

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

Office of the Secretary

22 JUL 19 P6:43

RECEIVED BY 

SENATE

S.B. No. 776

Introduced by Senator SONNY ANGARA

**AN ACT
INSTITUTIONALIZING THE REGISTRATION AND THE NATIONAL DATABASE
OF WORKERS, ECONOMIC UNITS, AND ORGANIZATIONS OR
ASSOCIATIONS IN THE INFORMAL ECONOMY AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The COVID-19 pandemic has been described by the Food and Agriculture Organization of the United Nations (FAO) as a major economic and labor market shock for the informal sector.¹ Restrictions to movement and community quarantines that have been enforced in almost all states around the world, including here in the Philippines, caused loss of jobs and livelihood for many informal workers and enterprises as it halted everyday activities that this vulnerable group earns from.

The informal economy comprises numerous activities, which include, among others, home-based workers, vendors, small transport operators, small and landless farmers, artisanal fisherfolk, non-corporate construction workers, waste pickers and recyclers, small-scale miners and quarry workers, entertainers, laundry persons, hairdressers, on-call domestic helpers, barangay health workers and other volunteer workers.

Workers in the informal economy are reported to be no less than 10.5 Million in the 2008 Informal Sector Survey², with later estimates indicating an increase to 15.6 Million³ last 2017. More than mere figures, these numbers represent actual

¹ Food and Agriculture Organization of the United Nations (FAO), 7 April 2020. Impact of COVID-19 on Informal Workers.

² Philippine Statistics Authority, 2009. Informal Sector Operators Counted at 10.5 Million (Results from the 2008 Informal Sector Survey).

³ Rappler, 2017. Fast Facts: What you need to know about PH's informal sector workers.

individuals who perform day-to-day tasks that are essential but without tenure or specific employment terms.

Amid the pandemic, affected workers have been receiving subsidies and have been covered by other assistance programs of the government. However, informal economy workers and enterprises are often absent in official statistics. Groups such as the Alliance of Workers in the Informal Economy/Sector (ALLWIES) raised that there are varying interpretations among LGUs as to who are covered in the informal sector. Further, government agencies noted that there incomplete or differing data on the sector.

The International Labour Organization (ILO) reported the problematic situation as public authorities are struggling to identify and to reach these workers and enterprises who are mostly unregistered.⁴ The availability of comprehensive data on this vulnerable group would provide government agencies a clearer picture of their needs and concerns and better targeted assistance programs, particularly in times of crisis.

Therefore, it is only proper to institutionalize a registry to extensively determine workers and enterprises in the informal economy. The proposed measure mandates a standard registration scheme at the local level for informal sector workers, economic units, and organizations or associations that shall then be consolidated in a national database to serve as the basis of the State in assessing the growth of the sector and in creating initiatives for the informal economy.

In view of the foregoing, the approval of this measure is earnestly sought.



SONNY ANGARA
JP

⁴ International Labour Organization (ILO), May 2020. COVID-19 Crisis and the Informal Economy.

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

1 Section. 1. *Short Title.* – This Act shall be known as the “Informal Economy
2 Registration and National Database Act.”

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

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

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

16 a) Those in the informal economy who own and operate economic units,
17 including self-employed workers, self-employed own-account workers,

1 employers, members of cooperatives, and members of other social and
2 solidarity economy units;

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

5 c) Employees holding informal jobs in or for formal enterprises, or for
6 economic units in the informal economy, including those in contract
7 arrangement and/or in supply chains, or as paid domestic workers
8 employed by households;

9 d) Workers in unrecognized or unregulated employment relationships;

10 e) Agricultural workers or fisherfolk in unrecognized or unregulated
11 agricultural or farming endeavors and fishing activities; and

12 f) Non-regular domestic workers.

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

15 a) *Informal Economy* – refers to all economic activity by workers and economic
16 units that are, in law or in practice, not covered or insufficiently covered by
17 laws or formal arrangements.

18 b) *Informal Economic Units* – refer to units that are owned by individuals
19 working on their own account either alone or with the help or contributing
20 family workers; household enterprises engaged in the production of goods
21 and services or unincorporated enterprises owned by households;
22 cooperatives and other social and solidarity economy units.

23 c) *Informal Economy Workers' Organization* – refers to a group of informal
24 sector workers that are organized with the primary objective of promoting
25 the rights and welfare of workers in the informal economy.

26 d) *Informal Employment* – refers to an employment arrangement in the formal
27 or informal sectors or in households that exist based mostly on casual
28 employment, kinship or personal and social relations with no formal
29 guarantees on legal protection and benefits economic units that are
30 unregistered, unlicensed, and unregulated.

31 e) *Own-account worker* – refers to workers who, working on their own account
32 or with one or more partners, hold the type of job defined as a self-

1 employed job, and have not engaged on a continuous basis any employees
2 to work for them during the reference period.

- 3 f) Social and Solidarity Economy Units – refer to enterprises and organizations
4 including cooperatives as defined under Republic Act No. 9520 (Philippine
5 Cooperative Code of 2008), mutual benefit societies, associations,
6 foundations and social enterprises which produce goods, services and
7 knowledge that meet the needs of the community they serve, through the
8 pursuit of specific social and environmental objectives and the fostering of
9 solidarity.

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

- 15 a) Workers – There shall be a simple and standard system of registration in
16 accordance with the principles of this Act. Any Informal Economy worker
17 registered in the local government provided for in this Act shall be listed in
18 a local database and shall be issued an identification card and a record book
19 that shall list all services and benefits availed of. These also signify eligibility
20 to avail of other assistance and development programs: *Provided,* That the
21 poorest and the most vulnerable workers shall be given priority, including
22 workers who are severely and directly affected by a national emergency.

23 The concerned local government unit (LGU) shall review, revalidate and
24 reassess such local database as a tool for planning and for other purposes
25 every two (2) years. Renewal of eligibility shall be in accordance with the
26 merit and fitness principle, and with the conditions that no child labor shall
27 be used and no activities harmful to the environment shall be implemented.

- 28 b) Informal Economic Unit – A local comprehensive database of all economic
29 units shall be developed and maintained. Such database shall take into
30 account the different sub-classifications in terms of asset size, number of
31 workers, social insurance provided, statutory benefits and wages, industry,
32 geography, premises, sex, ethnicity, vulnerability, and roles and functions.

1 Moreover, the local database shall include information on payments
2 collected by the LGU from Informal Economy workers, organizations, and
3 economic units.

4 All local government units shall formulate a uniform and simple checklist
5 of requirements for registration, and establish an Informal Economy One-
6 Stop Shop Center or designate an existing office that shall handle all
7 transactions and processing of business permit applications within their
8 respective jurisdiction and worker's registration. The Center or the
9 designated office shall ensure that the processing of relevant permits and
10 licenses of the Informal Economic Units shall comply with Republic Act No.
11 11032 (Ease of Doing Business and Efficient Government Service Delivery
12 Act of 2018).

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

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

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

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

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

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

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

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

Approved,