transfers, public works, cash-for-work,
33 emergency employment schemes, and fee waivers.
34

35 ***Sec. 19. Women, Family and Child Care Program.*** – The DOLE, Department of
36 Health (DOH), Philippine Health Insurance Corporation (PhilHealth), and DSWD shall
37 ensure that maternity protection is extended to informal economy workers in
38 accordance with Sections 9 and 10 of R.A. 11210, the Expanded Maternity Leave Law.
39 Programs on maternal and child health and nutrition; child feeding; modern family
40 planning; and other health-related services shall be strengthened and target women
41 WIE.
42

43 The State shall encourage the provision of and access to affordable quality childcare
44 and other care services to promote gender equality in entrepreneurship, employment
45 opportunities, and to enable the transition to formal economy.
46

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

9
10 ***Sec. 21. Disaster Risk Reduction and Management (DRRM) and Climate***
11 ***Change.*** – The state, particularly at the community level, shall engage WIE and their
12 organizations in DRRM efforts from preparedness, to response, rehabilitation and
13 recovery. Responding to climate change in terms of minimizing contributions to
14 greenhouse gas emissions and adapting to its long-term impact through resiliency-
15 building programs shall also involve WIE and their organizations.

16
17 **Chapter V**
18 **LABOR STANDARDS AND ENFORCEMENT OF LABOR LAWS**
19 **FOR WORKERS IN THE INFORMAL ECONOMY**
20

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

25
26 The state shall adopt a developmental perspective in dealing with informal economic
27 units. The DOLE, in coordination with the IEDC, shall assess the capacity of these
28 enterprises to comply with general labor standards. Those incapable of meeting the
29 standards shall be assisted to upgrade their capacity to improve their businesses, as
30 well as the capacity to comply with relevant labor and social standards.

31
32 ***Sec. 23. Prioritization for Education and Training.*** – The DOLE shall conduct
33 adequate training and information campaigns to provide WIE and their employers the
34 full knowledge on applicable labor and occupational safety and health standards for
35 their subsequent compliance.

36
37 ***Sec. 24. Prohibited Acts Specific to Workers in the Informal Economy.*** – The
38 following are deemed prohibited:

- 39
40 (a) Non-compliance with minimum labor standards and occupational health and
41 safety standards. The employment contract shall be in writing specifying the
42 terms and conditions of engagement, which must not be lower than the
43 minimum standards provided by law. However, the absence of a written
44 agreement does not mean the absence of an employment relationship.

1 The contract shall be explained to the worker and attested to by an elected
2 Barangay Official in the barangay where the worker is designated to work or
3 by an IP leader/elder.
4

5 (b) Recruitment or Finders' Fees. Regardless of whether the worker was sourced
6 either through an employment agency or a third party, WIE shall neither be
7 charged nor levied a recruitment fee or finders' fee.
8

9 (c) Hazardous Work and Conditions in Formal Workplaces. Workers shall not be
10 engaged to do hazardous work, activity or undertaking, or be exposed to
11 hazardous working conditions in accordance with existing laws and the IRR of
12 this Act.
13

14 (d) Interference and Coercion. Any person is prohibited from committing any of the
15 following acts of interference or coercion:

- 16 i. Preventing any worker from upholding or exercising his/her rights;
- 17 ii. Preventing any worker from joining or assisting an organization for
18 purposes not contrary to law;
- 19 iii. Preventing any worker from carrying out his/her duties or functions in
20 an organization, or to penalize the same for any lawful action performed
21 in that capacity;
- 22 iv. Harassing, threatening, coercing or intimidating any worker that results
23 in preventing him or her from performing his or her duties and functions;
- 24 v. Transferring, penalizing or terminating the services of a worker without
25 valid or legal ground; and
- 26 vi. Other acts that or threaten to diminish the independence and freedom
27 of a workers' organization to direct its own affairs.

28 (e) Non-compliance with Republic Act No. 7610, as amended by Republic Act No.
29 9231 in the employment of minors. In cases where minors are contracted or
30 hired to render work or services, the age should be at least fifteen (15) years
31 old and there is parental or legal guardian consent in the employment contract,
32 which is presented and attested to by any representative of the LGU or duly
33 elected Barangay official where the work is to be done and the local social
34 worker, and that the employers of these children should provide them with
35 access to at least elementary or secondary education, either through traditional
36 schooling or alternative learning systems.
37

38 ***Sec. 25. Visitorial and Enforcement Power of the Secretary of Labor and***
39 ***Employment.*** – Employment contracts and/or engagements in the Informal Economy
40 shall be subject to the visitorial and enforcement power of the Secretary of Labor and
41 Employment pursuant to Article 128 of the Labor Code of the Philippines.
42

43 **TITLE II**
44 **Chapter I**
45 **INFORMAL ECONOMY DEVELOPMENT COUNCIL (IEDC)**
46

1 ***Sec. 26. Creation of the Informal Economy Development Council (IEDC).*** -

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

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

12
13 ***Sec. 27. Mandate and Functions of IEDC.*** – The mandate and functions of IEDC
14 shall include the following:

- 15
16 (a) Develop and ensure implementation of annual, long-term and medium-term
17 plans for the informal economy. The last of which should form part of the
18 Medium-Term Philippine Development Plans (MTPDP) towards institutionalizing
19 comprehensive, needs and rights-based, gender-responsive and child-friendly
20 programs and policies for the IE;
21 (b) Develop policies to transition WIE and informal economic units to formal
22 economy and according to standards provided for in this Act and related laws,
23 treaties or statutes;
24 (c) Develop and implement training programs, and certify workers for jobs in
25 industries that produce goods and render services for the benefit of the WIE;
26 (d) Develop and ensure implementation of gender-based monitoring and
27 evaluation mechanisms, efficient and effective programs and policies, and
28 gender-responsive interventions toward harnessing the full potential of women
29 WIE;
30 (e) Ensure that concerned government agencies shall allocate in their respective
31 Special Allocation for Development Initiatives adequate resources for programs
32 that will benefit WIE;
33 (f) Develop and ensure implementation of a simple system of registration of WIE,
34 and accreditation of informal livelihood activities enterprises, and organizations
35 in accordance with the standards and provisions of this Act;
36 (g) Provide guidelines for the implementation by LGUs of a fair and credible system
37 of evaluation, accreditation, review and assessment, merit promotion,
38 rendering of grant and incentive awards and other policies relative to the
39 effective and efficient implementation of this Act;
40 (h) Ensure the effective implementation of labor standards covering WIE as
41 provided for by this Act and corresponding IRR;
42 (i) Coordinate with LGUs for the development and implementation of periodic
43 evaluation of all accredited IE members, enterprises and organizations for use
44 as bases for accreditation, the grant of awards and incentives, training and
45 retraining;
46 (j) Ensure effective participation of WIE and their organizations through the
47 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 [and] 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 WIE; and
- (s) From time to time, call on the participation of relevant government agencies in its deliberations as necessary.

Sec. 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 thirty per cent (30%) of total membership of IEDC shall come from organizations of WIE accredited with the SEC, DOLE or DA. *Provided, further,* that at least forty per cent (40%) of the thirty per cent (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.

Sec. 29. Initial IEDC Funds. – One Hundred Million Pesos (PhP 100,000,000.00) 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 WIELDU at the LGU level.

Sec. 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.

1 **Sec. 31. Regional and Provincial IEDC Officers.** – There shall be Regional and
2 Provincial IEDC Officers who shall be appointed by the IEDC and shall have functions
3 that include: monitoring and coordinating of IEDC initiatives in the regions and
4 Provinces; evaluation of policies programs for WIE; providing technical assistance in
5 the development of local plans and programs; as well as other administrative functions
6 necessary for the success of IEDC initiatives in their jurisdiction.

7
8 IEDC Regional Officers shall have automatic seats in all Regional Development
9 Councils (RDCs).

10
11 **Chapter II**
12 **WORKERS IN INFORMAL ECONOMY LOCAL DEVELOPMENT UNIT**
13 **(WIELDU)**
14

15 **Sec. 32. Workers in Informal Economy Local Development Unit (WIELDU).**

16 – The Workers in Informal Economy Local Development Unit (WIELDU) shall be
17 established in every city and municipality to perform the following functions, among
18 others, in consultation with the WIE and their organizations:
19

- 20 (a) prepare an overall development plan and work program that will address the
21 needs of the WIE. The barangay development plans shall be incorporated in
22 this overall development plan;
23 (b) encourage the organizing of informal economic units and WIE;
24 (c) develop and maintain a comprehensive, age, and sex-disaggregated database
25 of all WIE and economic units within the jurisdiction of the LGU that shall
26 include all relevant information as contained in the IRR of this Act. Provided
27 that, laws on privacy and confidentiality shall be fully complied with. Provided
28 further, that the database shall include information on payments collected from
29 WIE, organizations and economic units;
30 (d) establish an IE One-Stop Shop Center which shall handle all transactions and
31 processing of business permit applications within their respective jurisdiction
32 and worker's registration; and,
33 (e) support MSME informal enterprise development towards transitioning to
34 formality.
35

36 In addition, the WIELDU may also perform other similar functions and undertakings
37 pursuant to the provisions of this Act. In the performance of WIELDU's functions, the
38 principle of preferential treatment to the poorest and most vulnerable shall be
39 observed.
40

41 **Sec. 33. Composition.** – The Local Chief Executives (LCEs) shall be the primary
42 overseers of WIELDU's operations. The IRR of this Act shall provide for WIELDU's
43 composition provided, that, informal workers' representatives shall form at least fifty
44 per cent (50%) of WIELDU's membership. Provided further, that IE representatives
45 shall not be less than five (5), and provided finally, that at least forty per cent (40%)
46 of all WIELDO's members are women. Other relevant guidelines on WIELDU's
47 operations shall be included in the IRR of this Act.
48

Sec. 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 for their livelihood activities, organizations, and enterprises; and
- (b) Annual allocations from LGUs' Development Fund the percentage of which shall be determined by LGUs.

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.

Sec. 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.

Sec. 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 thirty per cent (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.

Sec. 37. Registration and non-registration. – In no case shall registration be construed as a basis for rights and entitlements 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 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.

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TITLE III FINAL PROVISIONS

Sec. 38. Penal Provisions. – To ensure compliance with the rights and obligations established under this Act, the following penalties shall be imposed upon any person, public official, juridical entity, or institution found to have committed violations thereof:

- (a) Any person who shall willfully interfere with, restrain or coerce a worker in the exercise of his or her rights or shall in any manner commit any act in violation of any of the provisions of this Act shall, upon conviction, be punished by a fine of not less than Twenty Thousand Pesos (PhP 20,000.00) or imprisonment of one (1) to six (6) years or both fine and imprisonment at the discretion of the Court.

In cases of juridical entities, its officers shall be held liable under this provision;

- (b) Juridical entities found to be utilizing informal employment, whether entirely or partially, in their operations shall have such operations suspended and/or their licenses revoked upon any violation of the provisions of this Act;

- (c) 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;

- (d) 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; and

- (e) 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 7160 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.

Sec. 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 thirty per cent (30%) of the committee members shall come from the latter, and provided further, that at least thirty per cent (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.

47

1 **Sec. 40. Appropriations.** – The amount of One Hundred Million Pesos (PhP
2 100,000,000.00) shall be appropriated for the initial implementation of this Act.
3

4 **Sec. 41. Separability Clause.** – If any provision of this Act is declared
5 unconstitutional or invalid, the provisions not affected shall continue to be in full force
6 and effect.
7

8 **Sec. 42. Repealing Clause.** – All laws, decrees, orders, rules and regulations or
9 other issuances inconsistent with the provisions of this Act are hereby repealed,
10 amended or modified accordingly,
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12 **Sec. 43. Effectivity.** – This Act shall take effect fifteen (15) days after its publication
13 in at least two (2) newspapers of general circulation of the Official Gazette, whichever
14 comes first.

Approved,